

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 22 November 2006

The Council met at Eleven o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI, J.P.

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

THE HONOURABLE WONG YUNG-KAN, 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

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

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

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

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

THE HONOURABLE TOMMY CHEUNG YU-YAN, 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 MA LIK, G.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.

THE HONOURABLE CHIM PUI-CHUNG

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

THE HONOURABLE ALBERT JINGHAN CHENG

THE HONOURABLE KWONG CHI-KIN

THE HONOURABLE TAM HEUNG-MAN

PUBLIC OFFICERS ATTENDING:

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

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

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

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

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

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

CLERKS IN ATTENDANCE:

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

MS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

PRESIDENT (in Cantonese): Clerk, please ring the bell. A quorum is lacking now.

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

PRESIDENT (in Cantonese): A quorum is now present, the meeting starts now.

TABLING OF PAPERS

The following papers were laid on the table pursuant to Rule 21(2) of the Rules of Procedure:

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Fugitive Offenders (Germany) Order	251/2006
Fugitive Offenders (Republic of Korea) Order	252/2006
Antiquities and Monuments (Declaration of Historical Building) Notice 2006.....	253/2006
Banking (Specification of Multilateral Development Bank) (Amendment) Notice 2006	254/2006
Import and Export (General) Regulations (Amendment of Seventh Schedule) (Bangladesh) Notice 2006	255/2006
Market to which the Public Health and Municipal Services Ordinance applies Declaration 2006	256/2006

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Question. First question. I have already given my consent for Mr TAM Yiu-chung to ask this question on behalf of Mr Jasper TSANG.

Supply and Demand of University Student Hostel Places

1. **MR TAM YIU-CHUNG** (in Cantonese): *President, regarding the supply and demand of student hostel places at various universities, will the Government inform this Council:*

- (a) *whether it knows the current situation regarding the supply and demand of student hostels at various universities; if there is a shortfall, of the short-term relief measures the Government will take;*
- (b) *of the projects for construction of university student hostels, which have already been allocated funds for implementation or are under planning at present; and the anticipated supply and demand of student hostel places at various universities upon completion of such hostels; and*
- (c) *whether it knows if universities have encountered any difficulties in identifying suitable sites for construction of student hostels; if there are difficulties, how the Government assists universities in terms of land planning and co-ordination among the government departments concerned?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese):
Madam President,

- (a) Based on the existing criteria for calculating the level of publicly-funded student hostel provision as approved by the Executive Council in 1996, by the 2007-2008 academic year, the University Grants Committee (UGC)-funded sector should be provided with about 27 700 publicly-funded hostel places. As there are currently about 21 400 publicly-funded student hostel places, the UGC-funded sector will thus have a shortfall of about 6 300 publicly-funded hostel places by the 2007-2008 academic year.

We are mindful of the keen demand for hostels from local and non-local students; but in view of the lead time required for planning

and executing hostel projects, the Government has been encouraging the institutions to make the best use of their existing stock of student hostels and to explore imaginatively other possible options to meet students' (including non-local students') increasing demand for hostels. For example, The Chinese University of Hong Kong (CUHK) and The Hong Kong Polytechnic University (PolyU) have entered into collaboration arrangements with The Hong Kong Institute of Education (HKIEd) whereby students of CUHK and PolyU will be able to take up HKIEd's student hostels and be provided with shuttle services transporting them to and from campuses. Meanwhile, some institutions are considering other short-term relief measures, such as temporary conversion of some existing hostel units so as to accommodate more students.

Furthermore, the Administration has, on top of what is being provided under the established policy, provided the UGC-funded sector with an additional 1 840 publicly-funded student hostel places to cater for the accommodation needs of non-local and exchange students. The UGC has already allocated these places to the institutions, and the institutions are in the process of drawing up their student hostel projects.

- (b) To address the hostel shortfall, the Administration has earmarked funding for the following three new hostel projects:
- (1) The University of Hong Kong's (HKU) student hostel project at Lung Wah Street (providing 1 800 student hostel places);
 - (2) The City University of Hong Kong's Phase 4 student hostel project within campus (providing 700 places); and
 - (3) CUHK's student hostel project within campus (providing 1 500 places including 81 which are privately-funded places).

Subject to the funding approval of the Finance Committee (FC) of the Legislative Council, these three projects will altogether provide about 4 000 additional publicly-funded student hostel places.

In addition, we understand that both PolyU and The Hong Kong University of Science and Technology (HKUST) have recently submitted their hostel project proposals to the UGC for consideration. The two projects involve the construction of a total of about 2 400 publicly-funded hostel places.

Subject to funding approval, the UGC-funded sector will, upon completion of the above five hostel projects and together with those places currently available as I have mentioned at the beginning, provide a total of about 27 800 publicly-funded student hostel places and thus be able to meet the existing shortfall.

This notwithstanding, the implementation of the four-year undergraduate curriculum from the 2012-2013 academic year onwards will lead to an increase in the student number of the UGC-funded sector and hence the demand for hostels (it is estimated that an additional 2 200 publicly-funded hostel places will be required). In fact, any increase in the student population (for example, increasing the admission of non-local students) in the UGC-funded institutions will increase the demand for hostel places under the established policy.

- (c) In view of the high population density and the limited supply of land in Hong Kong, some institutions, particularly those located in the urban area, have experienced some difficulties in identifying and/or securing suitable sites for hostel development. Generally speaking, institutions are encouraged to, wherever possible, identify suitable sites within campus for hostel development, or to redevelop existing campus buildings/facilities into hostels so as to maximize the development and utilization of their own land. If institutions have genuine need to develop hostels or other facilities outside campus and if their requests for additional land are supported by the UGC and the Administration, the Administration will follow established mechanisms to help institutions identify land and grant them the land required. Such mechanisms have proved to be effective in helping institutions to overcome their problems. If any institution encounters difficulties in the process, they may approach the bureaux or departments concerned which stand ready to render them assistance.

MR TAM YIU-CHUNG (in Cantonese): *President, the Government did state in the past its hope for every university student to stay at least one year in a university hostel during his or her studies in a university and for students who need to spend four hours or more on travelling to and fro their universities to stay in a hostel. However, in the main reply, we cannot find these targets stated by the Government. Have these targets been revised, or are these targets indeed difficult to accomplish?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, they are still our existing targets, and we will continue to pursue them. The first target is to let each university student to spend a year in a student hostel, and the second target is to grant hostel places to students living in remote areas who need to travel for more than four hours to and fro their universities. We will continue to uphold this principle.

MR CHEUNG MAN-KWONG (in Cantonese): *President, in the main reply, the Government admitted that in the coming academic year, there would be a shortfall of 6 300 hostel places. In fact, the shortfall of hostel places has already aroused grievances in universities. In CUHK, 110 postgraduate students have complained about the shortage of hostel places. Students of the HKU staged a demonstration, while students of HKUST complained about 48 students having to live under the same roof in their hostel, just like living in a refugee camp. Does the Government agree that if the problem of hostel place shortage remains unsolved, this will lead to more serious conflicts and more disputes in future? In fact, the number of hostel places available is related to the internationalization of education. Is the serious shortfall in hostel places at present a result of the wrong hostel policy and wrong estimation of hostel places made at the time, as well as a planning failure?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, as I have said before, the building of hostel or other buildings takes time. At present, we are short of some 6 000 hostel places, but some 6 000 hostel places are planned to be built, so the problem should be solved. However, can it be done immediately today? Certainly not, for it has to be accomplished over a period of time. However, our estimation of the places required is correct.

MR CHEUNG MAN-KWONG (in Cantonese): *The Secretary has not answered the crux of my supplementary question. The crux of my question is that the authorities should be able to estimate the number of hostel places required when they introduced the internationalization plan on education. In view of the serious shortage now, does it imply that mistakes on planning were made at the time the estimate was done?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, absolutely no mistakes have been made in this respect. For if it is about internationalization, that is, the accommodation of non-local students, the Government has already provided funding for the building of hostels to provide 1 840 places for them.

DR YEUNG SUM (in Cantonese): *Madam President, in fact, hostel life is an integral part of university education. In the main reply, the Government said that in the 2007-2008 academic year, there would be a shortfall of 6 300 hostel places, and by 2012, when the "3-3-4" academic structure is implemented, there would be an additional shortfall of 2 200 hostel places. May I ask the Secretary whether resources will be deployed for this particular purpose or whether an ad hoc group will be set up to follow up the problem of serious shortfall of hostel places? For it takes years to build hostels.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): We are aware of the accommodation need of non-local students studying in Hong Kong. At present, the Chief Secretary for Administration has already set up a steering committee to conduct a review and look at the operation of the entire policy.

PROF PATRICK LAU (in Cantonese): *I would like to follow up the supplementary question raised by Dr YEUNG Sum earlier. In the main reply, the Secretary said that different options would be explored to meet the demand of students for hostels and that the construction of hostels would take time. May I ask the Government whether it will consider converting some vacant campus buildings into hostels, and whether it will set up hostels for international students, similar to the international house in London, which are operated by different organizations?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, we will consider different options. But what is the problem? The problem is that universities hope that their hostels can be located near their campuses; otherwise, it will cause inconvenience to students. Therefore, there is a difficulty in looking for vacant school campuses near the universities.

MR JASPER TSANG (in Cantonese): *President, as it is the objective of universities to enable their students to spend at least one year in hostels during their several years of studies in universities, it proves that universities also consider hostel life a valuable part of university education rather than just the provision of accommodation. Will the Secretary then agree that if hostel life is to form a meaningful part of university education, the styles and traditions of hostels, as well as the features of hostel life are very important? That is the hall spirit which I have mentioned in the past. If a majority of students living in hostels can only stay for a year, it will be difficult to establish and maintain a meaningful culture and traditions in a hostel. May I ask the authorities whether there are figures indicating the percentage of university students staying more than a year at hostels, and whether this percentage is adequate in establishing and maintaining some meaningful hall cultures and traditions?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I do not have figures indicating the number of university students who can stay in university hostels for three years. However, if students have difficulties in transport, the university concerned may handle such cases in a lenient manner and allow those students to stay in the university hostel for more than one year. I very much agree with Mr Jasper TSANG's opinion that hostel life is also part of the education.

MR HOWARD YOUNG (in Cantonese): *President, I believe the shortfall of 6 300 hostel places mentioned by the Secretary earlier is posing a particular difficulty to students from overseas, for at least they do not have a home to stay in. May I ask the Secretary whether he will consider temporarily adopting a voucher scheme similar to that for kindergarten education or take reference of such scheme, so that students from overseas unable to get a hostel place in the meantime may secure their accommodation by means of this voucher scheme?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): For the education voucher scheme, I have done it once and I believe it is so terrifying that no one will dare to do it again. *(Laughter)*

MISS TAM HEUNG-MAN (in Cantonese): *I also sympathize with the Secretary.*

The Secretary said earlier that there was a shortfall of 6 000 hostel places. May I ask the Secretary, since he said earlier that these hostels should better be located near the universities, whether the Government will consider renting some places in private developments nearby on this ground so that students may temporarily live in the vicinity of the universities?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): These hostels are in fact a community, for students living there have built up their own team spirit, and these hostels mean more than just the provision of a bedspace. Therefore, if students are separated and allowed to rent different places, they will be scattered and this defeats the principle of education. We hope that a team spirit can be developed among students by letting them stay in hostels, so we have no plans to let them rent different places outside universities.

MR LAU KONG-WAH (in Cantonese): *The Secretary said that there was a shortfall of about 6 300 hostel places according to the relevant figures, but he later added that 6 300 hostel place would be provided in future, which could just make up for the shortfall. However, I notice that in part (b) of the main reply, the Secretary did not seem to have explained how the shortfall of 6 300 hostel places would be met, and whether the shortfall of hostel places of each university could be met precisely and within a short period. According to the information I have obtained, a number of universities seem to encounter particular difficulty in respect of land for disposal. Will the Secretary tell us a timeframe when the problem will really be solved?*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, as I said, we are now short of 6 300 hostel places, but the shortfall could be met upon the completion of five projects. Moreover, an

additional 1 840 hostel places would be provided for non-local students. For the meantime, we should be able to cope with the shortfall. However, if Members ask whether this can be done today or within this year, I can only say that though we have proceeded to the construction work, we may not manage to do so. However, according to the plans, the shortfall can be met precisely. But given the different situations of individual institutions, the shortfall of hostel places of certain institutions may be more serious than the others, so even if we can make up for the shortfall of 6 300 hostel places, different institutions may still face different problems owing to the minor problem they encounter in respect of location and land. As I said, institutions located in the urban area are facing a particular problem in this respect, for they do not have much land and their campuses are relatively small, and so there is a difficulty in building hostels within the campuses.

MR LAU KONG-WAH (in Cantonese): *President, the Secretary has not answered my supplementary question. He said that according to the plans, the shortfall of 6 300 hostel places could be met, but my question was when this could be done. The Secretary did not seem to have provided a timeframe, particularly in respect of institutions which are facing a problem of land use.*

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, the funding for the building of these hostels requires the approval of the FC of the Legislative Council, and I cannot be sure when the FC will approve the funding proposal, for this is the decision of the FC. We do hope that the FC will grant the funding approval as soon as possible, so that we may accomplish the target expeditiously.

PRESIDENT (in Cantonese): We have spent more than 17 minutes on this question. Last supplementary question.

DR KWOK KA-KI (in Cantonese): *Madam President, I am concerned about the shortage of hostel places in the HKU. I notice from the main reply that 1 800 hostel places would be provided at the hostel at Lung Wah Street. I believe the consultation work in this respect should have completed and the hostel should be allowed to build. At present, in the Western District, including*

Kennedy Town, the design work for new planning is conducted by the Planning Department. There are sites close to the HKU, such as the slaughterhouse and the incineration plant which have ceased operation. May I ask the Secretary whether he has helped the HKU to apply to the Planning Department for the change of land use of those sites to hostel purpose?

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Cantonese): Madam President, the HKU has not requested us to provide assistance in this respect, but it has asked us to help in the project at Lung Wah Street, which we have done so. We hope that the hostel at Lung Wah Street will be completed in 2011.

PRESIDENT (in Cantonese): Second question.

New Nature Conservation Policy

2. **MR DANIEL LAM** (in Cantonese): *Madam President, under the new nature conservation policy announced in 2004, the Government has launched two pilot schemes, namely management agreements (MA) and public-private partnership (PPP). The entire sum of \$5 million earmarked for the pilot scheme on MA has so far been allocated to provide funding for three projects. As for the pilot scheme on PPP, while six applications have been received, none of the applications has been approved so far. In this connection, will the Government inform this Council:*

- (a) *given that the organizations which have received funding to implement the above three projects need to bear the conservation costs two years after the commencement of the projects, whether the authorities have assessed in different phases the progress and effectiveness of the measures adopted by these organizations to raise funds for the projects; if so, of the assessment criteria and the assessment results in different phases; if not, the reasons for that;*
- (b) *of the reasons why none of the applications submitted under the pilot scheme on PPP has been approved so far, as well as the current progress in processing the six applications; and*

- (c) *whether it has considered setting up a nature conservation fund for Hong Kong, so as to solve the financial problems relating to the implementation of the new nature conservation policy and sustain its implementation; if so, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS
(in Cantonese):

- (a) The Pilot Scheme for Management Agreements (MA) under the New Nature Conservation Policy was launched in end 2005. The Environment and Conservation Fund Committee approved an allocation of \$4.62 million to non-governmental organizations (NGOs) for the implementation of three pilot MA projects at Fung Yuen and Long Valley for two years. The progress has been satisfactory since the implementation of the Pilot Scheme a year ago. Three NGOs have signed MAs with landowners to actively conserve about 900 000 square feet of land.

The Agriculture, Fisheries and Conservation Department (AFCD) has been closely monitoring the implementation of the Pilot MA projects. Each NGO is required to submit a progress report with information on the progress and financial position of the project once every three months. The AFCD representatives also attend meetings of the advisory and management committees of the projects and conduct site visits to monitor the progress. We will review the effectiveness, operation and sources of funding of the Pilot MA projects in the second quarter of 2007 and decide on the way forward.

- (b) We received six applications under the Pilot Scheme for Public-private Partnership (PPP), which involve land located at Sha Lo Tung, Tai Ho, Wu Kau Tang, Mui Tsz Lam and Mau Ping, Yung Shue O, and Tin Fook Wai. The Government has set up an Inter-departmental Task Force, comprising representatives from departments responsible for conservation, planning, environmental and works, to examine the applications. Having regard to a number of factors including site constraints, transport arrangements,

ecological conditions, land use compatibility, infrastructure capacity, financial viability of the management plan, monitoring arrangements, and so on, the Task Force will consider the proposals on a case-by-case basis. Development proposals involve non *in situ* land exchange would only be considered with full justifications. Owing to the complexity and variables involved in the Pilot PPP Scheme, the time required for vetting the PPP proposals is longer than expected.

- (c) Establishment of a nature conservation trust can facilitate pooling of funds from all sectors of the community for protection and conservation of the natural heritage of Hong Kong. It will provide an alternative source of funding to sustain nature conservation efforts. Some applications received under the PPP also propose the establishment of site-specific trust, in order to finance the long-term conservation of the concerned site. We are examining the feasibility of the suggestion, in particular the sustainability and cost-effectiveness of the trust. We will make reference to the experience of the PPP Pilot Scheme and explore the possibility of establishing a nature conservation trust in Hong Kong.

MR DANIEL LAM (in Cantonese): *Thanks to the Secretary for her reply. The new policy has undoubtedly been implemented for quite some time, but since the response to it is not encouraging, it is believed that there is still room for review.*

A few months ago, Mr LAU Wong-fat, Chairman of the Heung Yee Kuk (HYK), conducted a number of studies jointly with a reputed local green group, and some very good suggestions have been made. As the Secretary just mentioned that a review will be carried out next year, I wonder if the views of the HYK will be considered as well.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): The review mentioned by me just now relates to the effectiveness of the Pilot Scheme for MA, and it will be carried out next year because by that time the Scheme would have been implemented for more than one year. We will examine the effectiveness of co-operation between the NGOs and private

landowners, instead of carrying out a comprehensive review of the New Nature Conservation Policy. And yet, the concerns of the HYK and the green groups as raised by Mr LAM have actually been subject to constant review because a successful PPP approach has yet to be identified. Therefore, we still have to work hard on this. We also hope that the useful opinions can help solve some of the problems.

Furthermore, as it is a new attempt, most of the problems have not been encountered before. We therefore also wish to maintain close co-operation with the Rural Committees.

MR DANIEL LAM (in Cantonese): *It is hoped that the views of the HYK will be given weight.*

PRESIDENT (in Cantonese): You have contravened the rule governing Question Time, because only questions can be raised during this part of the meeting and there should not be any expression of personal wish.

MR LAU WONG-FAT (in Cantonese): *Madam President, since applications submitted under the Scheme involve too many departments, has the Government considered setting up an inter-departmental task force or committee to co-ordinate the vetting of applications?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): With regard to Mr LAU's supplementary question, an Inter-departmental Task Force has actually been set up to examine PPP proposals, and it comprises four units, namely, the AFCD, Planning Department (PD), Environment, Transport and Works Bureau and Environmental Protection Department. Certainly, there will be divergent views on different issues. But just as I pointed out earlier, development proposals submitted under PPP which involves non in-situ land exchange must be approved by the Lands Department (LandsD) and PD, and there should not be policy conflicts. As a result, the time required is longer.

MR CHEUNG HOK-MING (in Cantonese): *The Secretary is well versed in the new conservation policy, and highly recommended it in 2004. It has been nearly two years now, and of course, there have been successes and failures. Earlier, the Secretary mentioned that a review of the Pilot Scheme for MA will be carried out next year, but my worry is about the six pieces of land recommended by the Secretary (together with another three pieces of land in which nobody is interested). I wish to ask the Government whether there is a timetable. If the Scheme fails to complete in two years, then how about three years, four years, five years or even 10 years? Will the Government inform the public when it is expected to be completed?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Thanks to Mr CHEUNG for his question. In fact, new approaches have been tried in the formulation of the New Nature Conservation Policy, and that is, the PPP approach. It is precisely because of this new attempt that a shorter timetable is preferred.

While the Pilot Scheme for MA has been completed within very short time, no timetable has been drawn up for the PPP approach. Active discussions and negotiations will be held to ensure public acceptance of the proposals and solutions to various issues under consideration. Therefore, I do not have a timetable at the moment. I can only say that, since there is no statutory time limit for examination, I am not in a position to give a reply now.

PRESIDENT (in Cantonese): Mr Albert CHAN.

MR ALBERT CHAN (in Cantonese): *Yes.....*

MR ABRAHAM SHEK (in Cantonese): *President, insofar as this Scheme is concerned.....*

PRESIDENT (in Cantonese): It should be Mr Albert CHAN who is raising his supplementary question.

MR ABRAHAM SHEK (in Cantonese): *Sorry, President. (Laughter)*

MR ALBERT CHAN (in Cantonese): *It will be most welcomed if Mr Abraham SHEK wishes to change his name.*

President, with regard to the PPP approach, many members of the public worried that the majority of projects would be reduced to property projects as a result of transfer of interests or special approvals for development. Furthermore, the public is kept in the dark about the details of the applications submitted to the Inter-departmental Task Force. Can the Secretary convince the public that the vetting of applications will not be done behind closed doors or inside a black box, neither will the projects be reduced to another form of transfer of interests or property projects?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): As it is imperative to solicit public support for the implementation of the new conservation policy, the prime objective of this policy is therefore conservation, rather than facilitating the use of valuable ecological zones for improper developments.

Therefore, all proponents must submit detailed proposals and undertake to ensure long-term conservation of the relevant zones. Application that fails to meet this requirement will not be accepted at all. Therefore, very often, we have to request the applicants time and again to put more efforts on conservation, with a view to protecting the sites that are more vulnerable ecologically. Not only protection has to be provided, conservation should also be enhanced.

However, given that the land in question is private land, the relevant details will be disclosed only when the applications have entered an advanced stage — say, imminent submission to the Town Planning Board (TPB). Since it is a necessary procedure for the applications to go through the TPB, the details will then be made public. If the details of the proposals are disclosed before there is an agreement on them, it may mislead the public and make any explanation of changes very difficult in future. Therefore, the details will only be made public at an advanced stage when the proposals are gazetted by the TPB on completion of the established statutory process.

MR ABRAHAM SHEK (in Cantonese): *Sorry, President, I rose too early to speak just now because I thought that Mr Albert CHAN might criticize the real estate sector. (Laughter)*

President, I strongly support the conservation policy, particularly the PPP scheme, as it is beneficial to the overall development of Hong Kong. May I ask the Secretary if concrete support has been rendered by the LandsD in the Inter-departmental Task Force? President, it involves many issues relating to land exchange.

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): As I have pointed out in the main reply earlier, the LandsD has been playing a very important role. We have also pointed out that, given the requirements of PPP, development proposals involving non *in situ* land exchange must have with full justifications, and will only be implemented under very special circumstances. Therefore, it is true for the Member to say that the LandsD plays a crucial role.

MR LAU KONG-WAH (in Cantonese): *President, we were all very happy when the Scheme was first introduced, hoping that it could be successful. However, having heard the Secretary's reply just now, it seems that the issue is rather complicated with a lot of variables, not knowing when it can complete. We have merely lost our confidence. In fact, apart from those six pieces of land, there are other sites pending development. Will the Secretary specify more clearly for how much longer will these latter sites become available for application?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): In fact, only 12 but not all the sites are included in the PPP Scheme. As for other sites, applicants may submit applications in accordance with the established procedures and do as required of them, and a decision will be made by the TPB accordingly.

Under the New Nature Conservation Policy, 12 private sites of high ecological importance for conservation have been identified through a scoring system. They were then singled out in the hope of resolving the current problem of development through the PPP or MA options. So, when the Scheme

was announced in April 2004, we called on landowners of these 12 sites who were interested to submit proposals for our consideration. Yet, so far, we have not heard of any expression of interest in three of them.

Mr LAU just said that we did not have a good understanding of the Scheme when it was first introduced, neither was there support from the Rural Committees. However, after numerous discussions and in view of the satisfactory results of the MA scheme, we now have a better understanding of the PPP Scheme after several rounds of discussions. I can say that the level of support is much higher now, and the efforts exerted in the past two years are therefore not wasted.

I hope that we will be able to come up with a proposal which will consider, first of all, the perspective of environmental protection; secondly, how the conservation scheme can be sustained through PPP; and thirdly, whether or not the use of the land concerned is permitted in terms of land administration.

PRESIDENT (in Cantonese): We have spent more than 16 minutes on this question. Last supplementary question.

MR ALBERT CHAN (in Cantonese): *President, I would like to follow up the issue relating to applications. I just mentioned that the whole application process was kept inside the black box and behind closed doors, therefore members of the public could never tell whether it was the applicants who made excessive demands or the government officials being too rigid and bureaucratic. Will the Secretary disclose whether the protracted application process was due to the applicants' failure to follow the original policy directives, who had instead made excessive demands by reducing many projects to property projects and demanding too much in the land exchange?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): In fact, I have already given the answer. Since the whole Scheme involves private landowners, we are therefore not in a position to disclose any detail before entering the concluding stage of the application process. We have nonetheless clearly set out the vetting criteria, which were specified clearly when the new conservation policy was promulgated.

Furthermore, the details of the proposal must be disclosed after discussion in the Task Force and upon endorsement by the authorities, as gazettal by the TPB is a required procedure, and there is nothing to hide then. Perhaps there will be dissenting voices which necessitate our follow-up actions and negotiations. We will definitely not operate inside a black box.

MR ALBERT CHAN (in Cantonese): *In other words, is the application in question being rejected because it did not meet the vetting criteria, or the authorities were too rigid and bureaucratic? President, the Secretary has not answered this point.*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Of course, there are certain parts which warrant discussion with the party concerned to consider how the conservation work can achieve better results; whereas in terms of land administration, there are certain procedures that we must follow.

PRESIDENT (in Cantonese): Third question.

Drug Abuse by Adolescents

3. **DR JOSEPH LEE** (in Cantonese): *President, statistics from the Narcotics Division of the Security Bureau have shown a rising trend in the number of adolescent drug abusers under the age of 21, which was 1 451 for the first half of this year and 1 396 for the same period last year, representing an increase of 3.9%. In this connection, will the Government inform this Council of:*

- (a) *the details of the authorities' policies on prevention of drug abuse by adolescents, and whether it has reviewed such policies as the problem has deteriorated in recent years;*
- (b) *the attendances at the Substance Abuse Clinics in public hospitals by adolescents over the past three years, the recovery rates and the unit costs of treatment; whether the Government knows of the criteria*

adopted by the Hospital Authority (HA) for measuring the efficacy of the services provided and if the HA plans to extend such services; and

- (c) *whether it will adopt a community-based approach by engaging professional teams such as community nurses to explain to adolescents the evils of drug abuse; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR SECURITY (in Cantonese): Madam President,

- (a) The authorities' anti-drug policy is embodied in the "five-pronged" strategy, namely legislation and law enforcement, treatment and rehabilitation, preventive education and publicity, research and external co-operation. All along we have been taking vigorous law-enforcement actions against drug-related crimes and tackling the problem at source. Resources are also continuously being deployed to promulgate anti-drug messages through preventive education and publicity.

The authorities keep a close watch on the drug trends and update the measures in response to changing circumstances. To address the problem of drug abuse, in particular that of psychotropic substance abuse among the youth, we are enhancing preventive education and early intervention to enable youngsters to have an understanding of the harmful effects of drug abuse at an early age and to build up a positive and healthy lifestyle.

On preventive education and publicity, we will embark on a new publicity campaign targeting the youth to educate them on the harmful effects of the most commonly abused drugs.

Starting from this year, we have stepped up our efforts in engaging parents to prevent drug abuse by their children. We organize seminars for parents to improve their skills in communicating with their children, enhance their drug knowledge as well as heighten their awareness of signs of drug abuse. To reach a wide audience of parents, we are working on the production of two special radio programmes to disseminate anti-drug messages.

To educate students on the scourge of drugs at an early age, the Narcotics Division has, since September this year, extended anti-drug education talks to students at Primary Four level and above from the previous Primary Five and above.

Early intervention is also the strategy adopted by the Social Welfare Department for various services targeting the youth, including those Integrated Children and Youth Services Centres providing overnight outreaching service. As regards the five Counselling Centres for Psychotropic Substance Abusers (CCPSAs), we will provide them with additional resources to strengthen outreaching services and collaboration with other stakeholders in helping the youth at risk and young drug abusers.

We will continue to explore new horizons in our fight against drug abuse in response to the trends and establish a strategic partnership with all sectors of the community in this battle.

- (b) According to the information provided by the HA, the number of first attendances by adolescents aged below 21 at the Substance Abuse Clinics in public hospitals and the unit costs of such attendances for the past three years are set out below.

	2003	2004	2005
Number of first attendances	158	184	175
Unit cost per attendance*	\$810	\$780	\$790

* Based on the overall cost for all psychiatric specialist out-patient clinics (including the Substance Abuse Clinics) in the HA

For the number of first attendances by patients aged below 21, the HA does not collate further breakdown figures by different age groups.

At present, the Substance Abuse Clinics provide medical treatment to patients with drug abuse and psychiatric problems. Drug Abuse is a complex disorder with a biological mechanism affecting the brain, which is determined by many factors. The objective of the treatment is not limited to helping the patients bring an end to their

drug abuse, but also includes a further step to effect certain behavioural changes. During the treatment process, health care professionals would carefully observe whether the patients display any manifestation of the co-morbid psychiatric conditions commonly associated with drug abuse, such as schizophrenia, depression and personality disorders, and would provide them with appropriate treatment.

As the treatment for drug abuse involves a very complex process which is subject, to a large extent, to the clinical conditions of patients, there are practical difficulties for the HA to work out relevant recovery rates and the unit costs for treating each patient. In addition, given that the efficacy of drug abuse treatment has to be measured by many different indicators, generalizations are hard to be drawn.

Having regard to the existing services provided by its Substance Abuse Clinics, the usage of such services at present, the need of the public for other specialist psychiatric services and the current allocation of resources, the HA does not have any plan to further expand its clinical services for drug abuse at this stage.

- (c) The authorities have all along made use of different media and channels to disseminate messages to youngsters on the harmful effects of drug abuse. One channel is the collaboration with health care professionals in anti-drug preventive education activities at the community level.

At present, five regional CCPSAs are specifically set up to tackle the problem of psychotropic substance abuse. They work closely with health care professionals in helping the high-risk youth or drug abusers in their respective regions, including conducting programmes to spread the anti-drug message, identifying abusers for early intervention, providing counselling services and following up referral cases. Youth service units of non-governmental organizations also collaborate with health care workers to organize talks and activities in the districts to promulgate the harmful effects of drug abuse.

In addition, the Department of Health (DH) also runs the Adolescent Health Programme to outreach to schools in providing health promotion services. A multi-disciplinary team including doctors, nurses and clinical psychologists provides adolescents with knowledge on psychosocial health, including drug abuse prevention.

To enhance our partnership with medical professionals in helping drug abusers, a working group has been set up under the Treatment and Rehabilitation Sub-Committee of the Action Committee Against Narcotics to study the possibility of strengthening co-operation between private medical practitioners and social workers. The aim is to tap the professional knowledge of medical practitioners to address the medical needs of abusers, extend the network for preventive education and early intervention at the community level so that abusers may be given appropriate services at an early stage.

It is imperative for all stakeholders to make a concerted effort in order to tackle the youth drug abuse problem effectively. We will continue our close partnership with health care professionals and explore with them further co-operation opportunities to fight against the problem.

DR JOSEPH LEE (in Cantonese): *President, may I ask the Secretary whether main reply has considered the policy and legislative perspectives? Having regard to the present rising trend in the number of adolescent drug abusers, will the Government review whether the existing law concerning the trafficking of soft drugs (Dangerous Drugs Ordinance (the Ordinance) (Cap. 134)) imposes strong enough deterrence on trafficking of soft drugs?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, we have scrutinized the Ordinance and found the existing penalty is already very severe. According to the Ordinance, any person on conviction of offences of trafficking or manufacturing dangerous drugs shall be liable to a maximum penalty of a fine of \$5 million and life imprisonment, and a maximum penalty of a fine of \$1 million and imprisonment of seven years on conviction of the offence of illegal possession of dangerous drugs.

We hold that the Ordinance already carries sufficient deterrent effect, and thus for the time being we do not intend to amend the Ordinance or formulate a more stringent law.

MS LI FUNG-YING (in Cantonese): *President, despite the Secretary stating in his main reply that the authorities have seemingly carried out a lot of in-depth work, naming it a five-pronged approach, and that new measures will be initiated this year, it is unfortunate that, instead of a decrease in the number of adolescent drug abusers, we have seen an upward trend in the first half of this year as compared to the same period last year. May I ask the Secretary whether he has any other more effective measures?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, the Government has indeed made a great deal of efforts in curbing the problem of drug abuse, and we can see some of them bearing fruit. According to the information of the Central Registry, the number of drug abusers has been on the decrease over the past few years. In other words, in terms of society as a whole, our measures are rather effective.

Unfortunately, despite the falling number of drug abusers, the number of adolescent drug abusers runs counter to the prevailing trend and has actually increased in the past few years. We in the Security Bureau also think that relying entirely on vigorous law-enforcement actions may not be able to achieve the desired effect. Thus, we often emphasize that it is imperative to have inter-departmental and multi-disciplinary involvement in winning the battle against drug abuse. Other than stepping up enforcement actions, we also have to work in such areas as education, publicity and family collaboration as it is important to enlist the support of family members.

Thus, our new measures now seek to strengthen communication with parents. To this end, we have two new measures which include the broadcasting of radio programmes with the hope to effect a greater impact on community education and family collaboration.

MR LEUNG KWOK-HUNG (in Cantonese): *President, the Secretary has mentioned the five-pronged strategy but it may not be sufficient to tackle the problem as there are so many drug abusers. With respect to the five-pronged*

strategy, the Secretary has quoted some statistics on the costs. May I ask the Secretary what the amount of resources budgeted or expended is under the five-pronged strategy for the period 2003 to 2005?

SECRETARY FOR SECURITY (in Cantonese): Under the five-pronged strategy, nearly \$590 million has been allocated for the 2006-2007 financial year, while \$295 million has been used on legislation and law enforcement, \$269 million on treatment and rehabilitation, \$18.5 million on preventive education and publicity, \$3.9 million on research, and \$1.74 million on external liaison.

MR LEUNG KWOK-HUNG (in Cantonese): *I was asking for the figures for the period of 2003 to 2005.*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I do not have these figures at hand. Please allow me to provide a written answer later as supplement. (Appendix I)

DR FERNANDO CHEUNG (in Cantonese): *President, the adolescent drug abuse problem occurs not only in Hong Kong. As a matter of fact, the phenomenon of adolescents going northward to abuse drugs has become very common nowadays. May I ask the Secretary what policies and measures the authorities have in preventing and tackling the problem of adolescents going northward to abuse drugs?*

SECRETARY FOR SECURITY (in Cantonese): We indeed have raised concern about the so-called cross-boundary drug abuse problem. In response to this problem, we have launched the Sponsorship Scheme on Anti-Cross-boundary Drug Abuse (the Sponsorship Scheme). With donations from members of the community, \$5 million has been secured to the cause of tackling and curbing cross-boundary drug abuse problem.

The Sponsorship Scheme seeks to subsidize non-profit-making organizations in organizing educational and publicity activities in Hong Kong and the Mainland on anti-drug messages.

The Narcotics Division regularly steps up educational and publicity work targeting Hong Kong residents who frequently go to the Mainland. For instance, the Narcotics Division has strengthened its efforts since June this year in publicizing anti-drug messages. Such efforts include broadcasting publicity video clips on buses and the Kowloon-Canton Railway so that people viewing these clips on their way to Lo Wu will be reminded not to abuse drugs. Anti-drug abuse activities are also frequently held at the border control points by the police and non-governmental organizations. The Hong Kong Police Force and the mainland authorities have all along maintained close liaison on matters relating to various cross-boundary crimes, which include exchanging intelligence on drug trafficking and cross-boundary drug abuse, so as to step up law enforcement.

MISS TAM HEUNG-MAN (in Cantonese); *President, in view of the rising figures in this respect, the authorities have said that they will step up educational and publicity efforts. May I ask the Secretary whether he has considered strengthening raid operations against drug abuse in places of entertainment where youngsters often gather such as karaoke establishments so as to enhance the deterrent effect?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, we have carried out work in this respect. Both the District Anti-Triad Squads or the Secondary School Liaison Officers will first step up liaison at the school level and maintain contact with them. Moreover, colleagues in the Anti-Triad Squads will step up patrol at places frequented by youngsters, in particular some black spots. Law-enforcement actions will be carried out when necessary in these places to prevent young people from being influenced by drug traffickers, such as from being lured into taking drugs by peer pressure. Efforts in these respects have been carried out indeed.

PRESIDENT (in Cantonese): We have spent more than 18 minutes on this question. Last supplementary question.

MR DANIEL LAM (in Cantonese): *Madam President, the District Fight Crime Committees have a better understanding of the youth problems in their respective*

districts, but their publicity work has not been given sufficient funding, and they have to rely on funding from District Councils (DCs). Will the Secretary tell us whether he will increase provisions in this respect so as to publicize the message of anti-drug abuse among adolescents?

SECRETARY FOR SECURITY (in Cantonese): Madam President, I have already stated just now that this is one of our important duties. With respect to the amount of provision for publicity work each year, we will liaise with the DCs and the DH. Certainly we need to base our decision on priorities and the needs of different districts.

PRESIDENT (in Cantonese): Fourth question.

Oil Leakages from Power Plants

4. **MR MARTIN LEE** (in Cantonese): *Madam President, it was reported that there was an oil leakage at the Castle Peak Power Station of the CLP Power Hong Kong Limited (CLP) in 2004, and the waters in the vicinity might have been contaminated. However, at that time the CLP had only notified the relevant government departments of the incident without making it public. In this connection, will the Government inform this Council:*

- (a) of the government departments responsible for handling oil leakages from power plants and monitoring the operation of power plants to prevent oil leakages;*
- (b) why the relevant government departments had not informed the public of the oil leakage incident after receiving the report from the CLP; whether power companies are required to make a public announcement in the event of an oil leakage; if so, of the details of the announcement mechanism; if not, the reasons for that; and*
- (c) of the present water quality in the waters affected by the oil leakage, and whether there are signs of contamination?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Cantonese): I would like to reply to the three parts of the question raised by Mr Martin LEE as follows:

- (a) Environmental legislation are in place to monitor the air emissions, sewage discharge as well as chemical waste disposal of power plants. Power plants are required to be licensed in accordance with the relevant legislation. The Environment Protection Department (EPD) will carry out regular inspections at power plants at least four times a year according to the licensing terms and requirements to ensure that their operation meets statutory standards. The EPD also carries out unscheduled inspections in response to complaints or special circumstances. During the inspections, the EPD staff will:
 - (i) inspect all discharge points and conduct sampling for analysis at relevant discharge points;
 - (ii) take enforcement action in accordance with various pollution control ordinances as well as the licensing terms and conditions; and
 - (iii) carry out inspections in response to public complaints or special circumstances.

According to the Dangerous Goods Ordinance (Cap. 295), storage or use of dangerous goods in excess of the exempted quantities requires a dangerous goods license issued by the Fire Services Department (FSD). To ensure the safe operation of oil storage installations and equipment, the FSD, upon the issue of the license, will specify the requirement of regular repair and maintenance of the oil storage installations and other equipment. With regard to oil tank leakages, the FSD also monitors the fire safety of dangerous goods. According to section 129 of the Dangerous Goods (General) Regulations (Cap. 295B), if the licensee of any oil tank has reasonable grounds to suspect that such tank is leaking, he shall forthwith report the circumstances in writing to the FSD. Moreover, the Shipping and Port Control Ordinance stipulates that if any oil is discharged into the waters of Hong Kong, the owner or master of the vessel, or the occupier of the place on land shall forthwith report the occurrence to the Marine Department (MD).

In an oil leakage incident at a power plant or industrial facility, the management staff of the facility must take all practical measures according to their contingency plan to contain and collect the oil spill in order to stop it from spreading to other areas. Oil and other polluted waste collected in the incident should be handled in accordance with the requirements of the chemical waste control regulations and then passed to a licensed collector for delivery to the proper facilities for disposal.

If there is massive oil leakage posing a fire risk, the management staff should immediately ask the FSD for assistance. The response team of the EPD, upon receiving the notification, will send the contractor of the Chemical Waste Treatment Plant at Tsing Yi to the scene to help remove and dispose of polluted waste.

- (b) According to the report provided by the CLP and investigation findings, it was discovered on 29 July 2004 that oil had leaked from a slit in an oil pipe of 2 inches in diameter inside a pipe trench near the fuel pump house. It was believed that heavy rain earlier that day had carried some of the oil spill accumulated in the trench into the sea via the storm water drain. Immediately after the incident, staff of the CLP power station repaired the pipe, stopped the oil leakage and cleaned the polluted sea surface within the same day. The CLP estimated that the amount of oil leaked on that day was less than 0.1 tonne.

On receiving the report of oil spill in the waters off the Castle Peak Power Station, the MD and the EPD immediately deployed their staff to handle the incident. The MD was mainly responsible for controlling and cleaning up the oil spill at sea, while the EPD was mainly responsible for monitoring and evaluating the pollution caused by the leakage. A sea area of 10 000 sq m was involved but only sporadic patches of oil were found at individual locations. The entire clean-up operation was duly completed on that day in accordance with established procedures. The EPD also found in its investigation that the leakage had been contained and most of the oil spill at sea had been cleaned up. Moreover, EPD staff inspected the vicinity and confirmed that there was no sign of oil contamination. As a result, the Government did not inform the public of the incident.

Generally speaking, if the pollution of waters caused by oil spill or other substances affects the nearby beach water quality or the ecology of the water body, the MD and the EPD will, according to the information available, notify the relevant departments to take appropriate actions and inform the public as soon as possible.

On top of the existing mechanism, the EPD has also discussed with the power companies the formulation of a set of guidelines, requiring them to notify the EPD in addition to the relevant government departments as stipulated by law, and take the initiative to inform the public accordingly in the event of environmental pollution incident at their power plants.

- (c) As regards the above oil leakage incident, the EPD has reviewed the data of its regular water monitoring in the territory and other environmental monitoring programmes conducted in the vicinity. An evaluation of the possible impact of the oil spill on the water quality and the marine ecology of the waters in the area has been made. The EPD monitors the sea water quality across the territory and collects water samples from various sea areas for laboratory analysis on a regular basis. According to the water quality data collected and the site observations made in the monitoring station near Tap Shek Kok between August 2004 and September 2006, the water quality in the nearby waters was normal, with no signs of deterioration or oil contamination. Moreover, there was no change in the marine ecology in the neighbouring waters of Tap Shek Kok in the same period.

MR MARTIN LEE: *Madam President, having regard to the fact that existing environmental legislation, referred to in part (a) of the main reply, clearly cast a duty on the Government, in particular the Environmental Protection Department, to monitor air emissions, sewage discharge and chemical waste disposal of power plants, and having further regard to the fact that air pollution in Hong Kong has apparently caused the large investment company, Merrill Lynch, to advise its clients to "buy Singapore office landlords, sell Hong Kong office landlords", as reported on the front page of today's South China Morning Post, will the Administration strengthen its resolve and take all reasonable measures to improve the environment of Hong Kong generally to ensure that Hong Kong's international image will not be tarnished any further?*

PRESIDENT (in Cantonese): Mr Martin LEE, please sit down first. The subject of this question is water pollution, but what you have asked is also appropriate as the Secretary has also mentioned emission of exhaust air. Therefore, I permit you to ask whether the CLP's air emissions have affected the air quality of Hong Kong. As regards the way in which the Secretary will answer the question, the President does not by convention have the authority to interfere with it. Therefore, will the Secretary answer this question according to her own point of view?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): I would like to first answer the question on the CLP's emissions. Regarding the CLP's emissions, according to the Air Pollution Control (Specified Processes) Regulations, they need to apply for a licence. During the past two years, we have already specified the emissions cap in the licence, and they are not allowed to exceed the cap. The past practice specified the concentration. This was the first point. Secondly, we also require them to adopt some emission reduction measures such as making use of flue gas desulphurization units and emissions trading rights. All these take time to develop. As regards flue gas desulphurization units, they have just completed an environmental impact assessment report and should implement the project very soon. We shall keep tightening up the emissions cap, so as to bring down substantially the proportion of the CLP's emissions in the overall emissions list (especially for sulphur dioxide) to half of the present 92%. This is the situation of the CLP.

As regards the front page report in today's *South China Morning Post* cited by Mr LEE, I must say that I have not had the opportunity to read it in detail, nor am I an investment expert. However, I feel that the rise and fall of stock prices or trading is not determined any single factor. I believe market participants will make sensible decisions in this regard, and this includes the consideration of other factors. They would not make their decisions so arbitrarily by just relying on that sort of individual viewpoints.

I would also like to mention that probably Mr LEE has only read one newspaper today. In fact, other newspapers including the Chinese newspapers have also mentioned some different opinions made by analysts of other investment banks. Therefore, I believe sensible people or investors would not just read only one individual report. Mr LEE also mentioned that the report

had indicated a lack of confidence in our work in controlling air pollution, and it is also of the opinion that, unless Beijing exerts strong influence, we will not have the authority to control air pollution in the Pearl River Delta Region. I do not subscribe to this view. I hope Mr LEE can browse through the website of our EPD, in which it is stated very clearly that since 2002, Guangdong Province and Hong Kong have engaged in co-operation systematically, specifying the targets, approaches, procedures and announcements on target achievement. In August this year, Guangdong Governor HUANG Huahua and the Chief Executive promulgated the emissions achievements during the past few years. We also have one target that has to be attained by 2010.

I hope we can convey these messages through different channels to our investors, companies with foreign capital coming from different parts of the world, people working in Hong Kong or any ordinary persons. I hope everyone can realize that in fact the Government has made great efforts, that it has all along taken air pollution as our number one enemy, and we have been doing our utmost in this regard. Furthermore, the Chief Executive has already proposed an effective method in his policy address, that is, expediting the improvement of vehicle emissions by expending \$3.2 billion to speed up the replacement of pre-Euro and Euro I vehicles by Euro IV models. In this connection, I do not wish to waste Members' time by going into the details. I can only say that the opinion put forward by an individual party is not necessarily equivalent to a conclusion. I hope Members can realize this.

PRESIDENT (in Cantonese): There are altogether nine Members waiting for their turns to raise supplementary questions. Since the question asked by Mr Martin LEE and the answer furnished by the Secretary for the Environment, Transport and Works have already used more than 14 minutes, I shall exercise discretion to extend the time for this question.

DR RAYMOND HO (in Cantonese): *According to the Secretary's main reply, should any pollution incident take place in a power plant, the MD and the EPD will decide whether the details of the incident should be released to the public, depending on the actual circumstances. If a major incident has taken place, but the Government does not make an announcement on it, it is acting in an irresponsible manner. If it is just a minor incident but the Government still*

makes a public announcement on it, then will this affect our international image, or even trigger off panic among the general public? In this connection, how does the Government strike a balance?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): As I have said in the main reply, after checking the oil spill situation, and if it is found that the waters have been affected by the oil spill and other substances and will affect the activities of the people, such as affecting the beaches or the ecology of the water bodies, then we shall inform government departments (such as the Leisure and Cultural Services Department) of the relevant information and notify the public as soon as possible. With regard to this review conducted by us, we are now negotiating with the power companies and we think it is necessary to formulate some guidelines. Mr HO is right in saying that we should release the details of such leakages to the public, and that if even minor incidents are made public, or all incidents are made public, then we might run the risk of "crying wolf". Therefore, we shall be very prudent in considering what must be announced and what must not. However, we do respect the public's right to know.

MISS CHOY SO-YUK (in Cantonese): *I think the greatest problem with this incident is why it was not made public and who should bear the responsibility. Earlier on, the Secretary mentioned in the main reply that the Government had discussed with the power plants the formulation of some guidelines. I would like to ask: What actually are the inadequacies in the existing guidelines and what are the details? In future, under what circumstances would it be necessary to inform the public of such incidents, and who would be responsible for making such public announcements?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): We are in the process of formulating some new guidelines. As regards the existing guidelines, insofar as the laws are concerned, they do not have to make any public announcement. We are discussing with them the formulation of a guideline in the hope that the power plants can be made to make the public announcements direct. As regards the circumstances that would necessitate the making of public announcements, we are still discussing the issue and no final conclusion has been reached yet.

MR SIN CHUNG-KAI (in Cantonese): *President, I would like to ask a supplementary question on the relevant legislation. The Secretary mentioned the Dangerous Goods Ordinance (Cap. 295) and the Shipping and Port Control Ordinance. With regard to the oil leakage incident, May I ask the Government, that is, the EPD or the MD, whether it has the authority to take prosecution actions against the party responsible for the occurrence of this incident? If so, why no prosecution action has been taken in this incident?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): Section 46 of the Shipping and Port Control Ordinance (Cap. 313) is the provision governing the discharge of oil into Hong Kong waters. It is stipulated that any person emitting oil from vessels or land into Hong Kong waters, or emitting oil or substances containing oil in this manner, or causing oil to be emitted in this manner, then he has committed an offence and shall be liable to a maximum fine of \$200,000. The MD may invoke this provision to take prosecution actions. In this oil leakage incident, the MD had considered taking prosecution actions, but the Department of Justice thought that the CLP should not be prosecuted in the light of the defence in section 47(2)(b).

PRESIDENT (in Cantonese): Has your supplementary question not been answered?

MR SIN CHUNG-KAI (in Cantonese): *With regard to the advice given by the Department of Justice in relation to section 47(2)(b) mentioned by the Secretary in her reply just now, can the Secretary furnish a written reply to the Legislative Council?*

PRESIDENT (in Cantonese): This is another supplementary question, not part of your earlier supplementary.

MR SIN CHUNG-KAI (in Cantonese): *I would like to ask her to clarify the part in*

PRESIDENT (in Cantonese): Please sit down first. I believe the Secretary has heard it. Regarding what the Secretary will do, I believe she will make her own decision.

MR LEE WING-TAT (in Cantonese): *President, during the past few years, with the exception of sulphur dioxide, there have been reductions in the emissions of all general pollutants. And the CLP is one of the organizations that have emitted the largest amount of sulphur dioxide. The internationally renowned securities firm Merrill Lynch advised its clients to relocate their capital to Singapore simply because of air pollution here. In her reply to Mr Martin LEE, the Secretary feels smug and contented, it so appears to me. I do not know whether the Government will do something only when the worst has become imminent, that is when a large exodus of investment is actually taking place. However, when that scenario does happen, there is no need to do anything because Hong Kong has already collapsed then. May I ask the Secretary, regarding emission standards, in particular the part relevant to the CLP, whether something can be done more directly and expeditiously?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): I think what I have said just now is another story. First, controlling pollution is something we must do regularly and proactively. I have never relaxed my efforts in this regard, nor have I claimed that the air pollution situation in Hong Kong is acceptable, and nothing has to be done about it. What I have said is that we must make great efforts to ameliorate the air pollution situation here.

Second, as regards the relocation of investments mentioned by Mr Martin LEE basing on that press report, I have not seen the emergence of that scenario. It is just a grading assessment made of some landlord stocks. I answered the supplementary question raised by Mr Martin LEE only in relation to the issue covered in that press report. I thought that its opinion is just an incomprehensive point of view. I believe people would take all factors from different aspects into consideration before deciding whether it is worthwhile to buy a certain stock. These are two entirely different issues.

MR LEE WING-TAT (in Cantonese): *My supplementary question is: Will the Government shortly and immediately introduce a proposal to regulate the CLP's emissions?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): President, I think you must have heard that I have already answered the question. Unfortunately, Mr LEE was incidentally not in the Chamber. In fact, we have already tightened up the emissions cap in the CLP's Specified Process Licence. Besides, I have also told them that we would continue tightening up the emissions cap. By 2010, the CLP will have to attain our emission reduction target.

PRESIDENT (in Cantonese): We have spent more than 21 minutes on this question. Last supplementary question.

MS EMILY LAU (in Cantonese): *President, the Secretary mentioned the Dangerous Goods (General) Regulations in the main reply, saying that in the event of a leakage incident, the responsible person should immediately report the circumstances in writing to the FSD. As I reviewed this incident, I found that the CLP had not submitted any report. And the Secretary said in the main reply that, on receiving notification of the occurrence of the oil leakage incident in the waters off the Castle Peak Power Station, the MD immediately deployed its staff to the scene. May I ask who made the notification in this incident? Was the notification made by members of the public or by a report compiled by the CLP? Did the CLP comply with the requirements of the Regulations by making a report to the FSD after the occurrence of the leakage incident? If not, what actions, including punitive ones, have the authorities taken?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): As far as we understand it, since everything happened very fast, and the MD immediately deployed its staff to the CLP plant on receiving the notification, the CLP did not inform the FSD of this issue separately.

MS EMILY LAU (in Cantonese): *President, I asked what action had been taken against the CLP since it had violated this legislation.*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS (in Cantonese): *The FSD has not taken any prosecution action for no fire hazard is involved in this incident.*

PRESIDENT (in Cantonese): *Fifth question.*

Government Investment Income

5. **MR SIN CHUNG-KAI** (in Cantonese): *President, since 1 April 1998, the Government has, in calculating the annual investment income payable by the Exchange Fund (EF) to the Government in respect of the fiscal reserves placed with the EF, adopted the same rate of return as that achieved by the entire EF. Therefore, the investment income for the Government fluctuates with the performance of the EF. On 13 September this year, the Government advised that: if we use the accumulated surplus of the EF lightly, the ability of the EF to resist attacks on the exchange rate of the Hong Kong dollar may be undermined. On the other hand, the International Monetary Fund (IMF) Mission to Hong Kong maintained its support for the Administration's commitment to the Linked Exchange Rate System in its statement of conclusions published at the end of last month. The mission, however, also pointed out that the Government should explore ways to stabilize investment income through arrangements with the EF. In this connection, will the Government inform this Council whether:*

- (a) *it has assessed if altering the method for calculating the investment income from the fiscal reserves will affect the ability of the EF to resist attacks on the exchange rate of the Hong Kong dollar; if the assessment result is in the affirmative, of the rationale for that;*
- (b) *it knows the IMF's reasons for making the said recommendation; and*
- (c) *it will accept the IMF's recommendation on stabilizing investment income, such as drawing a fixed amount of money each year from*

the overall investment income of the EF as government revenue; if it will not, of the reasons for that?

FINANCIAL SECRETARY (in Cantonese): Madam President,

- (a) Article 113 of the Basic Law stipulates that the EF is primarily for regulating the exchange value of the Hong Kong dollar. The Exchange Fund Ordinance (EFO) (Cap. 66) provides that the EF should be used primarily for affecting, either directly or indirectly, the exchange value of the Hong Kong dollar, and then for ensuring the stability and integrity of the monetary and financial systems of Hong Kong with a view to maintaining Hong Kong as an international financial centre.

The Government has since 1976 deposited its fiscal reserves with the EF in order to boost the financial position of the EF for regulating the exchange value of the Hong Kong dollar. During the financial turmoil in 1998, we made use of over HK\$110 billion of our exchange reserves to suppress the double-play carried out by hedge funds in the stock and exchange markets and subsequently expanded the monetary base to include over \$100 billion of exchange fund papers, so as to reduce the volatility of the interest rate market. History has proved that the backing of sufficient resources from the EF has helped ensure the stability of the monetary and financial markets in Hong Kong.

Although the Hong Kong economy has recovered, the number and size of hedge funds have increased significantly. Coupled with the existence of derivatives and their leverage, we cannot afford to lower our guard against the risks of the international financial environment. Besides, with the market expectation that Renminbi would appreciate and a lack of direction for the global economy, together with the rapid and huge flow of international capital in Asia, it is definitely necessary for Hong Kong, as a small and open financial regime, to be well-prepared to face any potential financial risk.

In 1998, we decided to link the return of the fiscal reserves placed with the EF to that achieved by the entire EF. In the past eight years, although the investment returns of the EF have fluctuated in line with market performance, it has achieved an average annual return of 6.6%. This overall return is considered reasonable.

In considering methods for calculating the investment income for the fiscal reserves, one important principle is to avoid using the accumulated surplus of the EF lightly. Otherwise, the asset base available for the EF to withstand external attacks will be undermined. This would affect our ability to maintain the monetary and financial stability of Hong Kong.

- (b) Based on the conclusions in its report published on 24 October 2006 and our understanding, the IMF Mission is concerned about the volatility of our income and our heavy dependence on investment and land income. The Mission suggests that, under the current revenue structure, significant fiscal reserves, possibly even higher than those already held, may be necessary to provide a sufficient buffer against the type of economic shocks seen over the past decade. The Mission considers the Government should explore ways to stabilize income and improve its revenue structure. Stabilizing investment income through arrangements with the EF was one of the suggestions.
- (c) We consider it necessary for the EF to have sufficient resources for stabilizing the exchange value of the Hong Kong dollar when necessary. In the past 30 years, this objective has not changed. With the globalization of the financial market and the greater volume and volatility of international capital flows nowadays, we can say that this objective has become more important.

The Government will keep the income sharing arrangement with the EF under review. We will preserve the ability of the EF to maintain the stability of the Hong Kong dollar and the monetary and financial systems in Hong Kong, and ensure that the fiscal reserves will secure a steady and reasonable rate of return. We will make appropriate announcement and explain to the community if there are changes to the sharing arrangement.

MR SIN CHUNG-KAI (in Cantonese): *President, I wish to follow up the last part of the Government's main reply. The Government said that it would conduct reviews from time to time, so will it consider the recommendations of the IMF Mission to Hong Kong? In the past, the IMF also recommended that a Goods and Services Tax (GST) be levied and the Government took action quickly. Now, the Mission has recommended that the Government study the income sharing arrangement with the EF, however, it seems that the Government is slow to take action. Does it mean that the Government accepts one recommendation but not the other, or is it paying no attention to both of them?*

FINANCIAL SECRETARY (in Cantonese): Madam President, the point mentioned by Mr SIN Chung-kai can be found in the second paragraph in the middle section of the report — chapter 2 — in the report published by the IMF on 24 October. That paragraph consists of about 14 lines and the font size is 12. In those 14 lines, the first sentence says that the Mission welcomes the public discussion on ways to broaden the tax base and says that the volatility of our income is the greatest in the region due to our heavy dependence on investment and land income. The Mission also suggests that under the current revenue structure, higher fiscal reserves may be necessary to provide a sufficient buffer. As I pointed out in the main reply just now, they then say that it is imperative to have a broader and more stable source of income. On broadening the tax base, we are now considering this and consulting the public on whether the GST is an efficient way of broadening the tax base. Also, the Mission points out that due to the ageing of the population, in the future, a broader base, for example, a tax based on consumption, is better than the salaries tax in stabilizing income. These are the matters raised by the Mission at the beginning of the report. Finally, one and a half lines — that is, one line and a half lines in a total of 14 lines — are expended on the suggestion that the Government should explore ways to stabilize our income from investment and consider doing so through making arrangements with the EF. Therefore, we should look at the whole passage and I also hope that when Mr SIN Chung-kai looks at the contents, he should also read the whole passage.

PRESIDENT (in Cantonese): Mr SIN, has your supplementary not been answered?

MR SIN CHUNG-KAI (in Cantonese): *President, the Financial Secretary did not answer my supplementary. I will repeat my supplementary. Does it mean that the Government listens to one thing but not the other, or is it heeding none of them? This is what I said just now, however, it seems the Financial Secretary has not.....*

PRESIDENT (in Cantonese): I understand. You can sit down now. Financial Secretary, do you have anything to add?

FINANCIAL SECRETARY (in Cantonese): Madam President, we attach great importance to the report of the IMF and we are also pleased that the IMF has affirmed our work. In the first paragraph of its report, it says that our skillful macroeconomic management is also critical to the remarkable economic turnaround. In view of this, we will gain a full and deep understanding of the entire report and ponder over it. If necessary, we will take appropriate action. As I said in my main reply, we will review the return from the EF from time to time and explain to the community if we have to make changes.

MR CHIM PUI-CHUNG (in Cantonese): *President, the Financial Secretary mentioned in the first paragraph of the main reply that the Government had since 1976 (that is, 20 years ago) deposited its fiscal reserves with the EF in order to boost the financial position of the EF for regulating the exchange value of the Hong Kong dollar. My supplementary is: Does it mean that the funds in the EF itself are incapable of regulating the exchange value of the Hong Kong dollar in a safe and reasonable way?*

FINANCIAL SECRETARY (in Cantonese): Madam President, in 1976, if I remember it correctly, the Financial Secretary then was Sir Philip HADDEN-CAVE. He put the fiscal reserves into the EF and used the boosted financial position of the EF for regulating the exchange value of the Hong Kong Dollar. This is the main purpose of the EF. I have the figures showing the amount of reserves in the EF for a period of time in the past on hand, but not the figure for 1976. Of course, if we look it up, we will surely be able to find it, however, I do not have the figure for 1976 now. I am quite confident that the Financial Secretary then made a correct decision, thus boosting the financial position of the EF so that it can serve its purpose.

MR CHIM PUI-CHUNG (in Cantonese): *President, my supplementary is whether it is because the EF of the Government did not have adequate reserve that the Government had to supplement it with its reserves. In fact, I believe this was the case, however, the Financial Secretary can give his views on this on behalf of the Government.*

FINANCIAL SECRETARY (in Cantonese): *Madam President, how much resources should there be in the EF in order to achieve the purposes of the EF is a matter for the Financial Secretary to decide and we will also discuss this with the Exchange Fund Advisory Committee from time to time.*

MR CHAN KAM-LAM (in Cantonese): *President, I believe we will not argue with the Financial Secretary about how to use our exchange reserves and the EF, since all of us hope that the monetary system can be stable. However, concerning the income sharing arrangement, the Financial Secretary said that he would keep it under review. In the course of many years, we have made a number of suggestions. How many options has the Government considered in its reviews and how many of them are feasible or infeasible?*

FINANCIAL SECRETARY (in Cantonese): *Madam President, in fact, there are a number of ways to make investments with the EF which includes the Government's fiscal surplus and none of them is absolutely impossible, nor can any one of them be considered ideal. We have to strike a suitable balance among three areas, that is, among seeking a return, stabilizing the currency and stabilizing the financial market. We have considered many different options and as I said in the main reply, we will consider various options from time to time and will definitely make an announcement to the public if we decided to make changes.*

MR CHAN KAM-LAM (in Cantonese): *President, the Secretary has not answered my question. I asked him how many options he had considered in the review of the income sharing arrangement and how many of them are feasible and infeasible. If the Secretary cannot answer today, I hope he can give a written reply later.*

FINANCIAL SECRETARY (in Cantonese): Madam President, in fact, I can answer this supplementary here, only that it will take a longer time. I wonder if the President wants me to give him a reply here or to give a written reply to Mr CHAN's follow-up.

PRESIDENT (in Cantonese): I think you should decide on your own what the most appropriate course of action is, since I do not have any authority to interfere with how public officers answer questions.

FINANCIAL SECRETARY (in Cantonese): Madam President, in that case, I will try to answer as concisely as possible and see if Mr CHAN will be satisfied.

In fact, on income sharing, there are many considerations and various methods, so let me explain their pros and cons one by one. The approach adopted now is that we mix the fiscal surplus and the EF together and then let the EF manage it. Its investments include bond investments and some of it is invested in stocks. Therefore, we can see that the return in the past eight years is different from that of the US Treasury Bills even though we hold a lot of US Treasury Bills. Therefore, in this regard, if the performance of the stock market in a certain year is good, the return will usually be higher; if the stock market is gloomy in a certain year, the rate of return will of course be less satisfactory.

In addition, one thing is that each month, we would announce the return of the EF and I wonder if Members here are aware of one technical issue, that is, we have adopted the mark-to-market approach. We may buy 10-year US Treasury Bills or 30-year US Treasury Bills which will mainly be used as the EF because we do not use gold but bonds as reserve, that is, to use money as reserve. What mark-to-market means is calculation according to the market value. If the present value is used, when the interest rate rises, since the US Treasury Bills pay fixed interest, so their price will fall; conversely, when the interest rate is lowered in the United States, the price of the US Treasury Bills will rise. However, it is only when we sell the bonds that they will be affected by price fluctuations. Therefore, in view of this, the figures we announce each month are only figures on paper because we will not sell and buy the bonds each month. Therefore, the prices in fact do not fluctuate as greatly as those announced each

month because we do not buy and sell them but only mark them to market. In fact, we still hold those instruments. If the bonds are 10-year ones, the rate of return is 5% and when the interest rate rises, the value of the bonds will fall so the return will be very low. However, if I hold the bonds until the date of maturity, there will be a 5% return. In fact, such an approach has stability and we are linked to the EF. Of course, there are also other approaches.

Another approach is to consider getting a stable return, for example, 5%, 6%, 7% or a certain percentage. If the return is specified, several technical problems are involved. On the one hand, the dividend or income paid to the EF must be stable. Meanwhile, what basis can I ensure that it will be a stable source of income? If the stated income for this year is 6%, for example, if I assume it to be 6% in the 2006-2007 Budget but if the result of 6% cannot be achieved this year, should I draw down the EF? If I use the EF, is it necessary to invoke section 8 of the EFO? Or can I adopt other means? Therefore, it is necessary for us to carry out in-depth studies on the ordinance, the legislation and the technicalities.

Another approach is that we do not manage the return together with the EF. It is also fine for the Government to handle the \$300 billion on its own and we can hand it to the Financial Services and the Treasury Bureau for management because at present, the Bureau is also responsible for managing other funds. For example, the existing Continuing Education Fund amounting to more than \$4 billion is also managed by the Bureau and it is not always necessary to hand it to the Hong Kong Monetary Authority (HKMA) for management. Therefore, we can take back the whole sum of \$300 billion and manage it on our own. If we manage it on our own, of course, the Government will surely hire technical and professional people to take charge of the work in this area and internally, we also have some professionals. As regards whether the fluctuation will be great or small, this is hard to say and it is necessary to make further assessments of the risks.

In fact, we may have many different considerations. Of course, each consideration can be further divided into more considerations. As I said just now: Do we want to take back the whole sum and manage it on our own? We can also give it to the HKMA for management and we will give instructions. For example, we may be willing to bear greater risks but we will also request that the HKMA should offer an annual return of 10%. Risk and return are

directly proportional; the higher the return, the greater the risk. If we look back at the return of the EF over the past eight years, the lowest annual return was 0.7% and this also reflects that the fluctuations in equities in that year were great due to the burst of the dotcom bubble. Therefore, we can see that risk and return are directly proportional and this is also one of the further considerations. If we want a high return, we can adopt an investment approach that is slightly more risky, however, if the growth is negative for a certain year, I believe the Financial Secretary will have some long explaining to do here.

Madam President, in fact, there are also other approaches, for example, we do not have to use the entire sum of \$300 billion to make high-risk investments but can use \$100 billion to make high-risk investments, \$100 billion for medium-risk investments and \$100 billion for low-risk investments. The combined result is more or less the same, equivalent to making medium-risk investments. Therefore, there are many different ways and as I have said, we will review from time to time the income sharing and investment arrangements as well as the balance between return and risk.

PRESIDENT (in Cantonese): Since the Financial Secretary has given a rather long reply to this supplementary, therefore, we have already spent 23 minutes on this question. This will be the last supplementary.

MR LEE CHEUK-YAN (in Cantonese): President, the Financial Secretary mentioned in part (c) of the main reply that the Government would keep the income sharing arrangement with the EF under review. However, as far as I can see, his replies over the years have been identical, that is, it is necessary to exercise caution. Of course, being cautious is good but if one is being over cautious, this is being cruel to society because if one is being over-cautious, resources that can be invested in society will not be used due to the excessive caution of the Government, as a result, the social return will be low while the financial return will increase. When implementing the policy, it is necessary to make choices. I wonder if the Financial Secretary has noticed that when some political parties met with him, they also said that he was being over-cautious and it should be possible to make use of the EF to invest more in society. Recently, the former Chief Executive of the HKMA.....

PRESIDENT (in Cantonese): What is your supplementary about?

MR LEE CHEUK-YAN (in Cantonese):*Tony LATTER also said that there is now \$80 billion in excess in the EF. The Financial Secretary said that a review would be conducted from time to time. In view of this, will he change the income sharing arrangement this year immediately and allocate more resources to society?*

FINANCIAL SECRETARY (in Cantonese): Madam President, in the past few weeks, we have met with many political parties to consult them on the Budget for next year and in each round of such consultation, I would always make some opening remarks and one of the maxim is, "State one's own views but do not quote other people". In the course of carrying out the four rounds of consultation, hardly anyone violated this rule. However, this year, Mr LEE Cheuk-yan violated this rule because when meeting the mass media outside after the consultation, he talked about my responses. However, it does not matter. Although he has disclosed my responses, I am not going to cite or say what proposals other political parties have made. However, I also hope that "Ah Yan" can do some more homework because if he looks at the return of the EF in the past eight years, the cumulative return of the EF is 52.5% and the cumulative return of the US Treasury Bills in the same eight-year period is 32.44%, that is, the former is 20% higher. I think that in terms of reserve management, this is a reasonable return.

PRESIDENT (in Cantonese): Last oral question.

Juvenile Crimes and Problem of Youth Gangs

6. **MR LAU KONG-WAH** (in Cantonese): *President, in the evening of the 7th of this month, four youngsters were assaulted with weapons and wounded by more than 30 youngsters. Regarding juvenile crimes and the problem of youth gangs, will the Government inform this Council:*

- (a) *of the total number of crimes involving youth gangs in the past two years and, among them, the number of those resulting in casualties, broken down by age groups of the youngsters involved and districts of occurrence;*
- (b) *of the procedure for and details of the handling of cases of youth gang delinquency by government departments, the co-operation and division of responsibilities among the police, the Social Welfare Department (SWD) and schools in this respect, and whether it has reviewed the effectiveness of their work; and*
- (c) *whether it has assessed if the problem of youth gangs has been worsening in recent years, and if the problem is found to be worsening, of the reasons for that, and whether it has reviewed the measures taken to prevent juvenile crime to see if there is any inadequacy, including whether police officers frequently patrol those places at which youngsters assemble?*

SECRETARY FOR SECURITY (in Cantonese): Madam President,

- (a) The overall number of juveniles under the age of 18 involved in crime, and among them, the number of those resulting in casualties, broken down by age groups and police regions from 2004 to the third quarter of 2006 are set out in the table at the Annex distributed to Members. Overall, the total number of cases for 2004 is 7 566; for 2005 is 6 821; and for the first three quarters of 2006, 5 016. Amongst them, the number of cases resulting in casualties for 2004 is 1 169, for 2005 is 1 091 and for the first three quarters of 2006, 798, which accounts for 15% to 16% of the total number.

- (b) and (c)

From the overall number of juveniles under the age of 18 involved in crime and among them those resulting in casualties, the situation does not indicate a deteriorating trend. However, the Administration appreciates the importance of preventive work, and has been actively putting in resources, and adopting a strategy of inter-disciplinary and inter-functional collaboration, in order to cope

with the problem of juvenile crime under the age of 18. The main emphasis of the strategy is "early intervention" and "guiding juveniles back on track".

In preventing juvenile crime, the police have been running over 50 youth initiatives and projects in co-operation with different social organizations in order to enhance their sense of responsibility, self-discipline and awareness of crime prevention. Besides, officers from the District Anti-triad Squads and front-line police officers will step up anti-crime patrols at places frequented by juveniles and take enforcement actions where necessary, with a view to minimizing the negative influence exerted on students and juveniles through bad association.

Furthermore, the police's Secondary School Liaison Officer (SSLO) team also provides a platform for the police to communicate with the school management and social workers, so that they can have a better appreciation of juveniles' problem and intervene at an early stage to assist juveniles and children in need. SSLOs will also regularly attend workshops and seminars organized by Parents-Teachers Associations, maintain liaison with parents, and share with them methods to prevent the problem of juvenile delinquency, so as to assist in the fight against juvenile delinquency.

The SWD also provides through subvented non-governmental organizations outreaching services (including overnight outreaching services) to contact young night drifters and build up relationship with them, and by various intervention strategies, to provide them with counselling, guidance and referral to other youth or social services in order to reduce the negative influence exerted on them through bad association on the street.

In handling cases involving juvenile unruly behaviour, the police adopt a strategy of "graduated sanction", in order to deter first time offenders and reduce juvenile recidivism. If the offence in which an unruly juvenile is involved is of a less serious nature (such as theft or fighting), the police may caution the juvenile under the Police Superintendents' Discretion Scheme (PSDS).

For juveniles who have been cautioned under the PSDS, the "Juvenile Protection Section" of the district in which they reside will follow up with post-caution visits.

After receiving referral cases involving unruly juveniles from the police, Education and Manpower Bureau would assist the concerned youth to resume schooling and adjust to school life as soon as possible. The SWD would also render relevant support based on the needs of individual cases, for example, providing different professional after-care services through the Community Support Service Scheme, or referring the cautioned juveniles for Family Conference where professionals from different streams work together to assess the needs of the juveniles and devise comprehensive follow-up action plans.

As for young offenders who are prosecuted and convicted, sentences by the Court may include statutory support for offenders provided by the SWD such as Probation Service, the Community Service Orders Scheme and residential training. The aim is to assist the rehabilitation of the juveniles through counselling, supervision, unpaid work to the community or structured character and discipline training.

As for schools, should they be aware of students joining juvenile crime activities, they will seek assistance and follow-up actions from school social workers and the police's SSLOs.

In conclusion, the various concerned government departments will continue to strengthen collaboration with social service organizations, schools and parents, so as to cope with the juvenile delinquency problem.

We consider the existing range of measures fairly effective in the prevention of juvenile crime. Of course, we will continue to review these preventive measures on a regular basis through promoting inter-disciplinary and inter-functional discussion and collaboration amongst Policy Bureaux and departments.

<i>Police Region</i>	<i>Age Group</i>	<i>Year</i>					
		<i>2004*</i>		<i>2005*</i>		<i>2006*</i> <i>(January to September)</i>	
Hong Kong Island	10-11	50	(3)	56	(4)	26	(3)
	12-13	156	(15)	159	(25)	130	(20)
	14-15	451	(60)	345	(71)	285	(36)
	16-17	372	(64)	343	(80)	219	(18)
	Subtotal	1 029	(142)	903	(180)	660	(77)
Kowloon East	10-11	99	(6)	108	(6)	90	(7)
	12-13	297	(39)	312	(40)	241	(11)
	14-15	584	(137)	531	(97)	358	(60)
	16-17	437	(113)	433	(83)	326	(68)
	Subtotal	1 417	(295)	1 384	(226)	1 015	(146)
Kowloon West	10-11	50	(3)	47	(4)	29	(8)
	12-13	150	(17)	165	(16)	104	(14)
	14-15	325	(54)	301	(40)	278	(56)
	16-17	463	(61)	421	(56)	380	(59)
	Subtotal	988	(135)	934	(116)	791	(137)
New Territories South	10-11	105	(5)	109	(4)	89	(1)
	12-13	331	(21)	364	(39)	270	(27)
	14-15	597	(76)	500	(76)	412	(62)
	16-17	571	(103)	416	(62)	370	(79)
	Subtotal	1 604	(205)	1 389	(181)	1 141	(169)
New Territories North	10-11	205	(4)	151	(11)	74	(9)
	12-13	532	(53)	508	(58)	338	(57)
	14-15	952	(180)	864	(171)	552	(112)
	16-17	813	(153)	667	(146)	428	(86)
	Subtotal	2 502	(390)	2 190	(386)	1 392	(264)

* The number in brackets refers to the number of cases resulting in casualties.

<i>Police Region</i>	<i>Age Group</i>	<i>Year</i>					
		<i>2004</i>		<i>2005</i>		<i>2006 (January to September)</i>	
Marine	10-11	2	(0)	0	(0)	0	(0)
	12-13	5	(0)	3	(0)	1	(0)
	14-15	6	(0)	8	(1)	7	(3)
	16-17	13	(2)	10	(1)	9	(2)
	Subtotal	26	(2)	21	(2)	17	(5)
Total of all Police Regions	10-11	511	(21)	471	(29)	308	(28)
	12-13	1 471	(145)	1 511	(178)	1 084	(129)
	14-15	2 915	(507)	2 549	(456)	1 892	(329)
	16-17	2 669	(496)	2 290	(428)	1 732	(312)
Total		7 566	(1 169)	6 821	(1 091)	5 016	(798)

MR LAU KONG-WAH (in Cantonese): *President, what the Secretary just said was an overall analysis. However, if we look at the breakdown by regions as set out in the Annex, one region stands out conspicuously, and that is, New Territories North. The number of cases in New Territories North far outnumbers those of the other four regions. If we do some calculation, the number of crimes in the region nearly accounts for one third of the total number of crimes in the territory. In other words, one in three juvenile crime cases happens in New Territories North, which indicates that the problem is very serious. The so-called New Territories North includes Tin Shui Wai, Tuen Mun, Yuen Long, Tai Po, Sheung Shui and Fanling. These places are generally distant from the urban area, where young people have difficulty in seeking employment. Also, they are lacking in facilities and are poverty stricken. Therefore, may I ask the Secretary if he has urged the other departments to allocate more resources, from the perspective of juvenile crime prevention, to ameliorating the underemployment problem at the district level with a view to preventing juvenile crimes.*

SECRETARY FOR SECURITY (in Cantonese): *Madam President, we are also concerned about why the number of juvenile crime cases is particularly high in that region, and a study has been conducted.*

The latest statistics of the Census and Statistics Department show that in 2005, there were about 1.27 million young persons aged under 18 in the territory,

and among them, about 356 000 belong to the New Territories North Police Region, which accounts for about 28% (nearly 30%) of Hong Kong's youth population. Insofar as the juvenile crime situation in the New Territories North Police Region is concerned, it accounted for 33% of our total juvenile crime cases in 2004. In 2005, when the relevant data was collected, while the population of young persons aged under 18 in the New Territories North Police Region accounted for 28% of the total youth population, the number of juvenile crime cases in that region accounts for 32% of total juvenile crimes, which is slightly higher than its percentage in population distribution. The situation improved in the first nine months of 2006, whereby juvenile crime cases involving young persons aged under 18 relative to the total number of such cases dropped to 27.8%, which is similar to the population distribution. It can be seen that its percentage in the total population is now broadly comparable.

After analysing the percentages of juvenile crime cases in the New Territories North Police Region in Hong Kong's total juvenile crime cases and the actual figures in the past few years, we have seen a dropping trend over the years. In other words, our inter-functional and inter-departmental efforts have borne fruit.

To tackle juvenile delinquency, the New Territories North Police Region has taken proactive enforcement actions and preventive measures, and adopted a multi-agency approach to work with other government agents and non-governmental organizations to combat juvenile crimes by all means.

With regard to the allocation of additional resources, a review is carried out every year before the approval of funding, to see if any region has any special needs. We do not rule out the possibility of allocating additional resources to a certain region.

MR LEUNG YIU-CHUNG (in Cantonese): *President, the Secretary has not denied the fact that juvenile delinquency is more serious in certain regions. The Secretary also said that this was the case of New Territories North. Although the crime rate of that region is similar to its population distribution, the problem is indeed rather serious, which I believe the Secretary will not deny either. The Secretary stated that the most important task is to adopt preventive measures by establishing inter-functional and inter-departmental co-ordination. May I ask the Secretary if a review has been carried out to assess the adequacy of the existing services during the inter-departmental discussions, and what criteria*

have been adopted, for instance, the manpower deployed for overnight outreaching services relative to the need of that region? What criteria have been adopted to determine the adequacy of services? Will there be further increases in manpower in case the existing services are proved inadequate? Since the Secretary said earlier that some preventive measures were effective, so would it not be better for us to put in place more of these measures?

SECRETARY FOR SECURITY (in Cantonese): Madam President, this issue actually concerns with the Health, Welfare and Food Bureau, but I will try to answer Mr LEUNG Yiu-chung's supplementary question with my best effort. If he considers the reply incomprehensive, I can relay the issue to the Health, Welfare and Food Bureau for a reply to him in writing later.

Just as Mr LEUNG has said, given that the age distribution varies with different regions, the social condition also varies, and so do the problems encountered and the residents' needs. Insofar as the youth problem is concerned, we understand that apart from the establishment of Local Committee on Services for Young People in all 18 districts by the SWD to co-ordinate youth services according to their needs, additional resources will also be deployed to the needy regions with a view to enhancing the outreaching services, like the overnight outreaching services mentioned by Mr LEUNG earlier, for the provision of counselling, guidance and referrals to other youth or social services to reduce the negative influence of youth gangs in the streets.

As for the police, anti-triad squads and front-line police officers have continued to conduct anti-crime operations at places frequented by youths, and will take enforcement actions when necessary.

The police's SSLO team mentioned in the main reply is also a school-based and district-based initiative which enables the police to communicate with the school management and social workers, so that they can have a better understanding of the juveniles' problems, and work with other relevant departments and organizations to provide services and assistance that can best suit the needs of youths and children in the region.

MR LEUNG YIU-CHUNG (in Cantonese): *President, the supplementary question raised by me just now mainly asked how the adequacy of manpower*

could be assessed in the inter-departmental meetings. As we all know, all regions have different needs, New Territories North in particular, so what ratio of, say, the overnight outreaching teams is regarded to be adequate? What are the criteria adopted in such a review?

SECRETARY FOR SECURITY (in Cantonese): I think that I will have to refer this professional question to the colleagues and experts in the Health, Welfare and Food Bureau, and give Mr LEUNG a reply in writing. (Appendix II)

MR WONG KWOK-HING (in Cantonese): *As evident in the Annex provided by the Government in the main reply, New Territories North and New Territories South are the hardest-hit areas of youth and gang problems, and yet only statistics on major regions are provided here. May I ask the Secretary via the President whether there is a breakdown of the statistics by housing estates so as to better reflect the problem for follow-up actions by the relevant departments. For example, Tung Chung is the hardest-hit area in Northwest New Territories, the availability of detailed statistics will enable the relevant departments and community.....*

PRESIDENT (in Cantonese): You have already raised your supplementary question.

SECRETARY FOR SECURITY (in Cantonese): Madam President, I do not have the figures in hand. I wonder if we have them or not, so I will have to go back and check it out. If we have, I will reply in writing. (Appendix III)

MR WONG YUNG-KAN (in Cantonese): *President, it is stated in the last paragraph of the Government's main reply to Mr LAU Kong-wah's question that there would be collaboration amongst departments. We know that given the prevailing low birth rate, there are fewer and fewer youths. Since they are considered by me as the future pillars of society, in what ways can a quality website be set up in collaboration with, say, the media (in particular RTHK), for providing various services to promote such awareness? This relates to the part on communication with the relevant departments.*

PRESIDENT (in Cantonese): Mr WONG Yung-kan, I cannot quite catch your supplementary question. The subject of this question is juvenile delinquency and gang problem.

MR WONG YUNG-KAN (in Cantonese): *I wish to ask about the preventive measures, and my question to the Government is: The Secretary mentioned in the last paragraph of the main reply that it would promote inter-disciplinary collaboration amongst various bureaux by all means.....*

PRESIDENT (in Cantonese): Do you mean preventive work?

MR WONG YUNG-KAN (in Cantonese): *Yes, the part on prevention. What preventive work will the Government do? Will it set up some quality websites for young persons' involvement?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, publicity and education are definitely one of our major tasks. We very much welcome good suggestions from Members in relation to promotion, so as to help the young persons to return to the right course. I will refer the suggestions made by Mr WONG earlier for our experts' consideration.

PRESIDENT (in Cantonese): We have spent more than 18 minutes on this question. Last supplementary question.

MR HOWARD YOUNG (in Cantonese): *President, the Secretary said right at the beginning that the situation does not indicate a deteriorating trend, and an Annex has been provided. After studying the Annex, I found that the overall figure is decreasing year on year, which demonstrates that the Secretary's conclusion is right. However, after doing some calculation on the figures for the first nine months in 2006, I noted two very special regions, namely, Kowloon West and New Territories South. If we make a projection from the figures of these nine months, the result will be higher than that of 2005, which completely contradicts the Secretary's remarks that the overall trend is not deteriorating. I wish to ask the Secretary: Did he notice such phenomena? Is this sufficient to*

convince people that there are some special reasons in relation to those two regions which account for their distinctiveness from the rest of the territory and necessitates our special attention in spite of the absence of an overall deteriorating trend?

SECRETARY FOR SECURITY (in Cantonese): The absence of a deteriorating trend mentioned by me referred to an overall figure. Thanks to Howard for pointing out the situation of those two regions. By multiplying the average of the first three quarters of the two regions with four quarters, it is found that there seems to be negligible growth. However, I opine that this cannot be conclusive. Since I do not have a more detailed breakdown of the figures at the moment, I cannot tell him if there is any special reason at all. Nevertheless, on the whole, it is fair for me to say that the situation is now under control.

PRESIDENT (in Cantonese): Oral questions end here.

WRITTEN ANSWERS TO QUESTIONS

Monitoring of Industry Conduct

7. **MR HOWARD YOUNG** (in Chinese): *President, it has recently been suggested that the Travel Industry Council of Hong Kong (TIC) be dissolved and replaced by a statutory body for more effective regulation of the travel industry. In this connection, will the Government inform this Council of the industries the conduct within which is currently monitored only by the trade associations concerned and those whose monitoring work is undertaken by statutory bodies; and how these two modes of monitoring compare to the current practice of the TIC?*

SECRETARY FOR HOME AFFAIRS (in Chinese): President, a number of professions and industries in Hong Kong are self-regulated through their own professional or trade associations. These include, for example, the legal profession which is regulated by the Hong Kong Bar Association, The Law Society of Hong Kong and the Hong Kong Society of Notaries; in the case of real estate developers, The Real Estate Developers Association of Hong Kong; and in

the case of local newspapers, the Hong Kong Press Council. Depending on the profession and the trade concerned, the modes of regulation and monitor differ widely — from professional bodies having authority for registration and issue of licences for practice, with established codes of conduct and formal procedures for discipline to a non-compulsory association of members subscribing to a set of agreed guidelines on practices. Given the freedom for the establishment of trade associations and the diversity of their roles in self-regulation of the industries concerned, we do not have a complete list of the industries the conduct within which is currently monitored only by the trade associations in the industries concerned.

As regards those industries or professions whose monitoring work is undertaken by statutory regulatory bodies, a list of the industries/professions is at Annex. In general, the statutory bodies concerned are empowered by the relevant ordinances to issue licences which permit the holders to practise in the trade or profession concerned, to issue codes of practice to regulate the conduct of the licensees, to receive and investigate into complaints, as well as to take disciplinary actions, where appropriate, against breaches of licence conditions and codes of practice.

According to the Secretary for Economic Development and Labour, the operation of the TIC is as follows.

Under the Travel Agents Ordinance (Cap. 218), all travel agents in Hong Kong must first become a member of the TIC before they are eligible for licensing. The TIC is responsible for regulating the daily operation of travel agents through the issue of code of conduct/business practice and directives, and so on. A committee has been set up to take disciplinary actions against members' non-compliance. To ensure that the committee's deliberations are fair and objective, half of the committee members are independent non-trade members. In order to expedite the processing of non-compliance cases concerning mainland tour groups, the TIC Board of Directors has decided to establish a new committee specially tasked to consider and take disciplinary actions against such cases. The committee will be chaired by a non-trade Independent Director of the TIC, and have a majority of non-trade independent members.

The TIC is empowered by its Memorandum and Articles of Association to take disciplinary actions against the non-compliance of its member travel agents.

Such actions include warning letter, fine, suspension and termination of membership which may lead to the revocation of a travel agent's licence by the Travel Agents Registry. The TIC has set up an Appeal Board to consider appeals from member travel agents, with membership drawn from an Appeal Panel consisting of 10 independent non-trade members appointed by the Secretary for Economic Development and Labour. When an appeal is lodged, the Appeal Board, comprising five members, will meet to consider the appeal. Three of them including the chairman of the Appeal Board will be drawn from the independent non-trade members of the Appeal Panel. The remaining two will be TIC Board directors.

Given the differences in the nature of trade and the diversity in the functions of the trade associations concerned, it is not practicable to compare the modes of operation and monitoring between the TIC and other trade associations or statutory regulatory bodies.

Annex

Industries or professions whose monitoring work is undertaken by
statutory regulatory bodies

Architects
Authorized persons, structural engineers, geotechnical engineers and contractors specified in the Buildings Ordinance
Authorized land surveyors
Broadcasting industry
Certified public accountants
Chinese medicine practitioners and the traders of Chinese medicines
Construction workers
Engineers
Estate agents and salespersons
Import, export, possession and use of radioactive substances and irradiating apparatus and the prospecting and mining for radioactive minerals
Landscape architects
Occupational retirement schemes and Mandatory Provident Fund industry
Pharmacists and the pharmaceutical traders (retailers, importers/exporters, wholesalers and manufacturers)
Planners
Property management — housing managers

Registered and enrolled nurses
Registered asbestos consultants/contractors/supervisors/laboratories
Registered chiropractors
Registered dentists
Registered electrical workers and registered electrical contractors
Registered examiners and registered contractors for the builders' lift and tower working platform
Registered fire service installation contractors
Registered medical laboratory technologists
Registered medical practitioners
Registered midwives
Registered occupational therapists
Registered optometrists
Registered physiotherapists
Registered radiographers
Registered safety auditor and registered scheme operators (a scheme to train persons to be safety auditors)
Registered social workers
Reproductive technology treatment, storage of gametes or embryos, and embryo research
Securities and futures markets
Security industry
Surveyors
Veterinary surgeons

Removal of Roadside Publicity Materials During Election Committee Subsector Elections

8. **MR LAU CHIN-SHEK** (in Chinese): *President, to prepare for the Chief Executive election, the Government will hold the Election Committee (EC) subsector elections later on. During the election period, the Lands Department (LandsD) requires all Legislative Council Members and District Council (DC) members to remove at their own expenses their roadside publicity materials (PMs) at the spots approved by the LandsD and put them back after the election. According to past experience, the costs for hiring workers to remove PMs and put them back are about \$40 for each spot. In this connection, will the Government inform this Council:*

- (a) *of the current total number of spots approved by the LandsD for Legislative Council Members and DC members to display their PMs;*
- (b) *whether it has calculated the costs to be borne by Legislative Council Members/DC members for removing and putting back all of their PMs; if it has, of the costs;*
- (c) *whether it will consider putting up the PMs of the EC subsector elections on top of the PMs of Legislative Council Members/DC members which are on display at present, instead of requiring them to remove all of their existing PMs; if not, of the reasons for that;*
- (d) *whether it will consider requiring Legislative Council Members/DC members to remove their PMs only at those spots which are needed for the EC subsector elections and allowing them to keep their PMs at other spots; if not, of the reasons for that;*
- (e) *of the number of those spots for which approval had been granted but were also revoked temporarily during last year's Chief Executive by-election, and the respective numbers of the spots which were used and those which were not used for displaying the PMs of the Chief Executive by-election; and*
- (f) *whether approval for designated spots will again be revoked temporarily during the Chief Executive election to be held in March next year; if so, of the details of the arrangements?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Chinese): President, the LandsD introduced a Management Scheme in 2003 to better manage the display of roadside non-commercial PMs by Legislative Council Members and DC members, government departments and non-profit-making organizations. Under the Management Scheme, the LandsD is responsible for approving applications and allocating designated spots to individual parties for the display of PMs. According to the Implementation Guidelines of the Management Scheme, applications and approvals for the use of the designated spots will be temporarily suspended or revoked during election periods.

During election periods, spots on public land for candidates to display their election advertisements (EAs) are designated by Returning Officers (ROs).

The Administration's response to the respective parts of the question is as follows:

- (a) According to the LandsD, the Department has approved about 13 100 spots for Legislative Council Members and DC members to display their PMs. These approvals were temporarily revoked as from 23 October 2006 to cater for the display of EAs by candidates for the EC subsector elections, which will be held on 10 December 2006.
- (b) The LandsD does not have any information on the costs to be borne by Legislative Council Members and DC members for removing and putting back their PMs.
- (c) The proposal of putting up EAs on top of the PMs originally on display at the designated spots (so that the latter need not be removed during election periods) may give rise to some difficult legal and practical issues which would need to be carefully addressed. Such issues include :
 - (i) possible confusion to voters if the EAs are not large enough to cover fully the original PMs;
 - (ii) possible damage to the original PMs when the EAs are put on top of them (and the resultant issue of responsibility arising therefrom); and
 - (iii) the issue of responsibility in case the original PMs and the EAs cause any danger or inconvenience to passers-by.
- (d) Existing PMs put up on designated spots under the Management Scheme will have to be removed, if the designated spots are designated by ROs for the display of EAs. The removal should be effected before the start of the nomination period. As regards the other designated spots (if there remains any), the PMs may continue to remain on display.

- (e) During the Chief Executive by-election in 2005, the RO designated about 950 designated spots in various locations in Hong Kong for the display of EAs. According to the information available to the Registration and Electoral Office, no EA was displayed on these designated spots on that occasion.
- (f) For the coming Chief Executive election to be held in 2007, it is envisaged that the RO may designate a similar number of designated spots for the display of EAs. Any PMs which are originally on display at these spots will need to be removed by a date to be specified.

Communication Channels Between Members Returned by Legislative Council Functional Constituencies and Their Electors

9. **MISS TAM HEUNG-MAN** (in Chinese): *President, regarding the communication channels between Members returned by Legislative Council functional constituencies (FCs) and their electors, will the Government inform this Council:*

- (a) *as a subsidiary legislation of the Electoral Affairs Commission Ordinance stipulates that no person is allowed to use any information relating to a person contained in a register or an extract from such a register for any purpose unrelated to an election, whether it will consider amending the subsidiary legislation concerned to allow Legislative Council FC Members to use such information while they are in office for communication with their electors (such as sending newsletters on their work in the legislature);*
- (b) *given that there is a professional body which refuses to send, on behalf of a Legislative Council Member returned by the FC to which the body belongs, newsletters to its members for the reason that such an act, without the prescribed consent of the data subject to use his personal data for this purpose, might contravene a data protection principle under the Personal Data (Privacy) Ordinance (the Ordinance), whether it knows if the Privacy Commissioner for Personal Data will issue guidelines or formulate other measures to*

facilitate Legislative Council FC Members to communicate with their electors; and

- (c) *whether it will formulate measures to facilitate the communication between Legislative Council FC Members and their electors; if it will, of the details of such measures; if not, the reasons for that?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Chinese): President,

- (a) According to section 21 of the Electoral Affairs Commission (Registration of Electors) (Legislative Council Geographical Constituencies) (District Council Constituencies) Regulation (Cap. 541, sub. leg. A) and section 41 of the Electoral Affairs Commission (Registration) (Electors for Legislative Council Functional Constituencies) (Voters for Election Committee Subsectors) (Members of Election Committee) Regulation (Cap. 541, sub. leg. B), both made by the Electoral Affairs Commission, the Electoral Registration Officer may make available an extract from any published register of electors "for any purpose related to an election", to any person that Officer considers appropriate. The Regulations further provide that it is an offence to use any information relating to a person contained in a register or an extract from such a register "for a purpose other than a purpose related to an election". The above provisions aim at striking a balance between two considerations, that is, the need to provide basic information on electors to interested parties (such as candidates and the political groups or parties which support them) to facilitate the planning and conduct of election-related activities on the one hand, and the need to protect personal data and the privacy of electors on the other.

If the information contained in a voter register were to be released to Legislative Council Members while they are in office for their communication with electors (such as sending newsletters on their work in the Legislative Council), and if such communication were not for any purpose related to an election, then the law would need to be amended. Since a voter register carries the names and addresses of electors, any proposal to amend the law must be

considered very carefully. In particular, issues relating to the need to protect personal data and the privacy of electors must be thoroughly addressed. We have no current plans to introduce any legislative amendments in this regard.

- (b) The Ordinance protects privacy of individuals in relation to personal data. A data user shall not do an act, or engage in a practice, that contravenes the data protection principles set out in Schedule 1 of the Ordinance, unless the act or practice is permitted under the Ordinance. Data Protection Principle 3 (use limitation principle) requires that personal data shall not, without the prescribed consent of the data subject, be used for any purposes other than those for which the data were to be used at the time of collection, or a directly related purpose. With regard to the case in question, it is essentially a matter for the professional body as the data user to determine whether to use or not to use the personal data held by it for any particular purpose, having regard to the need to comply with the requirements of the Ordinance.

To promote awareness of and compliance with the provisions of the Ordinance, the Privacy Commissioner has issued a number of leaflets and guidance notes to the public on the provisions of the Ordinance, including the use limitation principle.

- (c) The remuneration package for Legislative Council Members includes, amongst other components, an allowance for operating expenses reimbursements (OER) and other one-off provisions. The OER can be used to cover expenses for the running of Members' offices, staff expenses and other support services. Moreover, there is an item under the one-off provisions for Legislative Council Members for setting up their offices. In addition, the Administration makes available to each Legislative Council Member a central office free of rent.

The above resources are available to Legislative Council Members returned by geographical constituencies and FCs alike to facilitate the carrying out of their work, including communication with their constituents. It is for individual Members to decide how such resources are to be deployed to further their work.

Regulation of Loan Interest Rate Caps

10. **MR ALBERT HO** (in Chinese): *President, section 24 of the Money Lenders Ordinance (the Ordinance) (Cap. 163) provides that any person who lends money at an effective rate of interest which exceeds 60% per annum commits an offence. Section 25 of the Ordinance also provides that if the effective rate of interest on a loan exceeds 48% per annum, having regard to that fact alone, the transaction concerned shall be presumed to be extortionate. In this connection, will the Government inform this Council:*

- (a) *of the number of prosecutions instituted in respect of cases in which the rates of interest on loans exceeded 60% per annum, and the number of litigations concerning cases in which the rates of interest on loans exceeded 48% per annum, in each of the past five years;*
- (b) *of the rationale for setting the caps on loan interest rates for regulation purposes in the above provisions at 60% and 48% per annum respectively; whether it has regularly reviewed if the caps are in keeping with Hong Kong's economic, cultural and social situations, their effectiveness in combating illegal loan-sharking activities and their impact on the legal lending market; if so, of the outcome of such reviews; if not, the reasons for that; and*
- (c) *whether it has studied, with reference to overseas legislation, if the above caps on loan interest rates should be adjusted; if so, of the findings of the study and the relevant justifications; if not, the reasons for that?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): President,

- (a) Statistics on the prosecutions taken against money lending transactions at excessive interest rates under section 24 of the Ordinance in the past five years are as follows:

<i>Calendar Year</i>	<i>Number of Prosecutions</i>
2001	26
2002	18
2003	18
2004	28
2005	10

The police, Companies Registry or Judiciary does not keep statistics regarding court proceedings under section 25 of the Ordinance, which involve the reopening of money lending transactions.

(b) and (c)

The existing Ordinance was enacted in 1980 principally to tackle the problem of loan sharking. It provides a framework for the licensing of money lenders, the control of money lending transactions, and the prohibition of charging excessive interest rates. Sections 24 and 25 were enacted specifically to prohibit the charging of excessive interest rates on loan transactions while recognizing the need of genuine commercial transactions. Section 24 provides that if any person makes a loan at an effective interest rate of more than 60% per annum, he will commit a criminal offence punishable by fine and/or imprisonment and the relevant loan agreement will also be unenforceable. Section 25 provides that in the case of a loan made by any person, where proceedings are taken for the recovery of the money lent or on the application of the debtor, the Court may, if satisfied that the transaction is extortionate, reopen it and substitute just terms. A transaction where the effective interest rate is more than 48% per annum will be presumed *prima facie* to be extortionate. However, the Court may declare that such transaction is not extortionate having regard to all the relevant circumstances of the particular case, such as prevailing interest rates, the debtor's state of health and business capacity unless the effective interest rate exceeds 60% per annum. The effective interest rates of 48% and 60% per annum in this two-tier structure for prohibiting excessive interest rates were decided by reference to prevailing reputable commercial practices in Hong Kong and the legislation in other jurisdictions, such as the United Kingdom.

Since the enactment of sections 24 and 25 in 1980, we have been keeping a watch on how these provisions operate such as their effectiveness in tackling the problem of loan sharking and their impact on genuine commercial transactions. For example, we have amended the Ordinance to exclude certain corporate loans from the requirements under sections 24 and 25. We have also substantially increased the maximum punishment under section 24

from two years' imprisonment and a fine of \$100,000 to 10 years' imprisonment and a fine of \$5 million so as to strengthen its effectiveness against loan sharking activities.

From the law-enforcement point of view, section 24 is generally an effective tool in curbing the loan sharking activities in Hong Kong. We will continue to keep sections 24 and 25 under review in the light of Hong Kong's situation, such as the problem of loan sharking and the need of genuine commercial transactions, as well as the legislation in other relevant jurisdictions, where appropriate. Should the situation warrant, we will also consider the need to suitably amend these provisions as necessary to ensure that they continue to meet the needs of our community.

Registration of Construction Workers

11. **MR LEUNG KWOK-HUNG** (in Chinese): *President, upon coming into full operation, the Construction Workers Registration Ordinance (Cap. 583) prohibits any unregistered construction workers from personally carrying out construction work on construction sites. As such, the Construction Workers Registration Authority (CWRA) is currently processing the registration of construction workers. In addition, persons operating certain types of machines on construction sites must be holders of valid certificates issued by the relevant authorized authorities. I have received complaints from workers that the procedures for registration as construction workers and those for the re-validation tests for machine operators are both quite complicated. For example, workers are required to produce proof of work experience signed and issued by their employers, and the arrangements for the refresher courses and written tests for re-validation tests lack flexibility. In this connection, will the Government inform this Council:*

- (a) *of the number of registered workers in each trade, broken down by years of experience, and the estimated number of workers who have yet to be registered in each trade;*
- (b) *of the numbers of complaints received by the authorities about the complicated procedures for re-validation tests in the past three years, and the number of machine operators prosecuted for failing to produce or not possessing the relevant certificates; and*

- (c) *whether the authorities will consider streamlining the procedures for registration of construction workers and the re-validation tests, improving the arrangements for the relevant courses and written tests, as well as reducing the charges involved; if they will, of the details?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

(in Chinese): President,

- (a) The CWRA has commenced the registration of construction workers since 29 December 2005. As at 12 November 2006, over 121 400 workers have been registered. It is estimated that about 40 000 workers have not yet been registered. Since the number of workers applying for registration in each trade varies from day to day, and each worker can apply for registration in more than one trade, it is very difficult for us to estimate at this stage the number of workers in each trade who have not yet been registered. Moreover, most workers apply for full registration as skilled, semi-skilled or general workers, who are not required to produce proof of work experience. Therefore, we are unable to provide information on the workers' years of work experience.
- (b) Before the implementation of the construction workers registration system, regulations of the Factories and Industrial Undertakings Ordinance, administered by the Labour Department (LD), have already required operators of machines under control to hold valid certificates when operating such machines. Operators can take recognized training or revalidation courses in order to obtain the relevant certificates. Hence, such requirement has no direct relation with the construction workers registration system.

In the past three years (that is, from 1 November 2003 to 31 October 2006), the LD received a total of eight complaints against complicated procedures in respect of revalidation courses for operating loadshifting machinery. During the above period, the LD did not institute prosecution against any worker for failing to produce or not holding relevant valid certificates.

- (c) The CWRA has consulted the stakeholders on the arrangements and procedures for registration of construction workers before commencement of the registration in order to streamline the registration process and facilitate workers to obtain registration. For workers who meet the qualifications for registration set out in the Construction Workers Registration Ordinance, the procedures are very simple. For example, plant and equipment operators holding relevant certificates can apply for registration as skilled or semi-skilled workers for the trade provided that they can produce the relevant certificates and the "Green Card" (that is, proof of the completion of the relevant safety training course specified in section 6BA of the Factories and Industrial Undertakings Ordinance). Furthermore, with the help of the relevant trade unions, the CWRA has speeded up the verification of provisional registration applications.

As regards the course framework, enrolment prerequisites and examination requirements for revalidation courses for loadshifting machinery, these have to be endorsed by the Advisory Committee on Certification of Operators of Specified Plants and Equipment appointed by the LD. At its meeting on 8 June 2006, the Committee, after discussion, decided to relax the prerequisites for operators of loadshifting machines to attend revalidation courses. Operators who meet the following requirements are considered fulfilling the said prerequisite requirements for attending the courses:

- (i) with current employer's certification showing that the operator has operated the type of loadshifting machinery concerned for at least six working days; or
- (ii) with one and a half years' experience in operating the type of loadshifting machinery concerned in the past five years; or
- (iii) with six months' experience in operating the type of loadshifting machinery concerned in the preceding year.

As for self-employed operators, taking into consideration that it is difficult for them to obtain employers' certification on their work

experience, a self-declaration of work experience made in front of a Commissioner for Oaths will be accepted as proof of such experience.

On training courses held outside working hours, the Construction Industry Training Authority, upon the LD's request, has been organizing training courses in evenings and during holidays to facilitate attendance by serving workers. The LD has also encouraged commercial course providers to follow suit.

As regards course fees, they are determined by the course providers. Nevertheless, the LD has requested them to lower the course fees as far as possible to ease the financial burden on the trainees.

Illegal Conversions of Factory Building Rooftop

12. **MR LI KWOK-YING** (in Chinese): *President, it has been reported that the owners of a factory building have illegally converted the rooftop of the building into suites for rent. The authority concerned has issued warning notices to the owners and registered charges against the properties with the Land Registry. In this connection, will the Government inform this Council:*

- (a) *whether it has followed up the progress of the removal of the rooftop tenants concerned; if so, of the latest situation, and the assistance offered to them; and*
- (b) *whether it has immediately conducted investigations to see if other factory buildings have similar illegal conversion problems; if it has not conducted such investigations, of the reasons for that, and whether insufficient manpower is one of the reasons; if it has conducted such investigations, the result of the investigations and whether it has required the owners concerned to remove the illegal conversions in accordance with the relevant legislation; if so, of the details; if not, the reasons for that?*

SECRETARY FOR HOUSING, PLANNING AND LANDS (in Chinese):
President, my reply to the two parts of the question is as follows:

- (a) Regarding a case recently reported by the media in which unauthorized rooftop structures (URs) for residential uses were found in a factory building in San Po Kong, investigation conducted by the Buildings Department (BD) has revealed that the owners concerned have not followed the warning notices issued earlier by the BD to remove the unauthorized structures. As such, the BD is considering the issuance of removal orders under the Buildings Ordinance to request the owners concerned to remove the unauthorized structures within a specified period. Otherwise, the BD will take further enforcement action.

In accordance with established policy, the affected occupants who have urgent housing needs will be provided with temporary housing in transit centres. After three months of stay, if the occupants are confirmed to be homeless by the Housing Department and satisfy the criteria on income and asset limits as well as other conditions specified under the Waiting List, arrangements will be made for them to move into interim housing units.

- (b) The Lands Department (LandsD) conducts inspections of factory buildings in various districts from time to time. If URs are found during inspections, the LandsD will refer the cases to the BD immediately for follow-up action. During the year (up to September), the LandsD conducted 1 588 inspections of factory buildings, and identified 21 cases of URs. The LandsD accords priority to cases in which the unauthorized structures constitute an imminent danger and takes immediate lease enforcement action. As for other cases, the LandsD will issue warning letters to the owners concerned, demanding them to stop putting the said premises to unauthorized uses.

In addition, the Fire Services Department (FSD) also conducts inspections of industrial buildings (including factory buildings and godowns). During the year (up to September), the FSD conducted 2 153 inspections of industrial buildings. If URs are found during inspections, the FSD will refer the cases to the BD for follow-up action.

During the year (up to September), the BD carried out investigations into cases of URSs found in 15 factory buildings, and a total of 34 removal orders were issued. Among them, five orders have been complied with and the owners concerned have removed the unauthorized structures by themselves. During the same period, the BD also initiated prosecution against the owners concerned in two non-compliance cases, and the Courts have imposed fines on the offenders.

Emission of Black Smoke from Buses

13. **MISS CHOY SO-YUK** (in Chinese): *President, it has been reported that some reporters have found out that at various bus stops in different parts of the territory, one of every two buses departing from the bus stop emits black smoke. It has also been reported that to enable their buses to pass the annual inspection by the Transport Department (TD), bus companies will replace the old mufflers with new ones, but the old mufflers will be used again after the buses have passed the inspection. The problem of black smoke emission, therefore, has not improved. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of Pre-Euro and Euro I buses currently owned by various franchised bus companies, the respective percentages of such buses among all the buses of these companies, and the respective percentages of suspended particulate and nitrogen oxide emissions from such buses among the total emissions from buses of these companies;*
- (b) *of the number of complaints about the emission of black smoke from buses of the abovementioned companies received in each of the past three years, the results of the follow-up actions taken by the authorities, the number of complaints which were substantiated and the penalty usually imposed;*
- (c) *whether it has carried out investigations into the emission of black smoke from buses and the practice of bus companies replacing new mufflers with old ones after the buses have passed the inspections; if it has, of the investigation results; if not, the reasons for that;*

- (d) *whether it will consider adopting measures such as prosecutions, fines and revocation of licence for effective control of emissions from buses; and*
- (e) *whether it will consider prohibiting Pre-Euro buses from running on the roads; if it will, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS
(in Chinese): President,

- (a) As at 30 September 2006, the respective numbers of pre-Euro and Euro I buses owned by the franchised bus companies serving Hong Kong and the respective percentages of such buses in their bus fleets are as follows:

<i>Franchised bus company</i>	<i>Number of Buses</i>		
	<i>Pre-Euro (Percentage)</i>	<i>Euro I (Percentage)</i>	<i>Total number of buses in the fleet</i>
Kowloon Motor Bus Company (1933) Limited (KMB)	589 (15%)	941 (23%)	4 030
Citybus Limited (Citybus) (Franchise 1)*	48 (6%)	313 (42%)	741
New World First Bus Services Limited (NWFB)	47 (7%)	91 (13%)	694
Long Win Bus Company Limited (LW)	9 (6%)	0	153
Citybus Limited (Franchise 2)*	0	0	167
New Lantao Bus Company Limited (NLB)	0	12 (14%)	83

* "Citybus (Franchise 1)" refers to the franchise held by Citybus for the provision of Hong Kong Island and cross-harbour bus services while "Citybus (Franchise 2)" refers to the franchise for the provision of North Lantau and Chek Lap Kok Airport bus services.

To reduce emissions from buses, all pre-Euro and Euro I franchised buses have been installed with diesel catalysts which can reduce the emission of particulate matters.

According to information of the Environmental Protection Department (EPD), the respective percentages of suspended particulates and nitrogen oxide emitted by pre-Euro and Euro I buses out of the total emissions of these companies in 2004 are set out in the table below. The EPD does not have more recent data.

<i>Franchised bus company</i>	<i>Percentages of emitted by pre-Euro and Euro I buses out of the total emissions of the bus company in 2004</i>	
	<i>Suspended particulates</i>	<i>Nitrogen oxide</i>
KMB	70%	60%
Citybus (Franchise 1)	60%	55%
NWFB	40%	30%
LW	20%	10%
Citybus (Franchise 2)	-*	-*
NLB	60%	45%

* Citybus (Franchise 2) does not have any pre-Euro or Euro I buses.

As the bus companies have adjusted and replaced their bus fleets progressively over the past two years, both the total number of buses and the number of pre-Euro and Euro I buses have decreased. The number of pre-Euro and Euro I buses has decreased from 2 424 (40% of the bus fleets) in June 2004 to 2 050 (34% of the bus fleets) in September 2006. For example, KMB has replaced about 360 pre-Euro and Euro I buses in the past two years. As such, the existing percentages of suspended particulates and nitrogen oxide emitted by pre-Euro and Euro I buses out of the total emissions from the bus fleets should be lower than the percentages in 2004.

- (b) According to the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374A), the smoke emitted by a vehicle shall not exceed 60 Hartridge Smoke Units. The general public may not be able to assess visually whether the smoke emitted by a vehicle has exceeded the limit. Notwithstanding this, on receiving a complaint from the public about emission of black smoke from a vehicle, the EPD will issue a letter to the vehicle owner (including the bus companies) asking him/her to check the black smoke emission of the vehicle, and encourage the owner to properly repair the vehicle immediately upon detection of any problem.

To monitor black smoke emission from vehicles, the EPD has trained and conducted tests for smoky vehicle spotters who are able to assess whether individual vehicles are emitting excessive black smoke. Based on the reports made by the spotters, the EPD will require the vehicle owners (including bus companies) to have the vehicle repaired within a specified period for undergoing a black smoke test conducted by the EPD. Should a vehicle fail the test, the Commissioner for Transport may cancel its licence under the Road Traffic Ordinance (RTO) (Cap. 374). The records show that all the buses reported by the spotters in the past three years have passed the relevant test.

The respective numbers of complaints from the general public and reports from smoky vehicle spotters against emission of smoke by the bus companies' vehicles in the past three years are as follows:

<i>Franchised bus company</i>	<i>2004</i>		<i>2005</i>		<i>2006 (January to October)</i>	
	<i>General Public</i>	<i>Spotter</i>	<i>General Public</i>	<i>Spotter</i>	<i>General Public</i>	<i>Spotter</i>
KMB	271	21	164	34	197	18
Citybus (Franchise 1)	192	14	234	25	278	39
NWFB	154	7	225	20	306	32
LW	8	1	11	0	12	0
Citybus (Franchise 2)	24	2	61	10	45	7
NLB	1	2	0	3	1	0

- (c) The TD deploys vehicle examiners to the depots of the franchised bus companies to carry out bus inspections and surprise checks on every working day. No bus companies have been found replacing vehicle components in order to pass the inspections in the past. In fact, mufflers installed on buses of older models are mainly for reduction in noise instead of exhaust emission. Should the bus companies replace the mufflers of those buses undergoing an inspection, not only will it result in additional manpower and cost, it will be unable to improve the buses' emission performance.

Apart from daily inspections, the TD has followed up the relevant reports with the bus companies. According to information of the bus companies, each of their buses has to undergo emission tests of the companies on a regular basis and every test result will be recorded in detail by emission detection devices. Should the test results indicate that the emission level of a bus exceeds the limit, the bus concerned has to be retained in the depot for repair. The bus will only be deployed to run on the roads after it has passed the emission test and met the Government's emission standard.

- (d) The EPD and TD have adopted the above effective measures to monitor the emission performance of buses, including cancellation of the licences of vehicles which fail the black smoke test under the RTO. In addition, if a bus company fails to comply with the Public Bus Services Ordinance (PBSO) (Cap. 230) or its franchise or any relevant direction, the Chief Executive in Council may impose a fine on the company. The Chief Executive in Council may also revoke a bus company's right to operate certain routes or the company's franchise as a whole under the PBSO if it is of the opinion that the company has failed to maintain a proper and efficient bus service without good cause or has failed to pay the fine.

- (e) Currently, there are various regulations that can monitor the replacement of bus fleet effectively. First of all, under the PBSO, the bus companies have to submit to the TD an annual forward planning programme for the following five years which contains a programme for the scrapping of buses that are unfit for use and for the purchase of new buses. The Government has added a new provision in all the new bus franchises to require the franchised bus companies to adopt the latest commercially available and proven environmental protection technology in setting specifications for acquiring new buses to minimize exhaust emissions as far as practicable. Moreover, the Air Pollution Control (Vehicle Design Standards) (Emission) (Amendment) Regulation 2006 enacted recently stipulates that from October 2006 onwards, all newly registered heavy duty vehicles (including franchised buses) have to comply with the Euro IV emission standards. All bus companies have to comply with this requirement.

As mentioned above, all pre-Euro and Euro I franchised buses have been installed with diesel catalysts to reduce particulate emission. We consider that an across the board prohibition on pre-Euro buses running on the roads before they have reached the end of service life is not an optimal use of resources. It is because the bus companies will have to purchase a large number of new buses right away in order to maintain their services. As each double-decker bus costs about \$3 million, this will result in a substantial increase in the operation cost of the companies and in turn increase the pressure on bus fare. Having struck a balance between the interests of bus companies and passengers as well as the need to improve the environment, we are of the view that reduction of bus emissions should be achieved through the best practicable means including progressive replacement of the bus fleets by Euro IV buses or other mature emission reduction technology, coupled with other measures such as rationalization of bus service and continuous installation of emission reduction devices on buses.

Provision of Baby-sitting and Breast-feeding Rooms in Public Places

14. **MR LEUNG YIU-CHUNG** (in Chinese): *President, regarding the provision of baby-sitting and breast-feeding rooms in public places, will the Government inform this Council:*

- (a) *in respect of each type of public facilities, such as government buildings, parks, leisure and recreational facilities, of the number and percentage of such facilities in which dedicated rooms for baby-sitting and breast-feeding are provided at present; and whether it has assessed if these rooms are adequate;*
- (b) *other than the maternal and child health centres of the Department of Health (DH), whether it plans to provide baby-sitting and breast-feeding rooms in all suitable government premises; if so, of the details of such plan; if not, the reasons for that; and*
- (c) *whether it plans to draw up guidelines or amend legislation to require the provision of adequate and proper baby-sitting and breast-feeding rooms in large shopping arcades; if so, of the details of such plan; if not, the reasons for that?*

SECRETARY FOR HEALTH, WELFARE AND FOOD (in Chinese): President, the DH is committed to promoting, protecting and supporting breastfeeding. It has also formulated a Breastfeeding Policy that encourages and supports mothers to breastfeed their babies through different means, including making more mothers and their family members aware of the benefits of breastfeeding through publicity and education; provision of training to nurses and medical practitioners of Maternal and Child Health Centres so as to equip them with proper knowledge and skills to counsel mothers on breastfeeding; and setting up support groups for mothers to share their experience on breastfeeding. Complementary to this, baby-sitting and breastfeeding facilities are made available, according to needs, in some government premises and facilities frequented by the general public. The relevant figures are shown in the Annex. Besides, baby-sitting and breastfeeding facilities are also available in some shopping malls. We will discuss with other government departments and the private sector for further promotion of breastfeeding and explore the need and feasibility of setting up more breastfeeding places.

Annex

Information on baby-sitting and breastfeeding facilities in government premises or facilities usually frequented by the general public

<i>Premises/facilities</i>		<i>Numbers of baby-sitting and breastfeeding facilities</i>
Public hospitals		30
Clinics		32
Recreational and cultural facilities	Civic centres	2
	Museums	2
Others	Hong Kong Wetland Park	1
	Hong Kong International Airport	19
	Boundary crossings	2
	Births registries	2
	Immigration centres	1

Notes:

In addition to the above facilities, government departments will make available spaces for breastfeeding by members of the public when the need arises.

Drivers Storing Smuggled Petrol

15. **MR CHEUNG HOK-MING** (in Chinese): *President, it has been reported that a rare and fatal truck blaze which took place on Tolo Highway in October this year. It was suspected that the incident might have involved the driver storing smuggled petrol in the cabin. In this connection, will the Government inform this Council:*

- (a) *whether it has investigated into the situation of cross-border truck drivers storing smuggled petrol in the cabin; if it has, of the outcome of the investigation and relevant statistics; whether such act is in breach of the laws of Hong Kong; if so, of the number of prosecutions in the past five years; and*
- (b) *whether it has studied the feasibility of setting up duty-free petrol filling stations at border crossing points, including the anticipated difficulties and costs to be incurred; if it has, of the findings of the study; if it has not, whether it will conduct such study and consider setting up duty-free petrol filling stations at border crossing points, so as to curb the situation of cross-border truck drivers storing smuggled petrol?*

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Chinese): *President,*

- (a) The Customs and Excise Department (C&ED) has been closely monitoring the situation of cross-border vehicles illegally carrying duty-not-paid fuel back to Hong Kong. The Dutiable Commodities Ordinance provides that a person entering Hong Kong shall declare the quantity of any duty-not-paid fuel carried by him which is in excess of the exempt quantities. Any person who fails to do so commits an offence.

The C&ED conducts spot checks on vehicles at boundary control points, and intercepted vehicles will be searched thoroughly. If a vehicle is found carrying undeclared and duty-not-paid fuel (for example, petrol) in addition to the fuel allowed in its fuel tank, the driver will be liable to fine or prosecution under the Dutiable Commodities Ordinance. The maximum penalty is a fine of

\$1 million and imprisonment for two years. Under the Dangerous Goods Ordinance, petrol is classified as dangerous goods in category 5. Any person conveying more than 20 litres of petrol must use a vehicle with a licence for conveyance of dangerous goods in category 5. Any person who is in breach of this provision shall be liable to a maximum fine of \$25,000 and imprisonment for six months. If a driver is found to have carried duty-not-paid petrol for over 20 litres, the C&ED, apart from dealing with the case in accordance with the Dutiable Commodities Ordinance, will also refer it to the Fire Services Department for follow-up action under the Dangerous Good Ordinance.

Cases of cross-border truck drivers carrying duty-not-paid petrol in the cabin are not common. The number of such cases detected by the C&ED between 2002 and the end of September 2006 is as follows:

<i>Year</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006 (January to September)</i>
Prosecuted/fined under the Dutiable Commodities Ordinance	1	2	2	4	1
(of which prosecuted under the Dangerous Goods Ordinance)	(0)	(0)	(2)	(4)	(1)

- (b) Currently, the fuel in the fuel tanks of all non-goods vehicles entering Hong Kong from the Mainland is not subject to duty, whereas goods vehicles may carry in their fuel tanks different quantities of duty-free fuel according to the cylinder capacity of the vehicle. We consider that the existing quantities of duty-free fuel allowed by law are sufficient for the inbound journey for cross-boundary vehicles. Moreover, there will still be a significant price difference between fuel in Hong Kong and that in the Mainland even if the former is tax free. We therefore consider that there is no practical need to set up duty free oil stations at the boundary crossings, nor will this measure be an effective means to deter fuel smuggling.

Trees Planted in Country Parks

16. **MR ALBERT CHAN** (in Chinese): *President, it has been learnt that the majority of trees presently planted in country parks belong to non-native species. In this connection, will the Government inform this Council:*

- (a) *of the respective numbers of native trees and non-native trees planted in country parks in each of the past three years; and*
- (b) *whether it plans to plant more native trees in country parks in the next five years; if so, of the details; if not, the reasons for that?*

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS
(in Chinese): President,

- (a) The numbers of trees planted in country parks in each of the past three years are as follows:

	2003	2004	2005
Seedlings of native species	493 000	491 000	488 000
Seedlings of exotic species	387 000	386 000	383 000
Total	880 000	877 000	871 000

We planted more native species than exotic ones. Native species accounted for about 56% of newly planted trees.

- (b) As native trees can enrich biodiversity and have closer ecological relationships with local wild fauna, we will give priority to planting native species if the site condition is suitable. However, we also need to consider various factors in selecting tree species, such as the objective of afforestation at a particular site, local environmental, soil conditions, and so on. For example, at seriously eroded sites or sites with infertile soil, we will plant fast growing and hardy exotic species such as Taiwan Acacia (*Acacia confusa*) and Bristance Box (*Lophostemon confertus*). At locations where the soil is relatively fertile and the condition is suitable, we will plant native species that are relatively slow in growing. Having regard to the specific site condition, mixed planting could be adopted at some locations.

We will maintain the proportion of native species planted in country parks at or above the present level in the next five years.

Provision of Escalators Leading Directly to Ground Level at all MTR Entrances/Exits

17. **MR FREDERICK FUNG** (in Chinese): *President, currently, many of the entrances/exits of Mass Transit Railway (MTR) stations which are on the ground level are connected with the next lower level or the station concourse by staircases only. As there are no escalators leading directly to ground level, elderly people and frail persons are much inconvenienced when they use these entrances/exits. Concerning the entrances/exits on the ground level, will the Government inform this Council whether:*

- (a) *it knows:*
 - (i) *why the MTR Corporation Limited (MTRCL) did not install escalators leading directly to each of the entrances/exits when it constructed its stations;*
 - (ii) *the entrances/exits without escalators leading directly to them (please list out the MTR stations where they are located and their identification numbers), the number of such entrances/exits and its percentage in the total number of entrances/exits;*
 - (iii) *if the entrances/exits which were completed in recent years all have escalators leading directly to them; and*
 - (iv) *the number of requests received in the past five years by the MTRCL for retrofitting escalators leading directly to certain entrances/exits; and*
- (b) *it has requested the MTRCL to review the abovementioned situation and consider retrofitting escalators leading directly to all entrances/exits (except those where the installation of escalators is not feasible due to technical problems such as insufficient space available); if so, of the response from the MTRCL, including*

whether the MTRCL has come up with details of and timetable for installation plans; if the MTRCL has rejected the request, its justifications for that?

SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS
(in Chinese): President,

- (a) (i) According to the MTRCL, it is not feasible to install escalators leading directly to the ground level at all the entrances/exits of MTR stations due to geographical and structural constraints of the stations. In fact, installation of escalators at certain entrances/exits of MTR stations will reduce the widths of sidewalks causing inconvenience to pedestrians; and underground utilities such as high voltage electric cables, gas mains and trunk sewers may also be affected. In considering whether escalators connecting MTR stations with the ground level should be installed, the MTRCL will also take into account requirements for smooth passenger flow in the stations, project priorities, fire service legislation, safety standards, evacuation, and so on.
- (ii) Around 30% (32.58% — 101 in number) of the 310 entrances/exits in the existing 53 MTR stations, the concourses are either directly connected with the sidewalks on the ground level or connected with nearby shopping arcades/public footbridges at the same level. About 10% of the entrances/exits (8.71% — 27 in number) are installed with escalators leading directly to the station concourses at a different level. Over 30% of the entrances/exits (36.45% — 113 in number) are connected with station concourses at a different level by a combination of escalators and staircases while around 20% (22.26% — 69 in number) are connected with station concourses by staircases only. The entrances/exits of MTR stations which do not have escalators leading directly to the ground level at present are set out at the Annex.

- (iii) While it is not possible to install escalators leading directly to the ground level at every entrance/exit of MTR stations, including those completed in recent years, the MTRCL has designated one barrier-free access in every station, including the new ones, to enable those in need to access the stations more conveniently. They can make use of lifts, escalators or other ancillary facilities to move between the station platform and the ground level through the concourse. In fact, in order to enhance its railway services, the MTRCL has invested over \$400 million in the last decade to improve and retrofit station facilities, including retrofitting passenger lifts at stations. The MTRCL has committed another \$100 million on its station improvement programme in the next five years. The programme includes installation of lifts at the Lai Chi Kok, Tai Wo Hau, Sham Shui Po and Admiralty Stations to facilitate passengers to travel between station concourses and platforms.
 - (iv) In the past five years (from 2002 up to October 2006), the MTRCL has received 97 cases concerning comments received from passengers on various aspects relating to escalators, including the operation of the escalators and their speed, as well as requests for more escalators, and so on. The MTRCL does not have a breakdown on requests for installing escalators leading directly to the ground level.
- (b) In regard to the entrances/exits of MTR stations, the focus of the Government's monitoring is to ensure the safe operation of the railway system, including evacuation when incidents occur; and that the design of the entrances/exits of stations could provide smooth arrangements for passengers. Whether the MTRCL can install escalators leading directly to the ground level at each entrance/exit of MTR stations falls within its operation ambit and has been explained above. The Government will continue to encourage transport operators, including the MTRCL, to widen and deepen the breadth of "Transport for All", such that station facilities are appropriately enhanced for passengers, especially the elderly and those in need, to use MTR service conveniently.

Annex

The entrances/exits of MTR stations without escalators leading directly to the ground level and their identification numbers

<i>Station</i>	<i>Station entrance connecting concourse level only by staircase</i>	<i>Station entrance connecting concourse level by a combination of escalator and staircase</i>
Tai Wo Hau	A, B	—
Lai King	C	—
Mei Foo	A	B, C1, C2, D1, D2
Cheung Sha Wan	C1	A1, A2, A3, B, C2
Lai Chi Kok	C	B1, B2
Sham Shui Po	—	A1, A2, B1, B2, C1, C2, D1, D2
Prince Edward	—	A, B1, B2, C1, C2, D, E
Mong Kok	—	A1, A2, B1, B2, B3, C1, C2, C4, D1, D2, D3, E1, E2
Yau Ma Tei	A1, A2	B1, B2, C, D
Jordan	A, B1, B2	C1, C2, D
Tsim Sha Tsui	E	A1, B1, B2, C1, C2, D1, D2
Shek Kip Mei	—	A, B1, B2, C
Kowloon Tong	B2	A1, A2, C1
Wong Tai Sin	A, B1, B2, C1, C2, D1, D2, E	B3, D3
Diamond Hill	—	A2, B, C1
Choi Hung	A1, A2, C1, C3	B
Kowloon Bay	A, B	—
Kwun Tong	A1, B1, B3, C1, C2, C3, D1, D2, D3, D4	—
Lam Tin	C	B, D
Sheung Wan	C, D	A1, A2, B, E1, E2, E3, E4
Central	C, D1, D2, E, F, J1, J2, J3	—
Admiralty	—	A, B, C1, C2, D, E1, E2
Wan Chai	A1, A2, A4, B1, B2, C	—
Causeway Bay	—	B, C, D1, D2, F
Tin Hau	B	A1, A2

<i>Station</i>	<i>Station entrance connecting concourse level only by staircase</i>	<i>Station entrance connecting concourse level by a combination of escalator and staircase</i>
Fortress Hill	—	A, B
North Point	—	A1, A2, B1, B3, B4
Quarry Bay	A, C	—
Tai Koo	—	A1, A2, B, C, D1, E2, E3
Sai Wan Ho	—	A
Shau Kei Wan	D1	A1, A2, A3, B1, B2, B3, C
Yau Tong	A1, A2, B1, B2	—
Hong Kong	B1, B2, D	C
Olympic	A1, B, D1, D2	—

Promoting Healthy Development of Tourism Industry

18. **MR TAM YIU-CHUNG** (in Chinese): *President, the Government is currently holding discussions with the tourism sector on how to raise the service standard of local travel agents in receiving tour groups from the Mainland, and on how to enhance communication among various parties within the sector. In this connection, will the Government inform this Council whether it plans to:*

- (a) *request the Travel Industry Council of Hong Kong (TIC) or the Consumer Council to publish the names of those travel agents which have seriously violated the rules, thereby strengthening the protection of consumers' rights and interests; if so, of the details; if not, the reasons for that;*
- (b) *appoint representatives from unions of tour guides to the TIC's Board of Directors, so that the views of tour guides can be reflected; if so, of the details; if not, the reasons for that; and*
- (c) *set up a quadripartite working group (comprising representatives from the Government, unions of tour guides, travel agents and the TIC) to jointly work out measures to facilitate the healthy development of the tourism industry; if so, of the details; if not, the reasons for that?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Chinese): President,

- (a) According to the existing disciplinary mechanism of the TIC, travel agents which are suspected to have contravened the TIC Code of Business Practice or Directives will be investigated by the TIC. When there is *prima facie* evidence of non-compliance, the cases will be considered by the TIC Compliance Committee. Taking into consideration the evidence available, the grounds of defence, and the seriousness of the case, the Compliance Committee will take appropriate disciplinary actions against the travel agents concerned in accordance with the stipulated penalty provisions, which include the issue of a warning letter, the imposition of a fine and the suspension or termination of membership.

In order to expedite the processing of non-compliance cases concerning mainland tour groups, the TIC Board of Directors decided on 14 November 2006 to establish a new committee specially tasked to consider and take disciplinary actions against such cases. As these non-compliance cases normally involve travel agents and tour guides, the new committee's ambit will cover both parties. This will expedite the processing of these cases as well as enable the committee to have a better grasp of the non-compliance situation. The committee will be chaired by a non-trade Independent Director of the TIC, and have a majority of non-trade independent members. To enhance the deterrent effect, the TIC Board of Directors has agreed to increase the level of fines from \$10,000 to \$100,000 to \$50,000 to \$200,000. Apart from the ongoing practice of disclosing in the TIC's quarterly publication names of the travel agents who have been disciplined, the nature of their non-compliance, and the sanctions imposed, the TIC has also decided to upload such information onto its website, so as to keep the public abreast of the latest situation. For serious cases, the TIC will consider issuing press releases to inform the public.

- (b) The TIC is responsible for regulating the daily operation of travel agents. To enhance the quality of service provided to inbound tour groups, the TIC has introduced the Tourist Guide Accreditation

Scheme by issuing Tourist Guide Passes to tour guides who have attended the training and passed the relevant examination. The TIC requires travel agents to employ only tour guides with a valid Tourist Guide Pass to provide guide service to their inbound tour groups. The Scheme helps enhance the professional image and service standard of tour guides. The TIC has also set up a Tourist Guide Deliberation Committee and a Training Committee. The former is responsible for all matters related to the disciplinary issues of tour guides, whereas the latter is responsible for the training, skill upgrading and continuous training for tour guides. While professional tour guides currently participate in the two committees, the TIC is actively considering increasing the number of professional tour guides on these two committees. In addition, the TIC is considering the appointment of professional tour guides to the new compliance committee.

- (c) The Tourism Commission has been maintaining dialogues with tour guide organizations as well as other related groups in the tourism industry on issues of common concern. Recently, the Tourism Commission has had in-depth discussions with the tour guide organizations, on problems associated with "zero fare" tours, with a view to improving the situation. The Tourism Commission will continue to engage the TIC, tour guide organizations and inbound travel agent organizations from time to time to discuss issues concerning the trade.

Youth Ambassador Against Internet Piracy Scheme

19. **MS EMILY LAU** (in Chinese): *President, in July this year, the Customs and Excise Department (C&ED) launched the Youth Ambassador Against Internet Piracy Scheme (the Scheme), with an objective of mobilizing the 200 000 members of youth uniformed organizations to serve as the web police and report to the C&ED information on suspected copyright-infringing seed files on the Internet. It has been reported that, in order to encourage its members to make reports proactively, a uniformed organization offers a music player to any youngster who has made the target number of reports. In this connection, will the executive authorities inform this Council:*

- (a) *of the number of reports received so far through the Scheme, and the number of those which have been substantiated;*
- (b) *whether they have set up a mechanism to ensure that the Scheme is not abused by youngsters; if so, of the details of the mechanism;*
- (c) *whether they have assessed the effectiveness of awards in encouraging reports, and if the practice of offering awards to youngsters who have made reports of others is conducive to their developing positive values; and*
- (d) *whether they know the countries and cities with similar schemes; if so, of the details of such schemes?*

SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY (in Chinese): President, we have been adopting a multi-pronged approach in combating Internet piracy. Our laws on intellectual property rights (IPR) are regularly reviewed and updated to ensure effective protection of copyright in the digital environment. On the law-enforcement front, the C&ED monitors infringing activities on the Internet round-the-clock and acts on suspected cases immediately. On the public education front, we have been working closely with copyright owners and various sectors of the community to promote public awareness of the importance of intellectual property protection, including sustained efforts to cultivate a culture of respect for IPR in the digital environment. This year, we have intensified our public education programmes in the latter respect, with young people as a particular target. These include broadcasting anti-Internet piracy messages through radio and television, organizing school visits, providing a hyperlink to IPR messages at search engine websites, launching the Scheme, and so on.

The Scheme aims at inculcating in the minds of the participating young people positive values that fortify respect for IPR in the digital environment. By enlisting the support of the "Youth Ambassadors" in reporting infringing activities on peer-to-peer (P2P) networks, the Scheme also facilitates the C&ED and copyright owners in combating such activities at source. In collaboration with 11 youth uniformed organizations, we encourage their members to notify the C&ED via a designated webpage when they detect any suspected infringing BitTorrent (BT) seeds on local discussion forum websites while surfing on the

Internet. After preliminary vetting, the C&ED will forward the relevant information to representatives of local copyright owners. If it is confirmed that the BT seeds can lead to sharing of infringing copyright files, the owners' representatives will request the webmasters of the concerned discussion forums to delete the relevant messages and the BT seeds posted therein. This helps contain the circulation of infringing BT seeds on the Internet.

The information relayed by the "Youth Ambassadors" covers only the location of the webpages containing the infringing BT seeds so that the webmasters can effectively remove the seeds. The notification process does not involve the use of any technical measure to detect or monitor the activities of other Internet users. Nor does the information reveal the identity of any Internet users.

To show his support for the Scheme, a copyright owner offered a gift as an incentive to members of a participating youth organization during the pilot stage of the Scheme. No similar award measures have been offered by copyright owners since the official inauguration of the Scheme.

My replies to the specific questions at part (a) to part (d) are as follows:

- (a) Since the launching of the Scheme on 19 July 2006, the C&ED has received 635 notifications from the "Youth Ambassadors". After initial vetting (which includes eliminating cases not pursuable for reasons such as invalid links), the C&ED passes on the information (that is, the location of the discussion forum websites where the suspected infringing BT seeds are found) to the relevant copyright owners. Up till now, the copyright owners have, on the basis of the notifications received, issued 129 letters to the concerned webmasters, thus enabling the latter to remove the BT seeds from the websites effectively.
- (b) Prior to the implementation of the Scheme, the C&ED has provided training sessions about the intellectual property laws in Hong Kong and the notification mechanism for trainers of the 11 youth uniformed organizations so that they could give proper guidance to their youth members. Should any "Youth Ambassador" or his/her trainers have questions about the Scheme, the C&ED stands ready to provide the necessary assistance. So far, we have not come across any instance which suggests that the Scheme has been abused.

- (c) The main purposes of the Scheme are to enhance awareness of the importance of respect for IPR amongst young people, and to encourage them to report suspected infringing activities to the law-enforcement authority so as to help combat Internet piracy. Sharing infringing copyright files on the Internet is unlawful. Encouraging young people to report unlawful activities to the law-enforcement authorities carries a positive message in its own right. Although we have not, since the implementation of the Scheme, offered any awards based on the number of notifications received, more and more "Youth Ambassadors" have spontaneously come forward and provided information to the C&ED, thereby paving the way for curbing the circulation of infringing BT seeds on the Internet. This reflects that the Scheme has successfully enhanced their understanding of the importance of IPR protection and fortified their respect for IPR. Hence, we believe that the effectiveness of the Scheme is not dependent on the offer of awards.
- (d) We are not aware of any other places which run a programme similar to the Scheme.

Categorizing Mesothelioma as Occupational Disease

20. **DR KWOK KA-KI** (in Chinese): *President, it has been reported that the number of mesothelioma cases has been on the rise in recent years. Mesothelioma is caused mainly by prolonged exposure to asbestos at work and its treatment entails huge medical expenses. However, mesothelioma is not categorized as an occupational disease under the Employees' Compensation Ordinance (Cap. 282). The patients therefore cannot obtain any compensation. In this connection, will the Government inform this Council:*

- (a) *of the present number of local workers who have contracted mesothelioma;*
- (b) *given that the Mainland and some other countries have already included mesothelioma as a compensable occupational disease and that the pamphlet "Health Hazards of Asbestos" issued by the Labour Department (LD) also states that workers may contract mesothelioma after inhaling asbestos fibres, whether it will consider*

classifying mesothelioma as an occupational disease under the Employees' Compensation Ordinance so that patients may make claims against their employers; if it will not, of the reasons for that; and

- (c) *whether it will consider including contracting mesothelioma as one of the compensable items under the Pneumoconiosis (Compensation) Ordinance (Cap. 360); if it will, when the relevant legislation will be amended; if not, the reasons for that?*

SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR (in Chinese): President,

- (a) According to information published by the Hong Kong Cancer Registry (the Registry) of the Hospital Authority, the latest available figure on mesothelioma cases recorded by the Registry in 2001 to 2003 was 43. The figures for 2004 onwards have yet to be published. The Registry does not have any breakdown on the employment status of mesothelioma sufferers and their history of exposure, if any, to asbestos at work. The Registry does not keep statistics on the present number of local workers who have contracted mesothelioma.

- (b) and (c)

Mesothelioma is caused by the inhalation of asbestos dust which can also lead to fibrosis of the lungs. A mesothelioma sufferer with lung fibrosis can claim compensation under the Pneumoconiosis (Compensation) Ordinance. To assist mesothelioma sufferers without lung fibrosis, the Government has since 2005 helped these workers or their family members apply to the Brewin Trust Fund for a grant of HK\$350,000 per case.

The LD is undertaking a study to consider whether mesothelioma should be designated as a statutory compensable occupational disease, including the feasibility of extending the Pneumoconiosis (Compensation) Ordinance to cover mesothelioma. Upon completion of the study, the LD will consult the Labour Advisory Board on the findings before deciding on the way forward.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Two motions with no legislative effect.

First motion: Leisure, gaming and entertainment complex.

LEISURE, GAMING AND ENTERTAINMENT COMPLEX

MR JAMES TIEN (in Cantonese): Madam President, the wording of the motion proposed by me today is as follows, "That this Council urges the Government to actively study the feasibility of establishing a leisure, gaming and entertainment complex on Lantau, and to conduct extensive consultation in this regard." I would like to draw the attention of Honourable colleagues to two phrases, that is, "actively study the feasibility of establishing" and "to conduct extensive consultation in this regard".

Madam President, why do we bring up this proposal again now? Perhaps it is because we notice that the Government has mentioned in both the policy address and the Budget that it worries about how the required money can be generated in view of the ageing population and the excessively narrow tax base. Meanwhile, many Honourable Members from the labour sector, in their attempts to fight for the cause of minimum wage and other labour interests, often ask how workers can find jobs with better incomes and how they can identify the sources of such jobs. We think that these two are the most pressing issues in society. If we can study the possibility of establishing a leisure, gaming and entertainment complex on Lantau, many of the problems mentioned by me earlier on can be solved.

(THE PRESIDENT'S DEPUTY, MS MIRIAM LAU, took the Chair)

For example, with regard to how the required money can be generated, the Government has proposed to introduce a Goods and Services tax (GST), thus subjecting all the 7 million Hong Kong people to the payment of this new tax, and ultimately, all the money involved comes from Hong Kong people. On the contrary, if a gaming and entertainment complex is established, we can see that

money will be generated from external sources, which are just similar to our export and tourism industries. Where do we hope that Hong Kong's money is generated? I think the Government should endeavour to make money from external sources, instead of making it from among Hong Kong people.

Besides, with regard to creating employment opportunities, if we consider establishing such a complex on Lantau, it will become possible for us to create a lot of employment opportunities for such professionals as architects and engineers, and on the other hand, many job openings can also be created in the construction industry. Most important of all, we think it can also create many job opportunities for the grassroots.

Insofar as our economic development is concerned, as reflected in the unemployment situation in Hong Kong, we can see that people with high academic qualifications, such as university graduates, do not have to worry about finding a job. Professionals who have high educational standards or who work in the information and technology sector also do not have to worry about getting a job. Ultimately, cleansing workers and security guards would definitely find themselves among those who face the highest unemployment rate or the lowest wages since they are the group of people with a lower level of skills or educational qualifications. If we have such an entertainment complex, as shown in the case of Macao now, many unemployed or relatively impoverished people would have already been offered employment. Since we do not want them to become CSSA recipients and they also do not wish to rely on CSSA and would instead very much like to have better jobs, we think such jobs are quite suitable for them.

Besides, we also notice that there are divergent views in society on the issue of whether such a gambling complex should be established. The first consideration is whether this would constitute an impact on Macao, and the second consideration is whether it would promote gambling in Hong Kong, thereby making more people become addicted to gambling.

Deputy President, I would like to first speak on how great the impact it would have on Macao. The casinos in Macao have been operating for a certain period of time. In the meantime, let us take a look at the situation in the Asia-Pacific Region and see which countries and territories have established casinos. We have Macao, South Korea, the Philippines, Malaysia, Vietnam, Cambodia and Australia. We also know that Singapore decided in 2005 to build

two entertainment complexes that would include casinos, and they would become operational in 2009. We also know that Japan, Thailand and Taiwan, and so on, are also actively examining the possibility of establishing casinos. Since so many countries have already done that, and many are studying the possibility, so the impact on Macao can never be avoided since all these countries are within Southeast Asia. If we also actively study such a possibility, will we be the only place taking away business from Macao?

Let us take a look at the situation of Macao today. The total number of hotel rooms in Macao was 11 300 in 2006, and it is expected that the number will be increased by 17 600 in 2007. After the completion of several large hotels in 2009, some 21 000 new hotel rooms will be built. By 2009, Macao will have as many as 50 000 hotel rooms. Under such circumstances, if Hong Kong starts studying this possibility now, regardless of the outcome, that the people may agree or disagree with going ahead, we shall not be taking away the business of Macao all at once, insofar as the impact on Macao is concerned. Since such projects will take at least eight to 10 years before they can become operational, so even if it just take 10 years, our first casino will not be operational until 2016 and, at least in terms of the number of hotel rooms, Macao is already enjoying an enormous lead ahead of us.

As illustrated by some other data of Macao, we can also find out how money can be generated. Macao collected \$10.4 billion in betting duty in 2003, \$15 billion in 2004, \$17.2 billion in 2005; and for this year, that is 2006, it is estimated that \$17.2 billion can be collected from betting duty, which is similar to that of last year. The total expenditure of Macao this year is \$30.8 billion. From this, we can see that the revenue generated from betting duty accounts for two thirds of the gross revenue of the Macao Government, that is, over 60%. It is indeed a very substantial figure. By 2016, this figure may be accumulated to \$100 billion. With respect to the Government of the Macao Special Administrative Region which has a population of several tens of thousand, since its expenditure of the year is \$30 billion, and it has a fiscal reserve of several hundred billion dollars, I do not worry that Hong Kong may immediately pose any substantial competition; and even if such competition does exist, it would not affect the operation or stability of Macao.

Deputy President, secondly, we would like to discuss whether the establishment of casinos in Hong Kong would promote gambling in the territory.

I would like to solemnly state that the Liberal Party does not advocate gambling in Hong Kong. However, from many overseas examples, such as the case of Las Vegas, we can see that very few local people actually patronize the casinos, and all those who visit the casinos are tourists. If such facilities were established on Lantau, I do not think the people would actively go gambling there. In addition, when we enacted the legislation on soccer betting several years ago, and before the legislation was passed, many Honourable colleagues and members of the public worried that soccer betting would promote gambling and a lot of people in Hong Kong would become heavily addicted to gambling. But as a matter of fact, after soccer betting has come into operation for two or three years, no major problems have emerged.

Hong Kong is a pluralistic society. I believe the people can definitely make sensible decisions. If gambling would oblige them to put their entire fortune to stake or it may make them lose a lot of money to the casinos, they may not go there. Even for IPOs (initial public offerings), we can see many people would actively participate in them. The same happens to making investments in real estate. The real gambling activities of course refer to horse-racing and soccer betting. But I do not feel that Hong Kong people would be so ignorant as to indulge in gambling and lose all their own fortune once a casino is established in Hong Kong.

Moreover, we do not feel that the intellectual level of Hong Kong people is lower than that of the Singaporeans, or the peoples of places mentioned by me such as South Korea, the Philippines and Malaysia, and so on. Since their governments can do it and since their countries can do it, and we have not heard of any cases of their grass-roots people having gambled away all of their money originally earmarked for food and school fees, I think the situation may not be as bad as that. Therefore, we think we should conduct a study of the issue, instead of ruling out such a feasibility abruptly.

Finally, Deputy President, I would also like to discuss the people's view on the issue. I have noticed that some political parties have conducted some public opinion polls. The Liberal Party conducted a public opinion survey between 13 and 21 November. In it, we asked several questions. But I would like to mention only one of them, which is, "Do you agree with the Government in establishing a leisure, gaming and entertainment complex on Lantau?" Among 2 500 respondents, those who agree with the proposition account for 49.5%, that is, 1 261 persons; 862 persons disagree with the idea, accounting for

33.9%; and only 10% of the respondents adopt a middle-of-the-road stance; and 6.3% say that they do not hold any view on the issue. The people have explicitly expressed their views on the issue. By and large, they either agree or disagree with the idea, whereas very few people have adopted a wait-and-see attitude. Of course, I also agree that in general many people agree with the idea, and, at the same time, there are also many people disagreeing with it. If the Government is requested to conduct a study, we find it appropriate.

Therefore, Deputy President, my conclusion is, if casinos are established in Hong Kong, it is a good strategy that can kill three birds with one stone — that is, it can solve three major problems all at once: How the Government can generate the required money; how we can create jobs for the grass-roots workers and how we can promote the development of the overall economy. Besides, we can see that the public opinion is by no means overwhelmingly opposing the idea. In fact, there are more people supporting the idea than those opposing it. I really do not think the Government or our Honourable colleagues who are present today can have any arguments to justify why they cannot even support conducting a study of the issue, and what arguments they have in substantiating their stance of not even supporting us in requesting the Government to expeditiously conduct extensive consultation. Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): Mr James TIEN, please move your motion.

MR JAMES TIEN (in Cantonese): Sorry. I forgot to read this sentence. I hereby move my motion.

Mr James TIEN moved the following motion: (Translation)

"That this Council urges the Government to actively study the feasibility of establishing a leisure, gaming and entertainment complex on Lantau, and to conduct extensive consultation in this regard."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr James TIEN be passed.

DEPUTY PRESIDENT (in Cantonese): Mr Alan LEONG will move an amendment to this motion, and Mrs Selina CHOW will move an amendment to Mr Alan LEONG's amendment. The motion and the amendments will now be debated together in a joint debate.

I will first call upon Mr Alan LEONG to speak and move his amendment to the motion. Then, I will call upon Mrs Selina CHOW to speak and move her amendment to Mr Alan LEONG's amendment. Members may then debate the original motion and the amendments. After Members have spoken, I will first put Mrs Selina CHOW's amendment to vote. Then, depending on the result of the vote, I will put Mr Alan LEONG's amendment, either in its original form or in the amended form, to vote.

I now call upon Mr Alan LEONG to speak and move his amendment to the motion.

MR ALAN LEONG (in Cantonese): Deputy President, I move that Mr James TIEN's motion's be amended.

First of all, let me frankly state this: When Members of this Council from the Civic Party and I first read the wording of Mr James TIEN's motion, we were more inclined to just opposing it and that was all. But as I contemplated the issue in greater detail, it felt that it was not quite appropriate of us to respond in such an intuitive manner. Since both Mr James TIEN and his Liberal Party colleagues have made great efforts in preparing the proposal of establishing casinos, I think the motion should at least be given the benefit of doubt before any responses are made, and we do not have to negate the whole proposition right at the very beginning.

We must first carefully examine the situation to see whether the existing basic policy on gambling has been implemented properly and when we determine whether casinos should be established at individual locations, apart from studying the cost-effectiveness of constructing the casinos, we must also assess critically the social consequences that may arise as a result. And among such consequences, there will definitely be impacts on the environment, together with a series of other consequences that may be triggered by the fundamental changes made to the policy on gambling. Suppose we can resolve all the abovementioned complicated problems properly, we would then be able to

discuss more specifically the location most suitable for constructing casinos or the "leisure, gaming and entertainment complex", as suggested by Mr James TIEN.

Allow me to make a little digression here. If Members have recently visited Macao, they would not see anything like the signage of any leisure, gaming and entertainment complexes because such establishments would actually be explicitly labelled as casinos.

But, Deputy President, it does not matter at all. Regardless of what they are called, we all know what purposes they serve. We even know that usually the ultimate winners of these casinos are nobody but their owners. So, as we are the masters of Hong Kong, what benefits the casinos can bring to our city? This is by all means a question that everyone in Hong Kong should contemplate carefully. Similar to other subject matters, we badly need the participation of the people. After the Government has conducted public consultation which should provide detailed information and exposition on the issue, open and transparent policies should then be formulated as a result. This is the proper way of addressing problems. However, before conducting the consultation on the proposal on a casino or "a leisure, gaming and entertainment complex" put forward by Mr James TIEN, I feel that certain issues must be resolved first. In fact, this consultation may be completely unnecessary.

Deputy President, as a matter of fact, "public consultation" has gradually become a rather negative term in Hong Kong. In particular, in the mind of many people, the greatest function of public consultation is to seek recognition for certain *de facto* policies or be used as the Government's excuse for procrastination. It is not totally groundless for the people to think in that way. I just hope that public consultation can soon regain its credibility, and once again serve as the effective communication channel between the Government and the people, thereby enabling non-government wisdom outside the bureaucratic regime to be incorporated into the policy-making mechanism of the Government. If we have confidence in the future of Hong Kong, we will definitely believe that beyond the Lower Albert Road or other government organizations, there must still be a large quantity of non-government ideas that merit serious attention. Therefore, when my amendment touches on the future development of the gaming policy, I shall put the emphasis on the role that can be played by the public through their participation.

Fortunately, when we discuss the social impact brought about by the development of casinos, internationally there is already a large body of research results in this area, which can be used by us in handling this problem. Those supporting the establishment of casinos are usually attracted by the gaming proceeds that could amount to hundreds of million dollars, and they even think that as long as they can construct newer, larger and more beautifully decorated casinos quicker than others, huge proceeds will come rolling their way. However, what actually happens in reality is exactly like what Mr Milton FRIEDMAN, who has just passed away, said, "There is no such thing as a free lunch." When contemplating the possible economic profits that may be brought about by a casino, people should not overlook all the costs that are incurred at the same time, including social costs.

While we may not be able to quantify the social costs brought about by problem gambling, it is an indisputable fact that with more gambling facilities available and the more convenient they are, the gambling trend will become more prevalent and widespread, and it is inevitable that there will be a growing number of people becoming problem gamblers. Two renowned American economists specializing in studies on the impact of gambling, Earl GRINOLS and David MUSTARD, have studied the gaming proceeds in the United States. They found that 80% of the revenue was generated from 10% of the problem gambling population, and 90% of the problem gambling population have provided 20% of the incomes of all the different casinos. In other words, problem gambling or even pathological gambling is one of the major pillars shoring up the business of the casinos.

Besides, there is the relationship between casinos and crimes. People who are strongly envious of the achievement of Macao's gaming industry point out that, before the new casinos were built, the law and order situation in Macao was much worse than the present. However, before they go about promoting this finding enthusiastically, they should take a look at another research study targeting at Macao conducted by Earl GRINOLS and David MUSTARD (the two experts I have just mentioned): Within the short span of time right before and after the completion of the new casinos, the crime rate had witnessed a downward trend, but it went up again gradually afterwards. In other countries where casinos can operate legally, the number of casino-related crimes accounts for 8% of the overall crime figures. For an activity with only very few participants, this is by no means a small figure.

Deputy President, there are some other studies indicating that the benefits that can be derived from establishing casinos may not be very evident. With regard to a proposal of establishing a casino in Glasgow, the British Broadcasting Corporation has commissioned an independent survey in Scotland to study the possible consequences that may be caused by a casino. The findings of the survey indicate that, while many casino establishment proposals would usually make a list of all kinds of advantages in great details, they tend to underestimate the costs involved, so that it would be very difficult to identify an absolutely accurate method for assessing its cost-effectiveness.

Even in the best-case scenario, it is still very difficult to assess accurately the effect of establishing a casino. But in the worst-case scenario, the completion of the casino could mean a substantial increase in both problem gambling and crime rates in society. The purpose or the main intention I have in moving the amendment is: I hope we can conduct an indispensable and prudent examination of these issues before the project is really launched and everything has become irreversible.

Even if we eventually come to the conclusion that it is advantageous for Hong Kong to establish a casino, we may then find ourselves already slightly lagged behind in this race. The Galaxy StarWorld Casino started operating in Macao last month. A month before this, two other new casinos had commenced business. In addition, 30 more casinos will come into operation one after the other before 2009. Some say that the business of VIP rooms in the casinos has already reached capacity. By the time when Hong Kong is really ready to join the race of the casino business, will we coincidentally be caught in a predicament in future when the bubble of the casino industry is burst? Will the casinos become a replica of the Cyberport? We must contemplate very carefully the impact that might be brought about by a casino on the economy of Hong Kong.

Deputy President, I strongly hope that Honourable colleagues can contemplate the above issue very carefully, and we must ponder over it in a much more cautious manner than what is presented in Mr James TIEN's motion. I firmly believe that there are many more pressing issues before us now, and the issue of establishing a casino should enjoy a priority lower than all such issues. Deputy President, I know some colleagues think that we should not waste any public money on conducting consultation. However, if Members can read my amendment carefully, they may find that, insofar as Mr James TIEN's proposed

consultation is concerned, if the Government can answer the three questions mentioned above, the consultation may prove to be unnecessary at all, and this is possible. I hope Honourable colleagues can consider the issue from this perspective. Thank you, Honourable colleagues. Thank you, Deputy President.

Mr Alan LEONG moved the following amendment: (Translation)

"To delete "to actively study" after "urges the Government" and substitute with ", before studying"; to delete "and to conduct extensive" after "entertainment complex on Lantau," and substitute with "to first look into the following three issues and conduct community-wide"; to delete "in this regard" after "consultation"; and to add ": (a) whether Hong Kong should maintain the existing policy of not encouraging gaming; (b) the cost-effectiveness of establishing a gaming and entertainment venue, as well as its impact on residents and environmental conservation; and (c) whether there is a need and any suitable location for a gaming and entertainment venue in Hong Kong" immediately before the full stop."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Alan LEONG to Mr James TIEN's motion, be passed.

DEPUTY PRESIDENT (in Cantonese): I now call upon Mrs Selina CHOW to speak and move her amendment to Mr Alan LEONG's amendment.

MRS SELINA CHOW (in Cantonese): Deputy President, I move that Mr Alan LEONG's amendment be amended.

Deputy President, recently, I have been asked by people in the media whether Hong Kong's status as the tourist hub in Asia has been undermined, and whether we have been overshadowed by Macao. Such doubts are absolutely understandable since Macao has been developing very rapidly during the past two years. In particular, it has gained spectacular success in transforming itself into the "Las Vegas of the Orient", and the revenue generated in the process is very stunning. I do not intend to present any figures because Mr James TIEN

has already gone into great details just now, and he has pointed out how its unemployment rate has dropped.

In the aspect of tourism, Macao has made great strides. The number of inbound visitors to Macao has increased enormously from 5.7 million in 2003 to 9.5 million in 2005. And in September this year, the number of mainland tourists travelling to Macao under the Individual Visit Scheme exceeded those travelling to Hong Kong. And among such tourists to Macao, 60% visited the casinos. Today's newspapers reported, JP Morgan Chase, an American investment bank, as releasing a report which reveals that Macao's GDP last year was US\$24,249, whereas Hong Kong's was US25,592 — just a small margin of 5.5% over Macao. Propelled by its own casino industry, Macao is expected to see its GDP surpass that of Hong Kong within the next few years.

With regard to the economic gains brought about by the casino industry, allow me to quote some other examples here. Let us take the United Kingdom as an example. Each year, it manages to collect about HK\$44.36 billion in betting duty. Although there is only one casino in Malaysia, namely, the Casino de Genting, each year it brings more than HK\$3 billion on average in tax revenue for the country. The Walker Hill Casino in South Korea brings an annual foreign exchange revenue of nearly HK\$1.2 billion. The famous Australian casino, the Crown Casino, on average pays an annual betting duty of about HK\$1.6 billion to the Government. From this, we can see that the casino industry does make great contribution to both the revenue of the public coffers and the overall economy.

According to a report compiled by a Las Vegas research company, Globalysis, the present gross annual turnover of all legal casinos in Asia amounts to HK\$100 billion, which represents a 20% increase over the previous year, and is still growing rapidly. Besides, according to the *Strait Times* of Singapore, the gross betting revenue in the Asian region is expected to rise to \$350 billion by 2012. No wonder all the countries and territories surrounding Hong Kong within five hours' flight time are doing all they can in preparation for fighting for a greater slice of the casino pie. Countries and territories like Japan, Thailand and Taiwan, and so on, are all reported to be conducting feasibility studies, whereas South Korea, the Philippines, Vietnam and Cambodia have already established casinos. Even Singapore, a country traditionally opposing gambling activities, already acted in line with the global trend in April last year by awarding two casino licences at the same time, and probably one more such licence will be awarded.

Therefore, in order to safeguard Hong Kong's status as a tourist hub, we must develop our unique casino industry in our city which should blend together leisure activities, entertainment, shopping, conferences, exhibitions and gambling — Mr Alan LEONG said he did not know what such a complex was, and that Macao did not have something like this at all. But actually, he should go to some other cities to have a look.

I have just visited a most typical city — Melbourne, and made it a point to look at the casino there. The casino is the Crown Casino in Melbourne which is a resort and gaming complex. Situated at the Yarra River, this casino has a most scenic environment and is made up of clusters of large buildings of a length of nearly 500 m. Apart from the casino, there are also several cinemas, large theatres, restaurants, bars, a mega Hollywood-style shopping mall, an exhibition hall, a fountain and a luxurious hotel. In the hotel, many different kinds of performances are staged there. It is also an ideal venue for organizing major conferences without an excessive gambling atmosphere. There is a lot we can learn from it.

It serves as the focal point of the social life of the Melbourne people. After visiting the complex in person, I find that its professional management can on the one hand really provide a good venue for family entertainment, and on the other, it can also strictly enforce the casino management requirement of allowing access to adults only. I saw that, opposite to the entrance to the casino, there are many retail shops selling toys such as muppets, and so on. Moreover, this entertainment complex provides 8 000 employment opportunities. Service staff members include employees working in the hotel, retail shops, the casino, theatres and administrative services, and so on. There are approximately 950 hotel rooms, and the hotel rooms to staff ratio is about 1:1. If Hong Kong builds such a complex, and if we provide more hotel rooms, we shall be able to create even more job opportunities.

Deputy President, I have cited different examples from different countries and territories for reference and illustrated that many major cities in the world have operated entertainment complexes with gambling elements. This has already become a major trend accepted and tolerated by both oriental and western societies. According to a survey conducted by the Liberal Party, most

people think that the advantages outweigh the disadvantages for Hong Kong to establish a leisure, gaming and entertainment complex. Among the 2 500 respondents, about 61% think that establishing a casino would enable the Government to enjoy a rich and stable source of tax revenue; 64% think that it would attract more tourists to Hong Kong; and 57% think that it would bring about more employment opportunities for the grass-roots people.

Therefore, given the enormous development potential of the casino industry, Hong Kong, being an international city, absolutely should not shy away and ignore the agenda of establishing a casino. Since other cosmopolitan cities can manage the casinos properly, Hong Kong will definitely be able to do equally well. I hope the Government can summon up the courage and start conducting the studies in this regard.

Deputy President, it is indeed a major decision for Hong Kong to make on building a gaming complex, and it is an issue we must study carefully.

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up.

Mrs Selina CHOW moved the following amendment to Mr Alan LEONG's amendment: (Translation)

"To delete "three" after "look into the following"; to delete "and" after "environmental conservation"; and to add "; (d) the public revenue generated for Hong Kong, the number of job opportunities created, the benefits to the local economy and how far Hong Kong's competitiveness can be enhanced by establishing a leisure, gaming and entertainment complex; and (e) convention and exhibition facilities should be provided in the leisure, gaming and entertainment complex to meet future demands" immediately before the full stop."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mrs Selina CHOW to Mr Alan LEONG's amendment, be passed.

MS EMILY LAU (in Cantonese): Deputy President, when I received the wording of Mr James TIEN's motion, I made exactly the same response as Mr Alan LEONG did, that is, just let us oppose it right away. However, later, I came to a conclusion very much different from that of Mr Alan LEONG, who preferred to propose an amendment to the motion. In fact, I do not strongly oppose people taking part in gambling. But I believe that if we really proceed to study the feasibility of establishing a casino in Hong Kong, it is extremely inappropriate at least at the present stage.

First, there is no consensus on the issue. Besides, some people even strongly oppose the idea, and they are not completely groundless in doing so. They worry that more and more people would take part in gambling, and this would lead to all sorts of problems. They think that even for problems generated by horse racing, Mark Six and soccer betting, and so on, the Government still has not allocated sufficient resources to help pathological gamblers. Therefore, if it is proposed to consider establishing a casino on Lantau now, I would think that this is not the right time for it.

Of course, the Liberal Party may even think that this proposal can achieve the effect of killing three birds with one stone: Besides generating revenue for the public coffers, we can create employment opportunities and also we can promote economic development. All these are so positive and beneficial. However, I would like to ask Mr James TIEN to think about one question: What are the costs involved in taking such a course of action? Many people have said that: There is no such thing as a free lunch. Therefore, before getting what we are supposed to earn from the process, we may first suffer the bad consequences. And as a result, many people will become very discontented.

Mr James TIEN pointed out that, according to the findings of a public opinion poll, it was just a case of 50/50. This is just because the incident still has not fully developed to the extent of triggering responses in society. Mr James TIEN may also know that the people usually do not have too many opinions on many issues during the initial stages, but the situation can become very different when such issues are debated. When we discussed the education voucher system, lots of people had turned up. If the issue of establishing a casino is brought up for discussion, I believe even four conference rooms would not be adequate for accommodating all the attending members of the public. Therefore, when a debate is held after the issue has been triggered off, such a situation will definitely occur. Then, shall we stop doing it just because of this?

Of course not necessarily so. However, I personally have some reservation about it. I think it will lead to some problems.

Do I want society to have more revenue and more job opportunities? Of course I strongly support these. If, from the Exchange Fund, we allocate — I had wanted to raise a question about this just now, but my turn never came — several tens of billion dollars annually, we can do the same. Now the accumulated surplus of the Exchange Fund and our fiscal reserve have already produced an aggregate sum of over \$800 billion. Do we need to use all the \$800 billion to safeguard the Hong Kong dollar? In fact, there is already a consensus in the Legislative Council on this. Therefore, in terms of money, Deputy President, actually it is really not too pressing for us.

With regard to creating job opportunities, of course, I am all for the cause. But on the issue of employment, please take a look at the situation in Macao. We can see that there are some so-called dealers. Deputy President, you may also know that dealers are those people responsible for dealing the cards in casinos. It is disclosed surprisingly that these dealers make more money than doctors. People say that a doctor usually earns about \$9,000 a month, but a dealer can earn more than \$10,000. And their salaries are even higher than those of secondary school teachers. We can see that these people must feel very upset. They would ask themselves why they had pursued the four-year university programmes. Now, the reality is, a secondary school leaver can earn a good living by becoming a dealer in casinos. Of course, these are problems only relevant to the Chief Executive of that particular Special Administrative Region. Our circumstances may not be exactly the same. But I feel that, if we have to adopt such approaches in exchange for employment opportunities, we may not be prepared at all to do so.

Economic development, yes, we do want to have it. But as I have said before, if the costs involved are too high, I would rather the Secretary identify some other ways out. Mr Alan LEONG is very sweet and indeed quite cute. He said that in fact he was just listing some items for the consideration of the Secretary, and that after the latter has examined items 1, 2 and 3, he would already find it unnecessary to conduct any consultation. He was right. If the amendment stops there, I would support him. But unfortunately, he had appended a tail at the end, saying that that he demanded those items be examined and that he also wanted a community-wide consultation be conducted. He had

gone even one step farther than Mr James TIEN. A community-wide consultation could cost as much as several tens of million dollars and still we have no guarantee of whether the consultation is a successful one.

Therefore, Alan — I am sorry, Deputy President, I have to say a few words to him — it is that phrase in your amendment that has stopped me from supporting you. Just now you have said it very well. After looking into the issues, and no more follow-up work should ensue. But this was not what you had said. You demanded to mobilize so much resource even after those issues had been examined. In fact, Deputy President, does the Secretary have too much free time without being engaged in other major issues? Of course not.

Last week, we had just had a motion debate. We all spoke in the debate to request the Secretary to examine the registration of property management companies. But he refused. There are many issues on which the Secretary has to conduct consultation. Even for the Buildings Ordinance which we are scrutinizing, it is full of all kinds of problems. Therefore, he should also attend to it. With regard to sports development, we have even thought of achieving the effect of a "through train" model, that is, first motivating the small children into becoming interested in sports, and then selecting some of them for training and eventually becoming elite athletes; and providing them with employment opportunities even after their retirement. There is also the anti-discrimination laws. It is reported in today's newspapers that the anti-racial discrimination laws will be introduced, but they are full of problems. These subjects will definitely lead to a lot of endless arguments and debates. Also we will have the legislation on age discrimination and sexual orientation discrimination, and so on. Therefore, there are lots of issues that the Secretary has to deal with.

Therefore, I agree with Mr Alan LEONG in that, if you take a look at the list of work the Secretary has to deal with, this issue should be awarded the lowest priority. But regarding this issue of the lowest priority, Mr LEONG requests him to conduct community-wide consultation. I do not know what is wrong with this. I do not know whether Mr Alan LEONG has overlooked what he is proposing in the last part of his amendment. Therefore, Deputy President, I feel that if we want to have a discussion on this issue, then let us go ahead discussing it. But I hope, after the discussion, we can convey an explicit message to both the community and the Secretary that: The Secretary has lots of work in his hands, but this issue is not on the list. I hope the Secretary can do a

better job in handling the existing gambling activities, so as to slightly ease the worry of those who have strongly opposed soccer betting and think that it should never have been legalized. In order to address the problem of pathological gamblers, you must allocate resources for the purpose.

However, I believe that, at present (I also agree that if you never raise an issue for discussion, it will never have any chance of getting any success), at the present stage, under the current circumstances, we do not have the right conditions, nor the right atmosphere, for conducting large-scale development or studying this issue because it is already highly controversial in itself (I hope Mr James TIEN and the Liberal Party can accept this point). Since we are now all saying that we are promoting social harmony, or something like that, is it necessary for us to open this can of worms and start all sorts of arguments among us? Or have the circumstances become ripe for bringing up this issue? I have very great reservation about this.

Therefore, I shall oppose Mr James TIEN's original motion. As for the amendments proposed by Mr Alan LEONG and Mrs Selina CHOW, while both of them mention the request for consultation, Mr Alan LEONG may ask why consultation cannot even be conducted. However, I have said that I do not support conducting such consultation, albeit I understand what is going on now. Therefore, with regard to these two amendments, I shall abstain from voting. Thank you, Deputy President.

MISS CHOY SO-YUK (in Cantonese): Deputy President, in a survey on gambling behaviour conducted by The Chinese University of Hong Kong in July, it was found that "visiting casinos" ranked second, only after "Mark Six", among the activities most likely inducing Hong Kong people to begin gambling; it even ranked higher than "horse racing". From this, we can see that casinos are the places where many gamblers make their first wrong move to becoming addicted to gambling.

Under the circumstances, while the DAB supports the promotion of the tourism industry and the perfection of our tourist facilities, we oppose the motion advocating the inclusion of "gaming" as an element of the subject of a study. It is because establishing a casino will not only fuel the already rampant gambling culture, it will also aggravate the trend that sees an increasing number of younger gamblers in society.

The views of the people coincide with ours. Earlier this month, the DAB conducted an opinion survey on Lantau in which 75% of the respondents objected to having a casino on the island. Among them, 30% were worried that law and order would be adversely affected, and 30% were worried that their children would become addicted to gambling. Furthermore, many of them had doubts about the benefits a casino could bring to our economy. Over 50% of the respondents thought that a casino would not be able to promote the development of the tourism industry of Hong Kong, and only 20% of the respondents believed that a casino could create more employment opportunities.

Deputy President, there are already too many different types of gambling activities in Hong Kong. We have Mark Six, soccer betting as well as horse-racing. Some may argue that the addition of just one casino will not have too much promotional effect on gambling, but in fact the damage a casino can cause is really far more severe and far-reaching than other gambling activities. The rationale is very simple. There are games going on in a casino every minute, 24 hours a day and 365 days a year. It offers intensive and continuous games no other gambling activities, including soccer betting or horse-racing, can offer. To gamblers who believe that "as long as I can still go on gambling, I have not lost yet", this distinctive feature will surely give them an irresistible appeal. Furthermore, given the aura of gambling in the casino, people whose will is not strong enough will be susceptible to losing their sensibilities and becoming addicted to gambling.

At present, Hong Kong people who would like to visit a casino are, to a certain extent, still subject to the geographical limitation, as they have to go through immigration clearance on both cities. Therefore, even if gamblers are itching for a game, they still have to "stay refrained" for a while, or wait until the weekend or holiday before they can "travel across the sea" for gambling. However, if there were a casino within the territory, we would have lost this final line of defence. By then, gamblers would be given a free rein, and they could completely indulge themselves at the gaming tables anytime they like and for as long as they like, without regard to day or night and unaffected by the elements.

It can be envisaged that the day the casino starts operating in Hong Kong will mark the beginning of both a rapidly rising number of pathological gamblers on the one hand and a continual downward trend in the age of gamblers on the other.

Some may argue that we may avoid promoting gambling by imposing restrictions on who can have access to the casino, such as making it easy for tourists while imposing different kinds of restrictions on local residents, and so on. However, the DAB believes that as long as local residents are not entirely prohibited from visiting the casino, the problem of gambling will always be there. Besides, it is only normal for the staff and dealers of the casino, and so on, to be locally trained. The children of these people will learn and hear a lot about the casino, and such daily exposure may inevitably induce them to develop a strong interest in the casino experience.

Deputy President, no matter how well it is packaged, be it presented as a leisure and entertainment complex or an upscale resort, a casino will always remain a casino. As long as it will promote rampant gambling, the DAB will oppose it for sure. On the one hand, it is detrimental to the building up of harmonious families, and on the other, it will generate a series of social problems, such as the emergence of young gamblers and pathological gamblers, as well as broken families, and so on. Are these not problems that will cost us enormous public funds to resolve?

Even if a casino could generate additional tax revenue for the Treasury, such revenue would come at the expense of damaging our remaining ethical and social values, which certainly means that we shall be losing more than what we gain. Besides, we do have doubts about whether a casino can guarantee that money will come flooding our way. We must realize that the gambling industry has a history of more than a century in Macao, and it is the major development industry of Macao too. Resorts adjacent to the casinos are being completed, forming a congregation of major casinos and leisure and vacationing complexes. It seems that they are more appealing than what we will have in Hong Kong. On the contrary, in Hong Kong, our support facilities in this aspect are still all blank at the moment.

From a wider perspective, subsequent to the "rush" to build infrastructure in the Pearl River Delta Region in the earlier periods, there are now five international airports in the region, resulting in vicious competition among each other due to the lack of co-ordination and proper planning. As a result, "traffic congestion" in the sky has become a common phenomenon. Flight movements are affected, and all the various cities involved are suffering from the bad consequences. Under the circumstances, have we not learnt from the past painful experience of such "duplicate developments"?

To conclude, the DAB believes that establishing a casino is absolutely not an option for us in promoting the local tourism industry, generating revenue for the Treasury and creating employment opportunities for the local people. In fact, the DAB has submitted a number of proposals to the Financial Secretary in this regard, including the conversion of the Southern District into an "oceanic scenic zone", the development of New Territories East into a "seashore leisure zone", and the development of a "Pearl River Delta Tourism Circle", and so on. We have put forward these proposals to capitalize on the unique competitive edges of Hong Kong, and in doing so, we shall be able to complement the strengths of our neighbouring cities for the attainment of a multi-win situation, thereby enabling us to put forward good proposals in order to strive for the healthy development and genuine prosperity of Hong Kong.

Deputy President, with regard to Mr Alan LEONG's amendment that calls for consultation, the DAB holds a view very much similar to that expressed by Ms Emily LAU just now. We too agree that the acceptance of the idea of conducting consultation is tantamount to showing an intent, and to us there is absolutely no need to put forward such an intent. Therefore, we shall abstain from voting on Mr Alan LEONG's amendment, and we shall vote against the original motion (*the buzzer sounded*)

DEPUTY PRESIDENT (in Cantonese): Your speaking time is up.

DR LUI MING-WAH (in Cantonese): Deputy President, on the surface, the economy of Hong Kong appears to be booming: the trading volume of the stock exchange reaches \$50 billion every day; the Hang Seng Index keeps scaling new heights; there are excessive demands for luxurious flats, and the retail, catering and tourism industries are all prosperous. So people from different trades and industries are benefited enormously. However, if we take a closer look of the situation, we can see that the economic structure of Hong Kong is unbalanced and the nature of its industries is very passive. In the long run, there are causes for worry. There have been strong calls from the community for a new wave of government-initiated industrialization endeavours to change the passive nature of the industries. This should be the most far-sighted fundamental economic policy, but we shall have to wait and see how the Government would make its consideration and act on it. On the other hand, the establishment of a gaming and entertainment zone in Lantau has been discussed on several occasions during

the past few years. Yet, with the changes that have taken place during the interim, it seems a bit outdated and inappropriate for us to discuss this matter again today for the following reasons.

As we review the history of Macao, we find that with its tiny territory, sparse population, lack of natural resources and feeble industrial base, it is natural that the gaming and tourism industries have always been the major pillars of the economy of Macao. Since Macao's reunification with China, the Macao Government liberalized the gaming franchise in 2002, thus enabling the gaming industry to develop and prosper very successfully. Macao has become the worldwide leader in the gaming industry, as its aggregate revenue has already exceeded that of Las Vegas, thus gaming has provided an enormous driving force to the overall economy. All these illustrate the success of the economic policies of the Macao Government.

There is always a regular pattern that can be identified for every economic entity. Such a pattern includes government policies, the actual circumstances of the objective environment, the competitive edge it possesses and its culture, and so on. These are all important elements of economic development. In developing the economy, one has to take into account the actual circumstances and fully utilize the competitive edges it possesses, but one must not jump onto the bandwagon blindly. Other Asian countries or regions such as Japan, Taiwan, Thailand and Vietnam are all studying the possibility of opening up the gaming franchises. Singapore has already issued two gaming franchises, and it appears that combining the gaming industry with the tourism industry has become a popular trend of economic development. Although Hong Kong may also enhance the vitality and competitiveness of its tourism industry by developing the gaming industry, consideration must be given to the investment risks involved, the political impact it may bring about, and the reaction of the public. Careful consideration has to be given to whether the gaming and entertainment industry is really the only way out for the economy of Hong Kong.

The gaming industry of Macao will be attracting enormous amounts of capital investment and bringing about upscale and extravagant facilities. As many as 10 000 gaming tables will be in place, which will be able to compare favourably to other major casino cities in the world. If Hong Kong should develop the gaming industry, it would be hard to predict whether Hong Kong can come up with hardware and facilities that are more upscale, more creative and of

better quality than those of Macao. What is more, the major clients of the gaming industry of Macao come from mainland China, and who can predict whether Hong Kong can be more competitive in this respect and be able to attract more people to come to Hong Kong to try their luck. Some people suggest that a leisure and entertainment complex could be built on Lantau in order to complement the gaming industry and make it a place for family vacation. But this is merely wishful thinking. If mainland tourists do come to Hong Kong for gambling, then they will be mostly interested in gambling. They will find it more economical to have a vacation in either mainland China or Thailand.

Furthermore, both Hong Kong and Macao are special administrative regions of China, and these two places are very close to each other. Since the gaming industry is the only way out for Macao, which is the lifeline of its economy, must Hong Kong take on Macao in the gaming industry for a fatal duel? Even if Hong Kong eventually emerges as the victor, and be able to derive much economic benefits, it could hardly justify its course of action politically.

In fact, Hong Kong's gaming industry also has a long history. From horse racing, Mark Six, to the recent soccer betting, more and more legal gaming activities have been introduced, and this has fuelled growing discontents in society. The people are concerned that the growing diversity of gaming activities might promote gambling, create family and social problems, and eventually add to the burden of society. If Hong Kong builds a casino, not only will it attract more vehement opposition from the people in society but also affect how Hong Kong positions itself strategically in the long run. We must take this into consideration.

Therefore, since the hollowing out of industries has emerged in Hong Kong as a result of the exodus of the manufacturing industries, and the service-oriented economy is passive and fragile, so some people hope that the gaming and entertainment industry could give a new impetus to our economy and provide more employment opportunities. These are good aspirations. However, to conclude on what we have discussed just now, it is evident that the objective conditions of Hong Kong are not more competitive than those of Macao insofar as the development of the gaming and entertainment industry is concerned. Besides, the best timing has passed, so it will only end up bitterly if we try to force our way against the odds. I hope people from different sectors can consider this carefully. Thank you, Deputy President.

MISS CHAN YUEN-HAN (in Cantonese): Deputy President, it is said that if you run a casino in a place where the Chinese live, you are bound to make a lot of money. The reason is the Chinese love gambling. A few days ago there were reports in the newspaper that online gambling was outlawed in the United States but a lot of American Chinese still went on gambling in defiance of the ban. I had once lived abroad for some time and I was well aware of such things. Besides, for some people, gambling has a tremendous appeal to them. Our neighbouring city Macao aims at developing itself into the Las Vegas of the Orient and it is doing very well on that and its tourist industry is booming as well. Last September, the number of mainland residents visiting Macao under the Individual Visit Scheme has surpassed that of Hong Kong under the same Scheme. Many people notice the vibrant gambling and tourism industries in Macao and suggest that Hong Kong should follow Macao's example and build a casino on Lantau.

As a matter of fact, it is not the first time that Mr TIEN has made this suggestion. I have an impression that the Liberal Party has suggested the idea a long time ago. This time around he has added one more thing and, that is, to establish a leisure and entertainment complex. Such is probably a trend, evident in Las Vegas and Macao where the facilities are not simply geared for gambling but also for leisure and entertainment.

I do not know if it is for this reason that words like "a leisure and entertainment complex" are used in this debate. This is something which we think should be developed in Hong Kong. We may, for example, build hotels which provide spa service at the end of the runway in the former Kai Tak Airport, instead of carrying out residential development there. It can be seen that there are viable business opportunities in these two aspects and we can have such kinds of development here in Hong Kong. But other than these, I do not think we should have more gambling here. With this proposal on more gambling activities, I would think that it will make us follow the likes of Macao and Las Vegas, with casinos built everywhere and gambling made the centre of attention in society and outshining all other activities.

With respect to gambling, personally I am against it. On this occasion, like me, both my two colleagues also oppose building casinos in Hong Kong. As for our arguments against gambling, we have made them very clear when we deliberated on the relevant laws in the past and so I will not talk about the contents now. We are against gambling. Putting gambling aside, on building

leisure and entertainment complexes, can Hong Kong do better than Macao? No, I do not think so. Even if the debate today is on a piece of legislation introduced by the Government and assuming that it is passed, but will it work? It will simply not work in Hong Kong at all.

We can take a look at Macao. Apart from gambling, there are many other things there that are attractive to the tourists. In many other aspects of the tourism industry as a whole, it can be said that Macao gives tourists an impression that it is doing very well. But in Hong Kong, things lag far behind that of Macao.

I have witnessed the application for inclusion in the World Heritage List of some 20 heritage sites in Macao, such as the Ruins of St. Paul's, the Guia Fortress, the A-Ma Temple, and so on. Last Sunday I attended a seminar on urban planning held in The Hong Kong Polytechnic University. Some scholars from Macao were invited to share their experience in preserving the Macanese and Chinese cultures and how they worked with the non-government organizations and recast the contents of many of the world-class heritage sites in Macao and then applied for their inclusion in the World Heritage List. They have recast some 30 of these sites and though in the end not every one of them was granted approval, the number of successful applications is quite impressive. We can see that the Macao Government has put in a lot of efforts to imbue local colours into Macao, making it a place with a strong flavour of Chinese culture.

About six or seven years ago, I went to Macao for a visit and the officials there told me that there were many pieces of legislation there aiming at conserving Chinese and Portuguese cultures and they had done a lot of work on that. When we go to Macao, there are still quite a lot of places we can visit in that small city even if we do not want to gamble. One example is the Westin Hotel which I like to stay. I love the seaside there and the view is simply gorgeous. The golf course there is beautiful. I would also go strolling in other places as well. So Macao is certainly a place we like to stay.

And how about Hong Kong? The Secretary for Home Affairs is with us today and he knows that I often mention this. So what about Hong Kong? Hong Kong has not done anything in this. In my constituency there is an ancient village with a history of 600 years and it is called the Nga Tsin Wai Village. I have fought for the interest of this village for more than a decade. This ancient village used to be very beautiful, but sadly, it is no longer like a

village these days. It has been destroyed by the developers and the village does not look like what it was before. However, we still think that there are some places in the village which are very valuable. We say that this year might well be the last time when the villagers can gather together for a rite to honour the gods. There are many natives and descendants of the Nga Tsin Wai Village, including those who are living overseas or who have moved to the New Territories, and they will come back to this ancient village to join in the rite. But will there be another occasion like this 10 years from now? We are not optimistic about that. In the process of the slow disappearing of this ancient village, the Government has virtually done nothing and this is in stark contrast to the case of Macao.

When it comes to eating, there are certainly many kinds of cuisine in Hong Kong. At times when I am in Macao, I would love to go about the enclave hunting for good food. This is probably because I feel like a holiday-maker when I am in Macao. The dumplings and the crab congee there are superb. Macao has some unique dishes of its own, but how about Hong Kong? There are some local eateries which sell fine food but for no apparent reason, the Government will bulldoze these food stalls when it undertakes urban redevelopment. An example is a famous noodle stall in Central which we talked about on one occasion, but in the end the Government just disregarded our request. In other words, in Macao, people can eat good Portuguese food and savour the delights of a pot of crab congee in a back alley, and people can find what they love to eat easily in the small shops there. But in Hong Kong, these eateries located in our old urban districts are all going to be pulled down.

So if we are really to build a casino in Hong Kong, what kinds of characteristics do we want to see in Hong Kong? The most vulnerable thing about tourism in Hong Kong is that there are no culture, no special attractions and no diversity in Hong Kong. I wish to say it once again that the Wong Tai Sin District which I am very familiar with has got the potentials of becoming a religious or Buddhist area. The Wong Tai Sin Temple there is a world-famous spot. And there is the recently built Chi Lin Nunnery, the Hammer Hill Park opposite to it, and the Nan Lian Garden with its exquisite beauty. Therefore, we have indeed the potentials. But the right time has yet to come and there is a need for the Government to do some construction work. In the course of that I visited many places in Hong Kong together with Secretary Michael SUEN. I think the Government must put in more efforts before we can reach our goal. We have pointed out today that the tourism industry in Macao is doing extremely

well and this is because the Macao Government has done a lot about maintaining and restoring antiquities and monuments. But what about us, what have we done?

(THE PRESIDENT resumed the Chair)

Madam President, owing to this reason, I cannot support the motion today (*the buzzer sounded*).....and I cannot support the amendments too. Thank you.

MR SIN CHUNG KAI (in Cantonese): President, the Democratic Party is not going to support this motion on establishing a leisure, gaming and entertainment complex today. Of course, we welcome the part of the motion on leisure and we may study into the idea and think about it. As for consultation, we do not think there is any need for it. Therefore, we will abstain from voting on the consultation part.

Just now when Miss CHAN Yuen-han spoke, she mentioned the case of Macao and the point that there was no culture in Hong Kong. I would like to make a brief response to this. Indeed Macao has its merits, but they are not as many as she might think. And she was a bit exaggerating. I have been to the places in Macao which she has just mentioned and I agree that they are places worth going to, but they are not really that impressive. I think she was just using this to criticize the Hong Kong Government for not paying enough attention to local culture. One of her criticisms is that there is no culture in Hong Kong, and with respect to this point, I must beg to differ. Every one of the cultural venues in Hong Kong and the cultural performance centres are almost booked to the full every evening and the audience is sizable. I do not know if Miss CHAN Yuen-han only receives residents when she visits the districts and she would seldom go to see a play. As for me, I may not be as hardworking as Miss CHAN and at times when I attend some cultural events, I would often find the performers playing to a full house.

On this motion by James TIEN, objectively, I think that gambling in Hong Kong is already quite well-developed. When the Jockey Club announced its revised figures, it pointed out that the total betting turnover had dropped from

\$90 billion to \$60 billion. But since the introduction of soccer betting, the turnover has exceeded past figures. So with respect to gambling, that is, legalized gambling, the amount of money involved each year is more than \$100 billion. When this is added to the mahjong parlours and our stock market which has quite a considerable gambling element in it, there is already a rich variety of gambling channels in Hong Kong. This is the first point I wish to make.

Is there still a need to establish casinos in Hong Kong? With respect to this, the Democratic Party's position is very clear. We think that, as a matter of policy, gambling should be regulated. There should not be legalization of more forms of gambling and we would not support a further legalization of gambling. Hence, about two or three years ago when there were discussions on the legalization of soccer betting, we were opposed to the idea. Having said that, I would think that instead of demanding that casinos be established in Hong Kong, it would be a better idea to tell James TIEN that we may as well join hands and fight for the speedy building of the Hong Kong-Zhuhai-Macao Bridge so that the punters can drive there instead of travelling on a ferry.

Admittedly, there are some unique features about the success of the gaming industry in Macao, but I do not subscribe to the view that Hong Kong cannot do as well as Macao does even if we decide to establish casinos here. If Hong Kong is to establish casinos, James TIEN may be the first one to take part. If Hong Kong people were to run the gambling business, they might be more successful than the people of Macao. In the United States, like Las Vegas or Atlantic City which we know very well and which Mr CHIM Pui-chung likes to go very often, they are all quite a distance from the city centre. It takes three to four hours of driving from Los Angeles to Las Vegas. Likewise, it also takes quite a long time to travel to Atlantic City. Such a set-up can be considered as a balanced one, for it means that the punters do not gamble from morning till night every day of the week but they will only go there on long weekends for fun.

I think Hong Kong should work on our existing foundation and continue to strengthen our own tourist spots. A while ago Miss CHAN Yuen-han criticized the Government for its inadequacies and I hope that it can listen to our criticisms and work hard to improve our tourism industry and attract more visitors. As we foster stronger links with Macao, we may even stand to benefit more, for people who have finished gambling in Macao may drive over here for dining and

shopping. On the other hand, those Hong Kong residents who have finished gambling there may ride on vehicles and return to Hong Kong. President, I think with ties of this sort, a so-called division of labour can be worked out and that would be more preferable than setting up casinos in Hong Kong.

Hong Kong will have to pay quite a price if it is to succeed in establishing casinos. According to the relevant figures, from 1977 to 1990, the crime rate in Atlantic City — we all know that there are casinos there — its increase in crime rate was 150%, as opposed to the nation-wide increase in crime rate of 62% across the United States. In terms of robbery, the increase in Atlantic City was 159% as opposed to the nation-wide increase of 55%. As for theft cases, the increase in Atlantic City was more than four times while there was only a one-third increase across the nation. As seen from the above figures, if casinos are established in Hong Kong, there may be an increase in the crime rate in Hong Kong. Even if we are successful in running casinos, and even if we can grab the business of the casinos in Macao so that even the people of Macao have to come to Hong Kong, I would still think that there is no need for it.

The case of Hong Kong now is unlike that of Singapore. If one word is used to describe Singapore, we can say that it is desperate. The economy in Singapore is in a very difficult position and it is resorting to establishing casinos to salvage its sagging economy. The Hong Kong economy is by comparison more stable and there is room for tax cuts. I think James TIEN would agree that taxes be cut. But the question is: Do we have to resort to opening casinos to boost the Hong Kong economy? I do not think there is such a need. The premise of the arguments presented by the Democratic Party is that we do not go for gambling and we think that even if the worst comes to worst in our economy, there is still no need for us to consider this option. Hence, we will not support it.

Personally, I would think that instead of discussing whether or not consultation should be conducted on establishing casinos in Hong Kong, it would be much better to give the public a clear message that after the discussion on this motion today, any further discussion will not be necessary. So we would not even agree to the idea of conducting any consultation. We will abstain at the vote. We hope that the Government will not spend massive time and efforts on the consultation of this policy. If in future the Government needs money to pay for consultancy fees in order to hold the consultation exercise, we will oppose to approving funding for such purpose. I so submit.

MR WONG KWOK-HING (in Cantonese): Madam President, I am against gambling and I will not support any form of gambling. I think the Government should be clear in terms of what it should support and what it should oppose. It is very important that we should consider this issue of gambling and whether any encouragement should be given to fostering a mentality in the people that they can gamble their way to wealth. With respect to this point, I am most grateful to my late father. He taught all the members of our family not to gamble and so ever since I was a young boy, I have stayed away from gambling and I do not even know how to bet on Mark Six.

As for the proposal to develop Lantau by building a gaming and leisure complex, I am opposed to it. Madam President, Lantau has always been the backyard of Hong Kong and on it we can find some of the very few remaining natural green zones of the territory there. The place is a hot picnic spot for the people. I think it is not necessary at all to say that the focal point of development on Lantau should be on betting or that its development can be pushed by betting.

In the Lantau Development Task Force set up as early as in February 2004, the Financial Secretary has outlined the concept plan for the future development of Lantau. It is pointed out that Lantau has tremendous development potentials and the island is well-recognized for its nature conservation and recreation values. It is hoped that a suitable balance can be struck between economic development and local conservation and the preservation of cultural heritage. The Task Force has been set up for two years but unfortunately, not only is there a lack of an overall direction for future development in Lantau but there are also repeated speculations that luxurious leisure facilities like casinos and spa resorts will be built on the island. All these run counter to the ambitious plan outlined by the Financial Secretary on nature conservation, preservation of cultural heritage, and so on. All these proposals will spoil the peace and tranquillity of the island.

In fact, the economic potentials of Lantau can be tapped without resorting to gambling. Lantau has extremely rich natural resources and all kinds of eco-tourism can be developed there. These will serve to attract Hong Kong people who work laboriously in the office all the time and even city dwellers from other places or countries to embark on a green tour of the island.

In my opinion, if Lantau is going to be developed, the Government should first consider how to revive Mui Wo. Mui Wo is a focus of development on South Lantau and it used to be a vital transport node of Lantau where visitors to the island would first disembark there and then ride on feeder buses to various parts of the island. However, with the development of North Lantau, Mui Wo has been plagued by misfortune as the number of visitors dwindled and business slackened. This is indeed a big problem. Mui Wo has rich tourism resources with places like the silver mine cave and the beautiful beach of Silvermine Bay near it. The Government can make Mui Wo a focal point of investment promotions and it can support the developments there. The residents in Mui Wo have been working very hard, and their Rural Committee is prepared to spend a lot of money and efforts to build the Bauhinia Plaza in the hope of boosting tourism of the district. Now they hope to get the support from the Government and they have submitted the project plan to the Government.

In addition, if Mui Wo is taken as the centre, it can radiate to places like Pui O, Cheung Sha, Tong Fuk, Shek Pik and their vicinity. Such places have abundant greeneries and these resources can be utilized to organize woodland eco-tours or bird sanctuaries for bird-watching. Such efforts can be brought in line with the developments in environmental protection and the natural resources of the district. Nowadays when there is severe environmental pollution, people yearn for a return to nature and bask in the green. Eco-tourism is in itself already a selling-point of strong appeal, so I hope very much that the Government can put in more efforts to open up Lantau and make more investments, especially in eco-tourism on South Lantau.

Besides facing the sea, at the back of Mui Wo we can also turn to the mountains. There are mountains called Lin Fa Shan and Fung Wong Shan. Watching the gorgeous sunrise on the peak of Fung Wong Shan has long been on the nature-lovers' itinerary. Fung Wong Shan is situated in the South Lantau Country Park and it is an important conservation area in Hong Kong. Actually, it is also a major scenic spot and the Government can invest in and open up that area.

Then there are also the herds of cattle that have recently become an issue of public concern. Be they wild or not, buffaloes or cows, if they can live in harmony with humans, that would be a wonderful thing to see. But the Government pays very little attention to this, hence resulting in some

unnecessary conflicts between cattle and humans. The Government may like to consider making good use of the cattle as some resources and setting up some sanctuaries for public visits and watching. In this way, both humans and the cattle will benefit.

Other than all these, there are many places near the Po Lin Monastery where investments can be made. These places are very quiet and they are ideal places to spend some quiet time. I have cited so many examples above because I hope to prove that the development of Lantau is not confined to just gambling and we should turn our eyes to things green, that is, its greenery and green tourism.

Therefore, I will oppose the original motion and all the amendments. I hope the Government can invest in developing green tourism on Lantau. Thank you, Madam President.

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

MR FREDERICK FUNG (in Cantonese): Madam President, the Liberal Party suggested building casinos on many occasions during the economic downturn, and now as the economy fares better, it is harping on the same old tune again. It hopes that the Government can consider building casinos on Lantau and use them as the panacea for stable public revenue and more job opportunities. I have read the article published by Mr James TIEN in the newspapers in which he expounds the aims of establishing casinos and I have listened to his speech on the subject today. For Mr TIEN, building casinos is like killing two birds with one stone, that is to say, it can boost public revenue and employment. However, the arguments so advanced are rather narrow and they do not impress people as well-thought solutions. In the eyes of the discerning, these arguments are not convincing at all. The article deliberately evades the issue of social costs that this society will have to pay. Things get watered down and there is nothing about the impacts on the family and traditional values, as well as the destruction of the environment. This is all consistent with the business-comes-first thinking of Mr TIEN and everything is considered merely from the perspective of economic factors and commercial interest. Nothing goes beyond tangible economic results and financial gains. There is no wholesale thinking as such. Therefore, I cannot agree to this motion today.

Madam President, to address the issues of employment and stable public revenue, I do not think the solution lies in the building of casinos as advocated in Mr TIEN's article. I think Mr TIEN has taken great pains to blow up the benefits of building casinos but he has not aimed hard enough at the relevant issues and he is off the mark. Hence, he is out of focus. The situation is very much like the Goods and Services Tax (GST) proposed by the Government. First, on the stability of public revenue. The issue of the stability or otherwise of public revenue is in itself a subject worthy of discussion. As we know, Hong Kong is an externally-oriented economy and it is strongly influenced by the external economic factors. Therefore, it is only common that public revenue will fluctuate in tandem with the economic cycle. Any reckless tampering with the tax regime or blind faith that building casinos will ensure stable revenue is not addressing the crux of the problem. This runs counter to the macro economic situation and the major principles. Moreover, business in the casinos is even more susceptible to the good and bad times of the economy. Meanwhile, the Government's long-standing tactic of piling up fiscal reserves for essential expenditure has been proven.

To fancy that building casinos can solve the unemployment problem of the workers is totally unfounded. First of all, the number of jobs created will have to depend on the size of the casinos. The larger the size, the more people will be hired. However, at the same time, this will lead to a wider spread of the gambling culture among the people. Even if building casinos can boost tourism and hotel business, the employment opportunities brought about by gambling and building casinos would be limited. This is especially true when we consider that should casinos be built on Lantau, the hotels built there may result in a change in the pattern of the inbound tours. There may be pressure on the business of hotels in the urban areas and some hotels may close down or relocate to elsewhere. In the end, what will take place may only be a change in the working locations of the low-skilled workers. These workers may not care about enhancing their job skills and they will only learn to deal cards, toss dices, and so on. Can these point to a good direction in their career?

Casinos will affect society by inducing more people with low skills and low education attainment to take part in gambling. They will not engage in honest work, not caring about upgrading their skills. This will affect the incentive for upward social movement among the grassroots. Thus I think building casinos will lead to more losses than gains and it will only produce adverse impact on the problem of employment among the low-skilled workers.

The Hong Kong Association for Democracy and People's Livelihood (ADPL) has all along held the view that the Hong Kong economy should go in the direction of diversification and this is the way out for people with low skills and low education attainment. The ADPL has put forward this idea many times, but the Government has been indifferent to it. In our opinion, apart from developing hi-tech and creative industries, the opportunities that come along with the opening up of the frontier closed area should be seized. There should be an in-depth study on the possibilities of starting up anew labour-intensive industries and manufacturing industries. An example is the environmental protection industry which is growing rapidly in many parts of the world and which provides steady jobs for low-skilled workers.

Madam President, talking about economic issues on purely economic terms, I would like to stress that gambling activities will not contribute to the creation of wealth in society in any way. Because the money which the people spend on gambling actually comes from money that would otherwise be put in other economic activities such as consumption and such activities can generate wealth. If people gamble and spend less, this will not be any good to the economic cycle in any real terms. The greater the amount of bet, the less will be the amount of consumption. This will only cause adverse impacts on the economy.

Mr TIEN said that casinos were only meant for the visitors to Hong Kong and local residents would be barred from entry. And this would check the prevalence of gambling in society. I do not see his point at all. In Hong Kong, what can be done by tourists can also be done by the locals. If he puts forward this idea, the Hong Kong people will say that he is discriminating against them. As some Hong Kong people also hold foreign passports, they can just wave a passport to the security guards and enter the casinos. So the idea of barring Hong Kong residents from entering the casinos will simply not work.

Madam President, we have actually debated on many occasions the merits and demerits of gambling and the Government has held consultations in this aspect. Consequently, there is no need for any further discussions. In fact, in a renewed discussion on this, Members will only re-read their past speeches and the only result will be arguments among those for and against the idea, so even consultation is not necessary. With respect to this motion debate, I will vote against the original motion and the amendments.

Thank you, Madam President.

MR LAU WONG-FAT (in Cantonese): Madam President, though the motion moved by Mr James TIEN is not a new topic, the fact that it is proposed at this moment is timely and does have positive meaning. Looking at the matter from a certain perspective, the motion can be seen as a response to the Government's intention to broaden the tax base, especially against the backdrop of the rejection by a landslide margin of public opinion of the proposal to introduce a Goods and Services Tax (GST). Since the GST is unlikely to see the light of day, it would be practical to take active steps at this moment in time to study the possibility of establishing a leisure, gaming and entertainment complex on Lantau.

The Government has on a number of occasions engaged in a high-profile rebuttal of the critics of GST and demanded that they should come up with a better option. As we all know, the benefits of a leisure, gaming and entertainment complex, or what is commonly called a casino, to the tourism, economy and tax revenue of a place are indisputable. The booming and vibrant economy of Macao is the best and most convincing example.

Madam President, as I have just said, the issue of opening casinos in Hong Kong is an age-old issue and now this old issue is set against a background of new conditions. One of such new conditions is the ardent wish of the Hong Kong Government to broaden the tax base to prepare for a rainy day, so to speak. Another stark contrast between the past and the present is that the amazing transformation of the Macao gambling industry during the past few years has rendered the enclave in many ways superior to the renowned casino city of Las Vegas. Such developments have brought about unprecedented prosperity in Macao and all is strikingly rosy for Macao's prospects. When the pie has been made bigger and when Macao has become a towering figure in the gaming world, if Hong Kong should proceed with a modest plan to establish a leisure, gaming and entertainment complex, I do not think it would have the slightest impact on the Macao economy at all.

Madam President, from a macro perspective, gaming is taking roots and flourishing in many places of the world and it should be noted that our strong rival and neighbour Singapore has decided to build casinos despite its much stricter mode of governance than ours. It is interesting to note that Singapore, where a GST is already in place, has to go ahead with plans to build casinos. I do not know what the Hong Kong Government thinks about this. I believe many people here may have this thought: Instead of following the example of

Singapore in introducing a GST here, we had better follow suit and build casinos.

Madam President, when the Hong Kong Government can put in such painstaking efforts to hold a nine-month consultation exercise on the introduction of GST, it would be just as sensible and necessary to engage in extensive public consultation on the issue of establishing a leisure, gaming and entertainment complex on Lantau. If the Government does not think so, then please convince us with sound reasons.

With these remarks, I support the motion moved by Mr James TIEN.

MR LEUNG KWOK-HUNG (in Cantonese): President, Mr LAU Wong-fat, that is, Uncle Fat, was very frank when he said that the so-called leisure and entertainment facilities were actually what was commonly called a casino pure and simple. The matter is really ridiculous. Earlier on, I met some reporters outside and they said to me, "'Long Hair', you might as well save your breath in this debate as it will definitely not be passed." I asked why it would not be passed. They told me that "grandpa" would not give it the green light, so how it could be passed.

When people support small circle elections, the retribution of a small circle election or the politics of imperial decrees will often be visited upon them. When "grandpa" says no, then nothing can be done and there is no use arguing. I do not agree to the opening of casinos. When votes are cast today, most people will say "no" because that is what "grandpa" says. On the contrary, if ever "grandpa" says "yes", then it is likely that many people will vote in favour of the motion. This is indeed amazing.

My dear friends, there are all sorts of gambling activities going on in Hong Kong. Are the frenzied excitements in this financial hub of ours not caused by gambling? This is gambling and that is the biggest gambling enterprise in the whole world. That is a big casino. Many people have got rich there lately. We also have horse racing and that is a legacy of the colonial rule. And this form of gambling has been elevated into an elegant gaming sport. This is not enough. Then there is soccer betting. So Hong Kong people are gambling all the time. Of course, you can go to a casino and try your luck there, but how much money can you bet? Therefore, the Jockey Club has been wearing a long

face, saying that the betting turnover on race meets now is never like what it was before.

When we say that the economy relies on gambling, have we ever thought what in fact we are talking about? Just look at the G7 nations, that is, the giant seven industrial nations — now Russia wants to become the eighth — did any one of them get rich because of gambling? I have never heard of anything like that, never. I know that there are casinos in the United Kingdom, but after listening to the figures cited earlier on, I doubt if betting is the linchpin of the British economy.

Many people may think that it is about time that Lantau should be developed. And so, why do we not build a casino there? Actually, if this suggestion from Mr James TIEN was made 10 years ago, it might work. But now the Central Authorities have assigned gambling to Macao, so there would be no need for any discussions on that point at all.

Let us look at the bubble economy of Macao in the wake of the casino boom. Many people will say that if there are gambling facilities here, people will come for tours. I have this question for the 60 Honourable colleagues of mine. Would they travel purely for the sake of gambling? I do not think Mr James TIEN would do that. Mr CHIM Pui-chung seems to be an expert in betting, for he once made the headlines because of that. We are actually cheating ourselves in that matter. What is going on in Macao is that many syndicates find that they do not have any outlet for their capitals and there is a need for money laundering. President, now in this world if ever there are people who suggest building another Great Wall, there would be people glad to undertake the work provided that the project makes money. Although at this time and age, a Great Wall is practically useless, that is to say, it can never be used to fend off invaders, there are still people who want to build one.

Speaking of the situation in Macao, it can be said that first, there are many major betting syndicates who are laundering money for their clients or these syndicates may like to get a slice of the pie in the midst of fierce competitions, and second, all the punters of our Motherland are heading there. I went to Macao lately and there I did not see many foreign punters betting there. All I saw were people speaking Putonghua. The point is, with the collusion between the Chinese Government and the business, many people who have made money by unscrupulous means are going to the casinos. Even a village head in China

could have lost HK\$90 million on the casino table. So it is doubtful that casinos will lead to a boom in the tourism industry.

Now as we are saying that the Hong Kong economy should be incorporated into the 11th Five-Year Plan and that we should embrace the Greater Pearl River Delta, what are we actually talking about? Are we going to build a casino to embrace the Greater Pearl River Delta with all its rosy promises of the fruits of economic development? In other words, many people have made money by unscrupulous means, are we going to let them come here for money laundering? I do not think there is any room for discussion insofar as this issue is concerned.

We would only be following the trail of others if we dream of getting rich by building casinos. Hong Kong must not do this. Hong Kong must map out its own course and as I have spoken many times, this means developing high technologies and producing our own brands. That would be enough. But how much money have our tycoons put in R&D? We have a deplorably low R&D percentage while we have a very high capital accumulation rate. If in future we will put in all our capital into the gambling business, then how can we expect to have any R&D? Even if we have no casinos, that should not be a cause of worry for us. When we have brushed aside this idea of gambling and when we see the bubble economy of Macao burst 10 years from now, we would be glad that we have not followed that path.

So President, I will not agree to any suggestion of building casinos in Hong Kong, for the simple reason that there are already far too many kinds of gambling activities in Hong Kong — shares, horse racing, soccer betting, and so on and so forth. These are all betting activities. I therefore hope that Members will vote against the motion.

MR VINCENT FANG (in Cantonese): Madam President, I speak in support of the motion moved by Mr James TIEN today. I support this motion not only because this is proposed by the Liberal Party but also because I hope this will give new momentum to the sustainable development of the Hong Kong economy.

Today when I came to the Legislative Council for the meeting, I found many residents from Lantau Island staging a protest in front of the Legislative

Council Building. They opposed the building of casinos on the island. There are also reports and comments in many newspapers this morning, holding that the proposal would lead to rampant gambling in society and hence it is not suitable for Hong Kong. Personally I would think that people who hold such a view may have some misunderstanding about our proposed gaming and entertainment complex. It may be due to the fact that whenever we hear about casinos, we may associate them with the sleazy gambling dens that we may be more familiar with.

But what we propose are actually upscale casinos like those in Monaco which are open only to tourists from abroad and complemented by classy resort hotels and shopping malls. On top of that, reference should also be drawn from casino complex projects of Las Vegas, with grand hotels, spectacular variety shows and world-class conference and exhibition venues. These are to be integrated with spa resorts like those on Phuket Island. All these are aimed at luring the high-consumption tourists to come here.

Monaco is a small city and the lifeline of its economy is tourism. Almost all the billionaires of Europe would spend their holidays there every year and casinos are only one of the matching facilities of the resort. There are no figures to back up the argument that casinos lead to prevalence of gambling among the locals.

I do not gamble and I do not even know how to play mahjong. But like many of my friends who do not gamble, I would go to Las Vegas almost once every year. One reason is that there are excellent tourist facilities there and there are many shows for us to watch. These shows include concerts, variety shows and exhibitions of products from around the world. These include international trade fair on consumer electronic products, and the exhibition on vehicle spare parts and accessories. There is also the Magic Show for garments which attracts hundreds of thousand manufacturers and buyers to go there.

Hong Kong is now a pretty significant international exhibition centre and it is an important expo city of Asia with over major 100 trade fairs held here every year. We have seven events, including the autumn fair on electronic products, the toy show and the gifts show, and so on, which are the largest in Asia. Five of these events are among the top three in the world. These exhibitions attract half a million overseas buyers to Hong Kong each year. According to statistics from the Hong Kong Exhibition and Convention Industry Association, the

exhibitions alone net in a total of \$19 billion for Hong Kong in terms of direct and indirect income, not counting business deals struck at the exhibitions which will eventually benefit the export, logistics and such like sectors in Hong Kong which is a world trade centre.

We may still possess some leading edges today, but if we do not work hard to maintain and create an environment for sustainable development, we may be overtaken by others. Once the edges are lost, no matter how hard you may try, you cannot get back what you have already lost. The case is like the electronics show, the largest of which used to be held in Taiwan, but Taiwan has long since conceded its leading position to Hong Kong.

Due to the limitations of our exhibition venues, some inroads may be opened to our neighbours such as Shenzhen and Guangzhou. In recent years, they have been striving to organize trade shows which cannot be held in Hong Kong, like trade fairs for hi-tech products, chemicals and cars.

Members may have learned from the news that the casino-cum-exhibition business tycoon from Las Vegas who has landed on Macao has plans to introduce the mixed development mode of Las Vegas into Macao. Apart from the casino, he will also invest in building a large-scale exhibition centre to make it possible for the holding of large-scale conventions and exhibitions there.

One of the leading edges of Hong Kong which has enabled it to grow into a world-class trade and exhibition centre is its free port status. And Macao enjoys the same status as well. Madam President, I am not underestimating our capabilities. Of course we are better than Macao, but that does not mean that we cannot do even better and forge further ahead.

The famous holiday-making spots in the world are either endowed with breathtaking natural scenery or historical sites. Hong Kong does not have any one of these. But it is amazing to note that Hong Kong still plays a role in international business and it is one of the favourite destinations for tourists. This proposal from the Liberal Party only aims at adding another element to the local economy, not in anyway trying to change it into a model underpinned by gambling activities. I hope that government departments and the public at large will look at this proposal of the Liberal Party from an open and long-term perspective.

Thank you, Madam President. I so submit.

MR BERNARD CHAN: Madam President, this motion contains an old idea — the idea that Hong Kong should have casinos.

I feel pretty sure it is not going to happen. I certainly hope it does not. There are a lot of reasons why the Government should reject casinos — even if you give them a nice name like a "gaming and entertainment complex".

Actually, this proposal would be extremely controversial for several reasons.

First of all, there is this basic idea that we need more tourists. But some people are starting to question this idea. We focus on the number of tourists coming here, rather than how long they stay or what they spend. We focus on quantity not quality.

Some people are starting to ask whether there are economic and other costs, as well as benefits, from mass-tourism. The fact is that no one has done a serious study on it. It would be interesting to see one.

Secondly, more and more people are also asking whether development — especially in rural areas like Lantau — is automatically a good thing. People are complaining that there is too much concrete, and we should just leave some places alone.

So already, the idea of a tourist complex on Lantau is going to be controversial for those two reasons.

And then we have the real and major controversy — the idea of casinos.

There is an argument that we should simply deregulate gaming, or gambling, and allow it to be just another business. There is another argument that gambling has a terrible effect on some people, and it should be regulated and discouraged.

My own view is that gambling is a social evil.

People who want casinos here say that they could be closed to non-residents.

I do not know if anyone would want to start a casino if they could not access the domestic market. But even if you make it work, it does not change the fact that gambling creates problems. And many of those problems would be here among us, in our own community.

A government survey a few years ago showed that 4% of our population are problem gamblers, and another 1.8% are pathological gamblers.

Gambling can and often does put those people into poverty. They lose their money, maybe their life savings. Their families and children suffer from this financial and economic loss.

Gambling leads to fraud and other crime. Problem gamblers cheat their employers or their clients or even their own friends to win back losses or repay their debts.

Gambling drives people into debt, and into the hands of loan sharks. This attracts organized crime and gangs. Violence breaks out when gangs compete with each other.

On top of all those, casinos can attract money laundering.

So, Madam President, this is the last thing Hong Kong needs. Thank you.

MR LI KWOK-YING (in Cantonese): Madam President, in any place, as long as there is an improvement in the financial circumstances of individuals, they will not just be satisfied with material pleasure but will also pursue mental excitement. Taking part in gaming is one way that these people pursue mental pleasure, so some clever businessmen have turned such desires into business opportunities and established all sorts of casinos, in particular, centres for leisure and entertainment with an emphasis on gambling, so as to make money. Macao is a gambling paradise well known to Hong Kong people and its successful experience in establishing the gambling industry has made countries in Asia want to follow its example, and Singapore is one of them. Should Hong Kong also try to get a share of the gambling market? I will discuss this question from various angles such as the motive for liberalizing gambling, the economic benefits and the social problems.

First, we have to clearly understand the motive for building a gaming and leisure complex and assess whether the aims are reasonable. In this regard, we can take a look at the Singaporean experience. Last year, in Singapore, a country where even chewing gums are subjected to control, in a surprise move, gambling was liberalized. In view of this, some people proposed that Hong Kong should follow the example of Singapore and liberalize gambling, so as to solve the problem of a high fiscal deficit. In liberalizing gambling, is the Singaporean Government simply going after the money?

In fact, in behaving in this out-of-character manner and building a casino, the Singaporean Government is mainly motivated by a sense of crisis. On the one hand, it is concerned about the rapid development in nearby regions, and on the other, it feels that Singapore, a country which is regarded as one of the four small dragons in Asia, is gradually losing its edge, therefore, it wants to make changes as a matter of urgency. In deciding to liberalize gambling, the Prime Minister of Singapore, LEE Hsien-loong, pointed out clearly in a public statement that all cities in the world are reinventing themselves, including cities in Europe, the United States and even various major cities in Asia. When LEE Hsien-loong talked about Hong Kong, apart from referring to the Disneyland then under construction, he also referred to the West Kowloon Cultural District Development, which is the subject of endless contention. It can be seen that even though we have not yet embarked on the West Kowloon project, the Singaporean Government already feels threatened by it. Not only does this reflect their sense of crisis, it also highlights the advantages that Hong Kong possesses.

In fact, Hong Kong possesses some advantages that Singapore can never hope to get. Since we have leverage on the Motherland and the Mainland/Hong Kong Closer Economic Partnership Arrangement, as well as the impetus of the Individual Visit Scheme, the local economy has seen rapid improvements. In addition, the rapid development of the Pan-Pearl River Delta Region has given us a vast number of business opportunities. More importantly, this gives us an opportunity to undergo economic transformation. If we can successfully assist mainland enterprises in entering the world stage and attract overseas and mainland capitals to the local market, this will help establish Hong Kong's status as an international centre of finance and professional services, thus creating a large number of employment opportunities. With so many development opportunities that make us the envy of a lot of people, why is it necessary to adopt the mentality of following the joneses or that of following the money trail and support the controversial decision to establish a gaming industry?

From the economic perspective, to build a leisure and entertainment complex with an emphasis on casinos will not necessarily bring bountiful revenue. It is undeniable that the Macao Government relies on the gaming industry to generate large amounts of tax revenue, in particular, since the liberalization of Macao's gambling monopoly, revenue from betting duty has soared and this alone is enough to meet the expenditure of the entire Macao Government. However, is there any potential problem lurking behind such handsome profits?

Earlier on, an international gaming management expert, John MILLS, pointed out that with the rapid development of the gaming industry and increasing competition in it, the likelihood of casinos encountering financial difficulties is increasing. At present, the casinos in Macao are oriented to customers from Hong Kong, Macao and the Mainland. In view of this, this expert reminded Macao that it should consider the issue of its positioning carefully. If it wants to be successful, it should go global. This means that in future, the development of the gaming industry in Macao cannot be geared towards customers from the Mainland and Hong Kong. Macao has many years of experience in operating the gaming industry, however, in the face of keen competition, there are also potential problems and crises. It seems the operation of a gaming business is a profound art. Does Hong Kong have the ability to cope competently?

Finally, we must consider the social and ethical issues associated with liberalizing gambling. At present, the gambling trend in society is already very rampant. From horse-race betting, football betting to stock speculation, everything is available and the Mark Six is even regarded as a way to escape poverty and get rich. Whenever new stocks are offered, the public always hold the speculative mentality that "new stocks will always rise" and jostle with one another to buy them. However, they often lack an understanding of the background of the companies to be listed or do not care about this at all. Such a mentality is really a cause for concern.

Meanwhile, the local situation of pathological gamblers is worsening by the day. Moreover, the trend is that they are becoming younger and more widespread. According to a survey conducted by The Chinese University of Hong Kong, about 70% of Hong Kong people have taken part in various types of gambling activities and more than 50% of the gamblers are below 20 years of age. More importantly, gambling is now regarded as a kind of social activity

and more than 70% of the respondents think that they can make more friends through gambling. If gambling really becomes the mainstream culture in society, one can expect more members of the public to lose every single dime as a result.

In view of the social consequences of gambling, instead of wrangling over the issue of liberalizing gambling, we had better devote our efforts to fostering economic co-operation with the Mainland and attracting mainland enterprises to list in the Hong Kong exchange, so that Hong Kong can be fashioned into a truly international financial centre.

Madam President, I so submit.

MR HOWARD YOUNG (in Cantonese): Madam President, the proposal of building a casino was initially made by members of the tourism industry in the wake of the financial turmoil of 1997. When the tourism industry slipped again into the trough because of the threats posed by SARS, we pursued this matter again. In 2002, the members concerned in the tourism industry and I even proposed the construction of a casino face to face with the former Chief Executive. I have also raised this demand in the debates of the Legislative Council several times.

In supporting and proposing the construction of a casino, the tourism industry hopes that the tourism components in Hong Kong can be increased and a diversified tourism market developed, so as to enhance the competitiveness of the tourism industry in Hong Kong. Had the Government given it the green light then, it would not have been necessary to congratulate other people on their successes. Our neighbouring countries, even conservative and deeply religious countries, have forsaken the principle of imposing a strict ban on gambling and are examining the construction of casinos or are actually building them. In contrast, Hong Kong, which is reputed as an enlightened world city, is being bogged down by ethical issues and constrained by its scruples. In order to avoid falling behind surrounding countries, Hong Kong should go along with the world trend and establish a leisure, gaming and entertainment complex with casinos on Lantau Island to offer dining, wining, gaming and entertainment.

As the competition in tourism in the region is heating up, in recent years new tourist spots such as the Disneyland completed last year, the Tung Chung

cable car commissioned this year and the Hong Kong Wetland Park have been developed, however, we are still not satisfied with the additional number of visitors they bring. In the past two golden weeks, that is, the golden weeks on which 1 May and 1 October fall, the numbers of visitor arrivals from the Mainland left much to be desired. The Hong Kong Tourism Board (HKTB) also envisages that it will be difficult to achieve this year's target of 270 million visitor arrivals to Hong Kong. In that case, why does the SAR Government not adopt an open attitude and conduct a study on building a casino?

The casino proposed by the Liberal Party will not just purely be a place for gaming but will also be a leisure, entertainment and holidaying complex as well as a tourist node serving overseas visitors. This is also the global trend. Earlier this month, I took part in an annual meeting of a travel industry association held at the Genting Highlands in Malaysia and it was also a good opportunity to learn from other people's experience. Although the Genting Highlands are well known for its casinos, the turnover from gambling represents less than 30% of its total revenue, whereas the rest of the revenue comes from other complementary facilities. In fact, the casinos represent only a small part of the whole facility and there are also restaurants serving international cuisines, multifarious entertainment and leisure facilities, various kinds of large-scale performances, outdoor and indoor theme parks, golf courses and amusement parks for children, so it is a place suitable for people of all ages and the whole family. That the Genting Highlands has become a tourist landmark in Malaysia can be attributed not only its casinos, but also its diversified entertainment facilities.

I wish to share the following information with Members. The management of the Genting Highlands told me that at present, the number of Chinese visitors accounts for half of the total number of visitors and has exceeded that of Singapore. There are as many as 20 000 hotel rooms in the Genting Highlands and among the hotels, one of them has more than 6 000 rooms and is reputed to be the top hotel in the world. Earlier this month, I made my observations at the Genting Highlands and found that many visitors from the Mainland took their children with them in sightseeing and spending their leisure there. Local Muslims are also banned from entering the casinos at Genting and the ban is effectively enforced.

I also remember that the Panel on Information Technology and Broadcasting of the Legislative Council made a duty visit to Korea in 2002 and at that time, the Members concerned also took some time off to visit the Walker Hill Casino en route. Although we did go into the casino, what drew our attention was those large-scale performances. I believe that, just like me, many visitors visiting casinos hold the mentality of just broadening their horizons and it is ultimately the other entertainment facilities that they are interested in most of all. If the casino in Hong Kong can be developed into a diversified entertainment facility and elements of conferencing and exhibition, shopping and gaming can be merged into it, this will offer visitors more choices and lengthen their stay in Hong Kong, thus tying in with the HKTB's efforts to promote family and business travel.

Mr Alan LEONG proposes in his amendment that the Government should first study whether there is any suitable location in Hong Kong for a casino. In the past two years, the Liberal Party has already proposed locations for the construction of a casino several times and believes that Lantau Island is the most suitable site. A recent survey conducted by the Liberal Party also shows that — just now, the Chairman of the Liberal Party has already presented it — nearly 50% of members of the public expressed support for such. Of course, if Mr LEONG finds an even more suitable location — I wonder if he means Sai Kung or some other place — we in the industry will equally welcome it.

All along, the greatest problems besetting the development of tourism on Lantau Island are those relating to road and transportation. However, since the completion of such major projects as the Hong Kong International Airport, the Disneyland, the AsiaWorld-Expo and the Ngong Ping Skyrail, the transport network linking the area to other places has seen substantial improvement.

Tai O on Lantau Island is reputed to be "the Venice of Hong Kong" and many visitors have visited it because of its reputation. It is located near the landing point of the proposed Hong Kong-Zhuhai-Macao Bridge and in future, the bridge will bring even more people. In addition, recently, the Government has implemented the plan that accords priority to the development of Mui Wo by developing it into a "leisure-historic-rural-township". Apart from preserving the original characteristics of Mui Wo, new elements will also be introduced, including the construction of open air cafes and the repaving of footpaths. All these moves will improve the facilities on Lantau, so we believe that Lantau is a suitable location.

Since Lantau Island has such advantages, if a leisure, gaming and entertainment complex can be constructed on it, this will definitely shape Lantau into a quality tourist node. In this way, more overseas and mainland visitors with high spending power will be attracted to Hong Kong and their period of stay will also be lengthened.

Madam President, in proposing the establishment of a casino subject to restrictions, our main aim is to attract visitors and such a move will not fuel the local gambling trend. Moreover, it will also increase local job opportunities. There are as many as 20 000 rooms at the Genting Highlands in Malaysia and if a hotel room in Hong Kong can directly create 0.9 to one direct employment opportunity on average, then the unemployment problem in Hong Kong can be significantly improved.

For the above reasons, Madam President, the Liberal Party hopes that the Government can adopt an open mind and study the feasibility of establishing a leisure, gaming and entertainment complex as soon as possible and to engage in rational discussions on this proposal.

I so submit.

MR TAM YIU-CHUNG (in Cantonese): President, just now, I heard the remarks made by Mr Vincent FANG, who said that we probably had some misunderstanding and that they mainly wanted to see musical, singing and dancing performances and large-scale exhibitions being offered. If this is the case, we will lend our total support. However, apart from this, one rather sensitive word is involved, which is "gaming". We believe that "gaming" is no different from gambling and we have a great deal of concern about gambling, so we do not support this matter. According to a survey by the Home Affairs Bureau — the Secretary may cite it later — since the introduction of football betting in Hong Kong, the participation rate in gambling has been on the rise and as a result, the number of pathological gamblers is also increasing. Many academic studies finds that pathological gambling is associated with a lot of social problems, including divorce, suicide, neglect of children, personal psychological and emotional disturbances and serious debt problems. The harm caused by the addiction to gambling is not just pecuniary; the damages to the psychological, emotional and physical well-being of victims cannot really be measured in money terms. A study by the St. John's University in the United

States shows that attached to each pathological gambler, there are as many as 10 to 17 victims, so we cannot underestimate the havoc wrought by gambling to society.

Recently, the DAB surveyed the residents in Tung Chung on whether they support the construction of a leisure, gaming and entertainment complex on Lantau Island. We believe that since as it is proposed that the complex be built on Lantau, we should consult the residents in that area and this point is very important. Consequently, we found that as many as 75% of the respondents do not support the construction of a casino on Lantau. 85% of the respondents believe that the establishment of a casino will lead to a number of undesirable consequences, including impacts on law and order, addiction to gambling of family members, easier availability of information on gambling to students, which would affect their study, and creating problems in family harmony, which all of us have emphasized so much of late and which the DAB has all along been promoting. It can thus be seen that if a casino is established in Hong Kong, this will run counter to the family-friendly policies advocated by the Government.

As regards whether the establishment of a gaming centre is beneficial to the Hong Kong economy, studies in North America point out that for any region where gambling is liberalized and for casinos, only the early birds are sure to make money, whereas subsequent comers may not be able to make any profit. A recent example of this can be observed in Macao. The casino business in Macao has a fairly long history and a famous brand name has been created. Together with the new casinos built in recent years, a synergy effect akin to the leisure, gaming and entertainment complex in Las Vegas has been established. Moreover, its business turnover has even surpassed that of Las Vegas. If we contemplate the establishment of a casino on Lantau Island only now, it is practically impossible to compete with Macao, just as it is impossible for the horse-race betting in Macao to take customers away from Hong Kong. Moreover, if casinos are established in Hong Kong, they will definitely engage in vicious competition with Macao to the detriment of both sides.

The development of Lantau Island should chart a course that suits the actual situation in Hong Kong. After a year of study, the DAB has published a report on "Sustainable Development for Lantau Island", copies of which have been distributed to Honourable colleagues and the Government. I only wish to do some promotion on it today. In terms of the economy, the DAB considers

that apart from major development projects such as the Disneyland and a logistics park, the development of Lantau should empower local economies so that each community can have sufficient economic power to stand on its own feet. Socially, emphasis should be placed on the livelihood of local communities and partnerships with residents should be advocated. In respect of the natural environment, we should attach importance to the conservation of natural ecology and the historical and cultural heritage. After carrying out site visits and extensive community consultation on Lantau Island, the DAB has put forward more detailed proposals on the further development of each area. I wish to talk about the major proposals for Tung Chung and Mui Wo here.

Concerning Tung Chung, the DAB is of the view that, firstly, it is necessary to improve the quality of the living environment in that area through such measures as providing various essential facilities to local residents. At present, the population in Tung Chung is about 80 000, however, so far, basic community facilities such as a library, public swimming pool and hospital are still lacking. Due to its topographical position, the air quality in the Tung Chung New Town is poorer and residents' health is affected. Therefore, the Government should consider all the more cautiously the scale of development as well as the planning of new towns on Lantau Island, so as to reduce building density and improve air circulation.

Secondly, the Government should build a heritage and art trail in Tung Chung using the Ngong Ping 360 as the starting point and linking the town centre of Tung Chung to Ngong Ping. The trail should run through the Tung Chung Battery, the old pier, old-style residential houses at the Ma Wan Chung and Chung Hau villages, the Tung Chung Fort, and so on.

Thirdly, a sightseeing route for a day tour of Tung Chung that covers various heritage locations in the area should be developed.

Fourthly, the links between Tung Chung and other areas should be boosted.

As regards Mui Wo, we also believe that a Mui Wo heritage and country trail should also be developed, the Silver Mine Cave should be opened and the Silvermine Bay Waterfall Garden should be restored, so that new tourist spots can be created.

Lantau Island has multi-dimensional and important role to play and will be an important base for Hong Kong's future economic development and a valuable piece of land in terms of natural conservation, history and culture, as well as a testing ground for a new mode of development for new towns. Therefore, I hope the Government will attach greater importance to its development and planning.

MS MIRIAM LAU (in Cantonese): Madam President, I speak in support of Mr James TIEN's motion. In this Chamber, on hearing the word "gaming", many Honourable colleagues would equate it with liberalizing gambling and oppose it one-sidedly. I wish to ask Members to look at the whole situation and when considering this motion, they have to think in terms of Hong Kong's overall economic development and should by no means stick to the old rut and refuse to make progress. I wish to reiterate here that what the Liberal Party proposes is a complex which incorporates diverse elements, such as conference, leisure, spa resort and entertainment facilities. Of course, these elements are complementary to gaming.

These elements do not serve as the foil to gaming, rather, they are intended to turn Lantau Island into a truly quality tourist node that can attract visitors with high spending power from various parts of the world to Hong Kong and invigorate the Hong Kong economy. Las Vegas in the United States is a very good example and just now, many Honourable colleagues have also mentioned this point.

I believe Members all know that not only are there casinos in Las Vegas, there are also leisure and entertainment activities of various kinds, such as famous large-scale concerts and musicals. The proceeds from them are definitely on a par with those from the casinos and the conference industry there. I wish to point out here that, just like Mr Vincent FANG, I do not gamble and do not even play mahjong. This is also true of my family members. However, in the past one or two decades, my entire family comprising more than a dozen people would always go to Las Vegas together every two or three years. I do not gamble, nor do my family members, however, we would watch the performances happily, enjoy the food and go shopping. We have been there before and will also go there again in the future.

Having made this point, I wish to talk about the conference industry.

According to a survey conducted by the municipal government of Las Vegas, last year, a total of 22 154 conferences were held there and the number of visitors attending conferences was over 6 million. The revenue from the conference industry was US\$7.6 billion, that is, close to HK\$60 billion, a sum equal to the revenue from the Las Vegas Casino City in the same year.

In fact, of the 10 largest conference venues in the United States, three of them are found in Las Vegas and the total floor area of these conference venues is 830 000 sq m, whereas of the 20 largest hotels in the United States, 17 of them are found in Las Vegas.

Due to the very fact that diverse elements such as casinos and conference, leisure and entertainment facilities can be found in the Las Vegas Casino City, complementing each other's development, the tourism industry there is booming. Last year, Las Vegas attracted more than 38 million visitors — and my family with more than a dozen people was among them — and the revenue from tourism was as much as US\$36.7 billion, which is roughly equivalent to about HK\$286 billion. This is more than the annual expenditure of the Hong Kong Government, which stands at \$248.4 billion.

Last year, the occupancy rate of hotels in Las Vegas Casino City stood at 91.8%, which was 28.7% higher than the average occupancy rate of 63.1% for all hotels in the United States. Members can thus see how potent this kind of leisure and entertainment complex incorporating a number of elements is.

The Liberal Party believes that the Government, various political parties and groupings as well as the general public all hope that Lantau Island can be developed into a quality tourism area that can stimulate the Hong Kong economy. This being so, why do we not draw on the positive experience of other people and develop a Las Vegas-style leisure, gaming and entertainment complex? Why should we abandon a development plan that can give the coffers a stable and substantial source of revenue, stimulate the overall economy and in particular, create a large number of job opportunities for grassroots members of the public?

As we all know, Hong Kong is a conference and exhibition centre in the Asia-Pacific Region. In 2004, the conference and exhibition industry earned as much as \$19 billion for the Hong Kong economy and about half of it came from the money spent by visitors attending conferences and exhibitions, the organizers and the businesses participating in exhibitions. Most visitors spent their money

on food and beverages, accommodation and shopping, so restaurants, hotels and the retail industry all benefited directly.

However, the competition in the conference and exhibition industry is getting keener and members in the industry even made the prediction to the mass media that 2007 would be an era of warring states in the conference and exhibition industry because it is now known that seven countries and cities surrounding Hong Kong, including Singapore, Taipei, Shanghai, Guangzhou, Beijing, Shenzhen and Macao, have plans to expand their exhibition venues next year and the total floor area will add up to nearly 700 000 sq m.

To take the China Import and Export Fair in Guangzhou held last month as an example, it was held simultaneously at the Guangzhou Pazhou Complex and the Liuhua Complex in the city. The total floor area of the exhibition venues was 575 000 sq m, equivalent to 10 Hong Kong Convention and Exhibition Centres. Last year, the direct revenue received by the China Import and Export Fair was \$3 billion and the economic benefits it brought to Guangzhou amounted to \$30 billion. The conference and exhibition industry is also being actively developed in Macao. Next year, the Venetian Macao Exhibition Centre with a floor area of 75 000 sq m will be completed and it is expected that the revenue for the next two years will amount to \$1 billion.

Back here in Hong Kong, our venues for holding conferences and exhibitions are inadequate. There is only an exhibition hall with an area of 46 000 sq m and a conference room of about 6 000 sq m in the Hong Kong Convention and Exhibition Centre. For this reason, last year, the vacant site at Tamar had to be rented out for holding a large-scale exhibition due to the lack of venue. Even after the completion of the extension to the Hong Kong Convention and Exhibition Centre in 2009, the total floor area of the exhibition venues in Hong Kong will only increase slightly to about 130 000 sq m, so Hong Kong compares very unfavourably with other places even in terms of hardware alone.

If the Government accepts the proposal of the Liberal Party, the conference and exhibition industry in Hong Kong will see not only the venues for it expanded and the hardware upgraded, it can also develop in synergy with elements such as gaming and leisure and our might will be redoubled. However, if Hong Kong does not seek to make improvements, it will again miss out on an opportunity and lag behind others.

Madam President, I so submit.

MR ALBERT HO (in Cantonese): President, just now, on behalf of the Liberal Party, Ms Miriam LAU called on us not to just look at the word "gaming" and said that it would be a leisure, gaming and entertainment complex. In fact, many Honourable colleagues have asked if it was possible to delete the word "gaming". If this motion is only about a leisure and entertainment complex, it will not be difficult at all to seek Members' support, however, you have added the word "gaming" and therein lies the problem because what you have proposed is to liberalize gambling.

If gambling is to be liberalized, what is the role of gambling in the entire leisure and entertainment complex? We have reasons to believe that even if the casino does not play a central role, it definitely will be of a considerable scale in order to support the financing and cost-effectiveness of the entire complex. In fact, we cannot imagine having only a small casino in the entire complex. To do so is just like requiring Las Vegas to offer variety shows exclusively and not to operate any casino, or to close 90% of the casinos. Is this possible? It is surely impossible. Las Vegas cannot possibly be separated from its casinos.

This is a very simple rationale, that is, if we really accept this concept, not only will a casino be an essential component, moreover, its scale will become increasingly larger because if one wants to compete with the rivals, it will be necessary to achieve a certain scale. In that case, a situation will inevitably emerge, that is, casinos will open one after another and the gambling trend will keep growing. Such a conclusion is simple and also natural.

President, in fact, this Council already had a very heated debate when discussing the Betting Duty (Amendment) Bill relating to the Hong Kong Jockey Club some time ago. Many Honourable colleagues were also strongly opposed to this piece of legislation because we believe that it will lead to the undesirable consequence of spreading the gambling trend. We oppose the further relaxation of the existing control on gambling activities because we believe this will create extremely serious and adverse consequences for society. This is not purely a matter of moral judgement, nor is it purely a matter of whether we like gambling, whether we know how to play mahjong or whether we like playing poker. This matter is not so simple.

As many people know, actually the problem is that if the gambling trend spreads further, a lot of scourges that we do not wish to see, including ruptures in family relationships, rising crime rates, rampant prostitution and drug

problems and even an increase in the number of pathological gamblers will arise. These social costs can by no means be compensated by the economic benefits (no matter how many billion dollars they may amount to) claimed by some Honourable colleagues.

Many Honourable colleagues have also cited a lot of figures showing that if casinos are established in a city, its crime rate will increase significantly. Perhaps let me cite another figure. After casinos had been established in Atlantic City, the crime rates increased significantly during 1977 to 1990. The crime rates in Atlantic City nowadays as compared to nationwide figures are: 156% for rapes as compared to the nationwide figure of 62%, and the figures for theft have also far exceeded the nationwide figure. The same applies to other cities with casinos.

We feel gravely concerned about this. If we establish a casino, even though it is established on Lantau Island, the whole territory will still be affected. If we again allow the gambling tide to swell unchecked, it will really breach the levee and more people will become addicted to gambling as a result. As the figure cited by Mr TAM Yiu-chung shows, it only takes one person to be addicted to gambling for 10 to 20 persons to be affected and they will also suffer as a result.

The establishment of a casino will also lead to another major problem, that is, money laundering and loan sharking may emerge and assaults, blackmail and triad activities will also become rampant. In view of these problems, we definitely cannot relax the control on this again. We cannot gradually relax the control on gambling such that the gambling trend will get out of hand.

In sum, on today's motion, even though we are very interested in examining how to make Lantau Island a more attractive tourist spot and leisure centre, we definitely cannot use the liberalization of gambling as one of the means to attract visitors.

I believe that on this matter, Members must stand their ground. Otherwise, once a casino is established, the problem of the casino not being able to compete and lacking the economy of scale will occur in future. In that event, some people will then request that a second and then a third casino be established. In the future, some colleagues may even say that we have to bring ourselves on a par with Macao or Atlantic City. In this regard, although there

may be some economic benefits, as many Honourable colleagues have said, we cannot accept the adverse effects on society and the many social costs that we have to pay because we really cannot make amends for them.

MR CHIM PUI-CHUNG (in Cantonese): Madam President, when it comes to gaming or gambling, I am best qualified to comment on it because apart from hitting the headlines, I also have experience — when winning, raise the stakes; when losing, retreat; keep your sanity; know your sums well; be vicious enough and be contented — these are the mottos for any gambler. However, I am not a gambler and I even advised many of my friends to weigh matters from various angles.

It is true that last year, the revenue from casinos in Macao stood at \$46 billion. My estimate is that in 2006, the revenue from this will hit \$53 billion to \$54 billion. In every 1 000 people going to Macao to gamble, each will lose over \$5,000 on average each time. Therefore, I advise my friends and even people who do not know how to gamble that they must not gamble. Why? Because they will definitely lose. The Macao Government thinks that it collects all its revenue amounting to \$500 billion from gamblers. However, if we looked back we would realize that we began to take part in gambling without being aware of it since the very day we were born. When we go to school, there is always someone who ranks the first academically and someone who ranks the last. Although it is necessary for us to work harder, still, there is an element of gamble in it. When we get married and what is more, when we have children, ultimately, such matters invariably involve two aspects: one side is paying what he owes and the other side is getting what is owed them. Therefore, our mentality should be: When we enter society, such a reality already exists.

Madam President, the Chinese people were not qualified to talk about gambling in the 1950s because the whole society was very poor at that time and many genuine gamblers took and sold all their chattels and took to this road of no return called gambling. However, we have to know that nowadays, with social advancement, to many people, gambling is only part of their lives. Of course, they have to know what they are doing and they must not affect other people's impressions and feelings. This is what matters most and what is even more important is one's personality. Some Honourable colleagues were very far-fetched in talking about developing Lantau Island. In fact, I can tell

Members that if we compare Lantau Island with Macao, the opportunity is already lost. If we really build a casino on Lantau, who will go there to gamble?

We all understand that two years later, 50 000 to 70 000 new hotel rooms will have been completed and over 200 world-renowned brand names will set up shops there. It also has over 200 world-class restaurants and integrated venues such as conference centres. Moreover, it also has very large-scale facilities on Heng Qin Island. Therefore, let us forget about Lantau because the opportunity has been lost. If we must do this, we can consider East Kowloon or West Kowloon, however, that will of course be even more uncertain.

Many Honourable colleagues think that this issue of gambling is sacrosanct whenever it is mentioned. Such thinking is behind the times by several decades. We have to rise to the challenges bravely. This should not be a problem. There are a lot of things that can be done but not said, however, we must be brave, particularly as Members of the Legislative Council, and we have to raise anything for discussion. Has the Government ever discussed this matter? Has a formal review been carried out? If it believes that this proposal is not desirable to society as a whole, then it should not be implemented; however, if it is desirable, then it has to be studied. The Government is evading the issue and the Legislative Council, being led by members of the public, think that they are the guardians of morality. However, the fact is that such an age is already past. Therefore, if we sum up the experience of Macao and Las Vegas, it is worthwhile to carry out review and study this proposal. However, if we talk about complementary efforts in other areas, this will actually be a very lame review to society as a whole.

Some Honourable colleagues said just now that I had been to Las Vegas. I can tell Members that in the past several decades, I have visited the place regularly. It has developed from only four casinos in the old district to a comprehensive package of complementary facilities. Las Vegas is actually a tourist node. Some people say that law and order there is poor, but I can tell Members that in the United States, the place with the best law and order is Las Vegas. Of course, I am not advocating that we must engage in gambling and as I have said, I have advised many friends to quit gambling because gambling will make one lose self-control unawares. Of course, this is a test and in doing anything, we certainly must put ourselves to test. If one cannot put ourselves to

test or take any challenge, then one is actually a loser. Then how can one still be qualified to take part in other challenges? By this I also mean political ones.

I have also said that if a Member of the Legislative Council is led around by the nose by other people, then he is actually no longer qualified to be a Member. Many directly-elected Members vote for the sake of votes. It is true that they are worthy of respect because they owe their position to the votes. However, it is even more important to explain to the people and it is not necessary to obey indiscriminately.

If we have the Hong Kong economy in mind, my personal view is that those people who do not gamble should even encourage gambling all the more. Why? Since they will not lose money and will not gamble, what has it got to do with them? The reason is that there are some people who are too rich in society and that is something they have no control of. That being so, if we let them surrender some money to fund developments in society or even as tax revenue, what is so bad about this? Let us look at Macao. I have said that the revenue from casinos was \$46 billion in the past and it will increase to more than \$50 billion this year. If these people do not gamble, they would not have made any contribution to it, would they? Therefore, they should not be too vocal in their opposition.

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

MR ALBERT CHAN (in Cantonese): President, there was no way for me to fully appreciate the 12 words of wisdom spoken by Mr CHIM Pui-chung earlier. If everyone in Hong Kong grasps the art of gambling and knows when to stop, there will not be so many problems of bankruptcy, divorce and suicide caused by gambling.

Every week, I witness in New Territories West a lot of social problems and family tragedies attributable to gambling. Many gamblers simply could not pay for their meals and accommodation. Some of them have even cheated their mothers out of their Comprehensive Social Security Assistance payment and gambled it away. We have indeed seen a lot of tragedies like these. Over the years, even before 1997, there has been a geographical division of labour, so to speak, in terms of the operation of gaming. Like brothers, Hong Kong and Macao have been developing gaming in their own way. Despite its days of

glory, Hong Kong has seen its gambling business going downhill in tandem with its economic downturn over the past couple of years. Yet, Macao has begun its rise to success. As Hong Kong continues to decline, some people become jealous of Macao which has gained tremendous success as a result of the liberalization of its gambling franchise. Back in those good old days when tycoons, and even ordinary businessmen and investors, in Hong Kong were having rice mixed with shark's fin, the people in Macao might still be eating porridge. Macao was looked down upon by Hong Kong. Some people in Hong Kong are now jealous of Macao's prosperity, saying that we have to operate gambling to compete with Macao and snatch back the shark's fin.

I find this attitude and practice extremely dangerous. Over the past century, Hong Kong has weathered a lot of turmoil and a number of wars and storms. Yet, we have managed to climb up slowly from the bottom. We have never made any complaints, never expressed any intention of reaping exorbitant profits by means of tricks, undesirable trends and "extraordinary business" operation. Nor have we sought to stimulate the economy by adopting the attitude and means of achieving quick success and instant benefits. The emergence of such an attitude clearly signals a potential ideological crisis in which there is a complete lack of trust in the Government in controlling the territory's financial lifeblood and economic development, a lack of faith in the Hong Kong Government, and a lack of confidence in the development of Hong Kong's financial, shipping, logistics and tourism sectors, and the feeling that even mixed developments can still not drive Hong Kong's economic development and that Hong Kong has to follow in the footsteps of Macao and stimulate its economy with gambling.

I wonder if the Liberal Party has lost faith in Donald TSANG, and even the Financial Secretary, its former party member, and thus come up with this gambling proposal to ensure Hong Kong's survival. The Liberal Party has also come up with such an appealing name of a leisure, gaming and entertainment complex. In reality, the complex is but a gaming centre. The so-called gaming and entertainment centre is essentially a centre that harms or kills people. Have Members ever seen people who would be satisfied with engaging in industry at a time when gambling was rampant in society? Hong Kong has actually been quite miserable over the past decade or so because of the constant rise in property and stock prices. Many people are no longer satisfied with engaging in industry. People who were previously in the real estate sector have switched to the stock market as stock investment is a more profitable business than real estate. A well-known tycoon has also stated on a newspaper front

page that he has quitted real estate as he finds that stock investment is much more profitable. The traditional practice of industrialists building Hong Kong or laying a solid foundation for the territory is now nowhere to be found. This is very dangerous.

There are some industrialists whom I very much appreciate. Among them is Mr CHIANG Chen, who has been laying a foundation for Hong Kong industries and promoting Hong Kong's industrial development over the past decades. It is these industries which play a most important role. Those sectors which are built on loose sand will only make our mentality and steps superficial and bring society to gradual decline.

Speaking of the development of Lantau, I proposed to the Government two years ago that Lantau be developed into a cultural and historical centre, an therapy resort underpinned by emphasis on ecology, an economic zone. This is actually the practice of many societies and countries. Lantau can indeed help Hong Kong play a key role in the Greater Pearl River Delta. I will give Mr James TIEN a report as a gift so that he can read for himself that gambling is not necessarily the only way out. Ecological tourism and therapy resorts are actually excellent choices, for they can stimulate the economy or create employment and wealth permanently.

I remember I often heard this when I was very small — not very small — I have heard this very often even in recent years — gamblers lose or get cheated nine out of 10 times. Gambling is always described as something undesirable, evil or controlled by thugs. I hope the Hong Kong Government will not become a thug in future. The Government has often been condemned because of its collusion with business interests and transfer of benefits. The Government has already colluded with a lot of people, including financial magnates. Its image will get even worse now that it is going to be a thug.

I often heard a song about the lament of gamblers when I was small. I am not going to sing it because I do not have a good voice. A number of gamblers are mentioned in the song. I do not hope Mr James TIEN and Mrs Selina CHOW will be one of them because all problems caused by gambling will either end tragically or lead to bankruptcy or undesirable social trends. The importance of the foundation built in Hong Kong over the past century must not be ignored because of short-term financial gain and revenue. Therefore, I very much hope..... gamblers will also face this ending: repent and be saved.

Similarly, I would like to appeal to my friends in the Liberal Party to repent and be saved by engaging in practical economic production instead of thinking about those undesirable trends. Thank you, President.

MR ALBERT CHENG (in Cantonese): Madam President, I have just returned from Macao after watching a motor race. During a visit of a casino arranged by the Macao Government Tourist Office, I personally witnessed that the whole place was flooded with people. It was an eye opener for me, for it was until then that I realized Macao had the largest casino in the world. Sands Macao is now the world's largest single casino.

The casino was flooded with a continuous stream of gamblers. As pointed out by Mr James TIEN and Mrs Selina CHOW in the motion and amendment respectively, opening a casino can truly stimulate the economy and create more job opportunities. I am certainly concerned about unemployment in Hong Kong. I very much hope that Hong Kong can enjoy prosperity like Macao and have a flourishing construction industry. There is at present a trend for civil servants in Macao to turn to casinos for employment. I have also been told by some teachers that they have switched their jobs as civil servants, and primary school teachers are now most lacking. In Macao, each casino provides thousands or tens of thousands of job opportunities, with many of the middle level managers recruited from Hong Kong. We have indeed seen the prosperous side of Macao.

However, it really puzzled me a lot when I saw the people gambling in the casinos as to why some people would offer their hard-earned money to the casinos. How should we balance social interests? While most of the casinos target mainland tourists, the vast majority of the gamblers are from the Mainland too. I have no idea where they have got all that money — I wonder if money laundering or the wealth of the nation and its people are involved. We have learned from a news report that a person whose official position is not known has lost \$90 million at one go.

Regarding Mr James TIEN's motion today, I have learned from a newspaper report that Mr TIEN had made a trip to Beijing feel out on the issue. This was what the newspaper said, not what I said. Under normal circumstances, I will not believe reports like this one. However, President, it was reported that, after James TIEN had stated his intention, the Central

Authorities raised opposition to opening a casino in Hong Kong because the interest of Macao had to be protected and Hong Kong must not drive its smaller brother into extinction. Actually, Macao is now the elder brother, and Hong Kong is the smaller one. Is the smaller brother not allowed to drive his elder brother into extinction or *vice versa*? I really have no idea who is the elder brother and who is the smaller one. If the report is true, if I believe the report — James TIEN said it was not true — I have always had great respect for Mr TIEN. If he has really felt Beijing out and he still proposes this motion today despite opposition from Beijing leaders, he must be very courageous. Given his social status, political orientation, if he insists on doing so, even if state leaders have told him not to do so, I should really take off my hat to him. But since he has not admitted doing so, I have to withdraw my hat-off.

However, President, here is a contradiction. I believe — Mr James TIEN is shaking his head — he has not felt Beijing out. Had he done so, he would not have dared to propose this motion today. In other words, the message he has got may probably be: there is no State position. Here, I would like to quote an article written by Van Der KAMP, a columnist of *South China Morning Post* (SCMP), on 10 November. The article was published in the form of an open letter to President HU Jintao. I now begin: "Senior officials of your government are likely to be approached later this month by the chairman of the Hong Kong Liberal Party, Mr James TIEN, asking that they intervene in Hong Kong affairs....."

PRESIDENT (in Cantonese): Are you quoting from SCMP?

MR ALBERT CHENG (in Cantonese): Yes, it was about.....

PRESIDENT (in Cantonese): Was SCMP written in Chinese?

MR ALBERT CHENG (in Cantonese): I have done the translation.

PRESIDENT (in Cantonese): Fine. (*Laughter*)

MR ALBERT CHENG (in Cantonese): I certainly have to thank the President for reminding me. This is a translated version. Therefore, the essence is right, though the Chinese rendition might not be as accurate. Actually, the English version would be more fun. I should have read the English version. However, I have translated the article into Chinese for Members' appreciation. I have to read it out quickly for I have only three minutes left:

"Senior officials of your government are likely to be approached, asking that they intervene in Hong Kong affairs to endorse his pet project, the building of a casino on Lantau Island. The project has met with general disapproval here and a motion in support of it which he introduced in the Legislative Council — the motion today — will almost certainly be defeated." I have no idea why Van Der KAMP could have known this in advance. He also said that James TO would nonetheless take it to Beijing after the motion is discussed in this Council.

The columnist continued: "The question at issue here is not primarily whether the project is a worthwhile one but the extent to which the national government should interfere. Article 7 states that the Hong Kong government shall be responsible for management, use and development of the land and natural resources of Hong Kong, while Article 16 states that the Hong Kong government shall 'on its own' conduct the administrative affairs of the region. The only mention I see of tourism-related matters is in Article 119 and it once again states the Hong Kong government shall formulate and promote the appropriate policies. I know, Sir, that I do not really need to bring this to your attention as you are fully aware of it but you may not always fully appreciate the sensitivity of Hong Kong people to interference by the national government in their affairs, beyond what is called for in the Basic Law. Whether or not they have reason to worry about such interference, the fact remains that they are indeed sensitive about it. To have national government officials pronounce in any way on the merits of a project that is a Hong Kong affair alone could have regrettable effects in relations between the Special Administrative Region and its motherland. May I therefore presume on your good offices to ask that you instruct your subordinates to rebuff any advances by Mr TIEN and, without discussing this project with him, tell him to return to Hong Kong and take the matter up with the proper persons designated under the Basic Law for consideration of it? A sharp reminder to him that he is out of line would not go amiss. It would, in fact, go a long way toward building the trust of Hong Kong people in their national government. Do it publicly, Sir. The man sorely

needs a slap on the wrist. And, in case any of your subordinates should still presume on an authority from which the Basic Law excludes them, it may be worthwhile to remind them why Mr TIEN's proposal is a bad one anyway."

Due to the time constraint, I have to jump to the last paragraph: "Mr TIEN's plea that this casino would create jobs and bring more tourists to Hong Kong also rings false. Leave alone that we no longer have a serious unemployment problem in Hong Kong but do have a surfeit of tourists, the jobs would all be menial ones. This presumes in any case that a casino resort in Hong Kong would be commercially viable, which is by no means certain given the massive investments being made in Macau. What is certain is that another chunk of Hong Kong's beautiful country parks, one of its greatest assets, would be lost to us forever, arguably in contravention of Article 119. However, I....."

Time is up. I will oppose the motion and all the amendments. Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (In Cantonese): If no other Member wishes to speak, I would now call on Mr James TIEN to speak on the two amendments. You have up to five minutes to speak.

MR JAMES TIEN (in Cantonese): President, with regard to the two amendments, if Honourable colleagues would take the trouble of going through the wording of my original motion, they would know that I just intend to urge the Government to actively study the feasibility of establishing a leisure, gaming and entertainment complex on Lantau, and to conduct extensive consultation in this regard.

I note that the greatest difference between my original motion and Mr Alan LEONG's amendment lies in his insertion of such wording as "to first look into the following three issues", and so on, after "establishing a leisure, gaming and

entertainment complex on Lantau", and he proposes to conduct "community-wide consultation", whereas I propose to conduct "extensive consultation". Recently, the Liberal Party has interviewed over 2 500 members of the public. Among such respondents, 50% supported the proposal, while 34% opposed it. I do not take issue with "community-wide consultation" and "extensive consultation", and in fact they do not have much difference. Of course, regarding the three points Mr LEONG has added, I actually understand what he means. He thinks that I should not have proposed a study of the three points, that is, Hong Kong should maintain the policy of not encouraging gaming. In this regard, I absolutely agree with him — that the Government should not encourage gambling, and the Liberal Party also does not encourage gambling. However, there is no contradiction between our stance of not encouraging gambling and our support for establishing a casino. The rationale is exactly the same as in our support for soccer betting and horse racing.

Regarding the second point, that is, the suggestion of first looking into the cost-effectiveness of establishing a gaming and entertainment complex, naturally we would support it. Why should we look into the all the cost-effectiveness involved? Many Honourable Members have mentioned many issues in their speeches just now, such as whether it would create more job opportunities; whether it would bring more tax revenue to the Government; and whether it would make the people lose all their money including the money for meals. Of course I think these issues must be examined. With regard to the impact on the people and environmental conservation, and the inevitable felling of trees in the course of developing Lantau, I do not have any comments to make. As regards the siting of the casino, or whether it must definitely be situated on Lantau or some other more suitable locations, or whether there is absolutely no suitable site for the purpose, the Government must conduct consultation beforehand. I agree with this.

On the other hand, Mrs Selina CHOW has moved an amendment to Mr Alan LEONG's amendment, which keeps items (a) to (c) of Mr Alan LEONG's amendment and incorporates items (d) and (e) into it because she thinks that we should conduct studies and consultation on other aspects. I think this is reasonable. For example, will it generate enormous revenue for the public coffers? How many job opportunities will be created? What kind of impact it would have on the local economy? Will it upgrade Hong Kong's competitiveness? And about the business of convention centre mentioned just now, I also agree with it. Moreover, about the problems that come "before"

and "after" all this, I have the following viewpoint. In fact, if my proposal is adopted to conduct a relatively simple but extensive consultation, then all the problems, regardless of whether they should be raised before or after all this, must be examined. If the findings of the studies are positive, then we should exert our best to implement the project. But if the findings are negative, then we must strike a balance by allowing more people to express their views. Therefore, I support the two amendments and I do not have any viewpoints different from those espoused in them. Thank you, President.

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, first of all, I would like to thank Mr James TIEN for moving the motion to propose that the Government should actively study the feasibility of establishing a leisure, gaming and entertainment complex on Lantau. I am also grateful to Mrs Selina CHOW and Mr Alan LEONG for their respective amendments, and my thanks also go to the 22 Honourable Members for their valuable input earlier on.

The policy on gambling is primarily a social policy, which should not be formulated initially from an economic perspective. Instead, it should strike a balance among various considerations from different perspectives, such as whether any change in policy would promote gambling among the people, especially among the young people. As a responsible Government, we must do everything we can in order to avoid promoting the gambling trend. Therefore, we must strictly adhere to the policy of not encouraging gambling. We oppose the establishment of a casino in any district of Hong Kong. We do not have any plan to allow the private sector to establish casinos in Hong Kong, and we also think that there is no need to conduct any studies on the suitable location, cost-effectiveness and impacts of establishing a casino, as well as the economic benefits to be derived in terms of employment opportunities. Therefore, we do not have any plan to conduct a full consultation on this. In the rest of my speech, I would like to explain the viewpoints held by the Government on gambling activities, in particular, the subject of gambling among young people, as well as the measures implemented by the Government to address social problems caused by gambling.

Most societies in the world face the problem of gambling behaviour which can neither be brushed aside nor curbed completely. In the eyes of the ordinary man in the street, gambling may only be a kind of entertainment or leisure

activity, and is generally considered as a "harmless" social activity, or may even be considered as part of the culture. In fact, this is not true. The Government has always been concerned about the impact of gambling activities on society, especially the social problems that might be caused by compulsive gambling. It is because once a person has become addicted to gambling, it will bring about grave consequences to himself, his family, his next generation and even society as a whole.

All along, the Government has adopted the "combating" and "remedial" approaches in dealing with the gambling problem. On the one hand, we continue upholding our policy of not encouraging the people to take part in gambling activity, and take enforcement actions in a rigorous manner. On the other hand, we confine gambling, which cannot be avoided and has popular demand, to a few authorized gambling activities. This underlying rationale is not made out of the consideration of the cost-effectiveness concerned, but for the purpose of not encouraging gambling.

With regard to stepping up enforcement actions, the Government is doing its utmost to combat illegal gambling activities by diverting people's demand for gambling activities to legal gambling activities, thereby effectively controlling the impact of the relevant gambling activities on society. The Government is very concerned about problems caused by gambling, especially the impact on young people. The police have been working very hard to combat illegal gambling activities. When major games are held, the police would step up enforcement actions and remind the people not to take part in illegal gambling. For example, during the period of time when the World Cup Final Tournament was held in 2006, apart from stepping up enforcement actions against the placing and receiving of illegal bets, the police had also stepped up publicity campaigns such as producing the television programme "Police Report" to deter the people from taking part in illegal gambling activities and remind the people of the harms of compulsive gambling. During the month when the World Cup Final Tournament 2006 was held, the police had conducted more than 100 raids, arrested 196 persons and seized "soccer betting slips" with a total value of over \$74 million.

In alleviating the demand for gambling and authorizing gambling activities, we aim at diverting such demands that cannot be curbed to authorized channels, so as to combat relevant illegal bookmaking activities. In considering

whether a certain gambling activity should be or has to be authorized, the Government would consider the three following criteria:

- (1) There is a substantial and persistent public demand for that particular type of gambling activity;
- (2) The demand is currently satisfied by illegal channels; even the injection of an enormous amount of government resources to step up enforcement actions has failed to address the issue fully and thoroughly; and
- (3) There is public support for authorizing that particular type of gambling activity.

On the premise of not encouraging gambling, the Government, while authorizing gambling, has already incorporated many measures into the regulatory mechanism, so as to minimize the negative impact on the people, especially young people, and avoid stimulating the people's demand for gambling. For example, it is stipulated in the Betting Duty Ordinance that the licences of horse race betting, soccer betting and lottery activities must include the following conditions:

- the licensee shall not accept bets on credit or accept credit cards for settlement of betting transactions;
- the licensee shall not allow admission of juveniles to its betting premises;
- the licensee shall not accept bets from juveniles or pay dividends to juveniles;
- the licensee shall not target juveniles in their advertisements; advertise in ways that would exaggerate the likelihood of winning or suggest that betting on horse races is a source of income or viable way to overcome financial difficulties;
- the licensee shall not broadcast advertisements in specific time slots on television or on the radio; and

- the licensee shall be required to display notices in its betting centres and its betting websites, reminding punters of the seriousness of the problem caused by compulsive gambling and provide information on counselling and treatment services available for problem and pathological gamblers.

According to the Betting Duty Ordinance, the Secretary for Home Affairs shall issue the Code of Practice to specify the guidelines on how a licensee should comply with the licensing conditions. These include clarifications on such licensing conditions as how the teenagers should not be made the targets in the advertisements and how measures can be implemented to prevent the juveniles from placing bets. It is also stipulated in the Code of Practice that the licensee is required to display explicit notices in its betting centres and betting websites to the effect that juveniles are not allowed to place bets and when there are reasons for its staff members to doubt that certain persons placing bets might be juveniles, they may verify their identification documents. The licensee is not allowed to set up Internet or telephone betting accounts for juveniles, and account holders can only operate such accounts after inputting a password, so as to prevent young people from taking part in gambling activities.

Mr TIEN's proposal is in effect requesting the Government to consider the feasibility of authorizing casinos. I wish to further explain that the Government will absolutely not support any arguments for establishing casinos in any district of Hong Kong.

The proposal of establishing a casino is not in line with our consideration of regulating gambling. Although some Hong Kong people do engage in some "casino-style" gambling activities out of the territory, most people do not have a substantial and persistent demand for it. The proposal of establishing a casino in Hong Kong has not gained extensive local public support over the years. On the contrary, according to surveys conducted in late '90s as well as the public opinions collated when the Gambling Ordinance was amended in early 2000, and when the Betting Duty Ordinance was amended recently, most Hong Kong people supported the Government's policy of not encouraging gambling. Many organizations concerned about the gambling culture have been most adamant in opposing the establishment of casinos in Hong Kong.

According to studies conducted internationally, gambling behaviour will be aggravated by the external provision of continuous and non-stop gambling opportunities. The establishment of a casino provides long hours or even

24-hour gambling opportunities and incentives. That is, like a common saying goes, the people are compelled to take part in gambling. According to a study conducted by the Chicago University in 1999, there is a direct relation between the establishment of casinos and the increase in the numbers of problem and pathological gamblers. A research study conducted by the Harcourt Health Sciences Company in Philadelphia City in 2001 also came to the view that the attraction of gambling is related to the incentives of gambling such as its immediate nature and urgency. The study quoted an example: The immediate rewards provided by casinos will cause more serious gambling problems than the form of gambling which only provides several dividend payouts in a week.

When opposing the establishment of a casino in Hong Kong, the concerned groups on gambling in Hong Kong have also pointed out that one of the major causes for triggering pathological gambling is the act of gambling in casinos in Hong Kong's neighbouring territories. By inference, we can presume that, if a casino is established in Hong Kong, it will provide the people with a more direct and more convenient venue and a continuous and non-stop channel for taking part in gambling, thereby providing the opportunity of directly enhancing the incentives of gambling. So it will have bad influence on all the people, be they the ordinary people, young people, problem and pathological gamblers. With regard to the young people, we have an unshirkable responsibility for them — we have the responsibility to help them to strengthen their self-determination and self-control in resisting the temptation of gambling. Some hold that we should impose some restrictions on the opening hours of the casino and the type of customers it will allow admission, such as specifying the daily business hours of the casino or admission to the casino is restricted to non-Hong Kong residents only. But we think that the best method is to rule out the establishment of casinos in Hong Kong, which is the absolute way of preventing the opening of a covert door for promoting gambling.

Next, I would like to explain the third aspect of work undertaken by the Government in dealing with the gambling problems — the Government is working through conduct of research studies, promotion, education and gambling counselling and treatment service to remedy the social problems caused by gambling. With regard to the implementation of measures to remedy the gambling problems, the Government has set up the Ping Wo Fund since 2003 to finance preventive and remedial measures for addressing gambling-related problems. The Fund is financed by the contributions made by the Hong Kong Jockey Club and the public. The Ping Wo Fund mainly finances initiatives in three areas:

- (1) public promotion and education programmes for preventing gambling problems;
- (2) studies related to gambling problems; and
- (3) the provision of counselling and treatment services for problem or pathological gamblers. The prevention of gambling problems among young people is one of the major aspects of work of the Fund.

During the past few years, the Government has commissioned different organizations to organize education programmes targeting at the young people. Such programmes aim at fostering a better understanding of gambling-related problems among young people, parents and teachers, and so on, as well as strengthening the self-control of young people, thus making them understand that gambling is a kind of activities with potential risks and realize the problems that could be caused by compulsive gambling. In addition, they are encouraged to develop diversified interests, make good use of their spare time and completely stay away from gambling and say "no" to gambling.

In the education of the youths, both parents and teachers have important roles to play. In order to enhance their understanding of this subject and help them to identify ways of handling gambling problems in schools, both the Government and relevant organizations have produced a lot of relevant teaching kits which are provided on the Internet, thus helping the schools to conduct gambling-related educational activities. The Government has also organized gambling-related preventive education training programmes for teachers and principals of primary and secondary schools, so as to help them understand gambling problems, grasp the methodology and techniques of preventive education, and learn ways of helping students to handle their gambling behaviour. With regard to parents, the Government, local district organizations and relevant groups have also maintained liaison with organizations like parents and teachers associations, and have conducted gambling-related seminars for parents, so as to help them learn how to prevent and recognize the gambling problems of their children.

The Government is very concerned about the counselling and treatment services provided for problem and pathological gamblers and their families. With the financial support of the Ping Wo Fund, the Government has

commissioned the Caritas Family Services and the Tung Wah Group of Hospitals to operate two gambling counselling and treatment centres on a trial basis. Apart from providing counselling and treatment services for problem and pathological gamblers to help them solve problems caused by gambling, these centres also provide their families with assistance and counselling. The centres have also established families mutual support groups to facilitate the exchange among members of gamblers' families and provide support. The two centres also provide training for professionals such as social workers, in order to help them learn how to handle and refer cases when they come across persons with gambling problems in their daily work. The two centres have also organized community educational activities to enhance the people's understanding of problem gambling, thereby enabling them to learn how to prevent the emergence of problems or, when they encounter gambling problems, expeditiously seek suitable assistance.

Apart from the two existing centres, the Ping Wo Fund Advisory Committee made invitations in October this year to interested parties to submit letters of intent to operate small treatment centres in two communities to provide community-oriented services for problem and pathological gamblers and their families, so as to resist and prevent gambling.

In order to prevent and minimize gambling problems effectively, apart from relying on the Government's implementation of suitable measures for regulating gambling activities and preventing gambling problems, both the public and the media have very important roles to play, particularly, in preventing the occurrence of gambling problems among young people. The media have strong influence on the young people, and such influence is even greater than that of teachers, parents and friends. Therefore, we have openly urged on more than one occasion the media to voluntarily fulfil their social responsibility by separating sports news from betting information in order to minimize the chances for young people to come into contact with betting information; and to add suitable warning messages on the pages reporting betting information to reminding the public, in particular, young people, of the harms caused by compulsive gambling. All these measures are greatly helpful to preventing and addressing gambling problems.

To Mr James TIEN who proposed the motion, Mr Alan LEONG and Mrs Selina CHOW who proposed the amendments and Honourable Members who have delivered speeches just now, I would like to express my sincere gratitude.

The Government understand Honourable Members' concern about the gambling trend, in particular the concern about young people's gambling problems. We will continue to co-operate with various sectors of society to balance the considerations of the various aspects, and exert our utmost in reducing gambling problems in society.

Some Members think that the establishment of a casino in Hong Kong will generate substantial revenue for the Government. With such additional income, the Government will not have to consider the issue of broadening our tax base. Such an assertion is really self-deceiving. At present, our tax base is so narrow. We just rely on a small number of tax types and taxpayers to support the greater part of our revenue. This is not a healthy practice. In order to maintain the financial stability of Hong Kong, we must broaden our tax base and reduce our reliance on direct taxes such as salaries tax and profits tax, the revenues of which are highly vulnerable to the impact of economic cycles. If we can have stable and reliable sources of revenue, we can have the assurance that we can go on making investments for Hong Kong's future, so as to promote our perpetual prosperity.

Can the establishment of a casino effectively broaden the tax base of Hong Kong? The answer is "no". Can the taxes collected from the casino bring about stable and reliable revenues for Hong Kong? This is also a doubtful point. However, one point is quite sure, that is, if a casino is established in Hong Kong, it will definitely bring us many social problems. Therefore, if Members think that once they support this motion, then it would not be necessary for us to consider the proposal of broadening our tax base, then they are in fact ignoring the health of public finance, misleading the public and acting in a most irresponsible manner.

I believe that, for Members supporting the motion, their primary objective is not to encourage gambling, but to assist the economic development and tourism industry of Hong Kong and to create more employment opportunities. However, I firmly believe that there are many different ways we can attain such goals and develop the economy of Lantau. There is absolutely no need for us to rely on establishing a casino on Lantau, which is a controversial approach carrying potential social risks and high social costs. Therefore, I call on Members to vote against both the motion and the amendments, so that we can avoid conveying an inaccurate message to the public to the effect that the Legislative Council and the Government have changed the long-standing policy

of not encouraging gambling. Of course, the Government will continue to actively identify other approaches of developing the economy of Hong Kong and creating more employment opportunities.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Mrs Selina CHOW to Mr Alan LEONG's amendment, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr LEE Wing-tat rose to claim a division.

PRESIDENT (in Cantonese): Mr LEE Wing-tat has claimed a division. The division bell will ring for three minutes, after which the division will begin.

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

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

Functional Constituencies:

Mrs Sophie LEUNG, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Daniel LAM, Mr Jeffrey LAM and Mr Andrew LEUNG voted for the amendment.

Dr Raymond HO, Ms Margaret NG, Mr Bernard CHAN, Dr Philip WONG, Mr WONG Yung-kan, Mr Timothy FOK, Ms LI Fung-ying, Mr WONG Kwok-hing, Dr Joseph LEE, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr WONG Ting-kwong and Miss TAM Heung-man voted against the amendment.

Mr CHEUNG Man-kwong, Mr SIN Chung-kai and Mr CHIM Pui-chung abstained.

Geographical Constituencies:

Mr James TIEN and Mrs Selina CHOW voted for the amendment.

Mr LEE Cheuk-yan, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr Albert CHAN, Mr Frederick FUNG, Mr LI Kwok-ying, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr CHEUNG Hok-ming, Mr Ronny TONG and Mr Albert CHENG voted against the amendment.

Mr Albert HO, Mr Martin LEE, Mr James TO, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG and Mr LEE Wing-tat abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, 10 were in favour of the amendment, 13 against it and three abstained; while among the Members returned by geographical constituencies through direct elections, 26 were present, two were in favour of the amendment, 16 against it and seven abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): I now put the question to you and that is: That Mr Alan LEONG's amendment to Mr James TIEN's motion be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr CHAN Kam-lam rose to claim a division.

PRESIDENT (in Cantonese): Mr CHAN Kam-lam has claimed a division. The division bell will ring for three minutes, after which the division will begin.

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

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

Functional Constituencies:

Ms Margaret NG, Mrs Sophie LEUNG, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Daniel LAM, Mr Jeffrey LAM, Mr Andrew LEUNG, Dr KWOK Ka-ki, Dr Fernando CHEUNG and Miss TAM Heung-man voted for the amendment.

Dr Raymond HO, Mr Bernard CHAN, Dr Philip WONG, Mr WONG Yung-kan, Mr Timothy FOK, Mr Abraham SHEK, Ms LI Fung-ying, Mr WONG Kwok-hing, Dr Joseph LEE and Mr WONG Ting-kwong voted against the amendment.

Mr CHEUNG Man-kwong, Mr SIN Chung-kai and Mr CHIM Pui-chung abstained.

Geographical Constituencies:

Mr James TIEN, Mrs Selina CHOW, Mr Alan LEONG and Mr Ronny TONG voted for the amendment.

Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr Albert CHAN, Mr Frederick FUNG, Mr LI Kwok-ying, Mr LEUNG Kwok-hung, Mr CHEUNG Hok-ming and Mr Albert CHENG voted against the amendment.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr James TO, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG and Mr LEE Wing-tat abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, 13 were in favour of the amendment, 10 against it and three abstained; while among the Members returned by geographical constituencies through direct elections, 26 were present, four were in favour of the amendment, 13 against it and eight abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr James TIEN, you may now reply and you have four minutes one second.

MR JAMES TIEN (in Cantonese): President, insofar as the motion debate is concerned, the stances stated by a lot of Members are predictable, but the remarks made by Secretary Dr Patrick HO have turned out to be the least expected. Mrs Selina CHOW has reminded me of the comment often made by the democratic camp, that the Government "merely permits officials to burn down houses while forbidding the common masses to light lamps". The comments made by Secretary Dr Patrick HO today have reminded me of the arguments advanced by government officials in 2003 in lobbying the Liberal Party to support the legalization of soccer betting. All those arguments contradicted what was said by the Secretary today. *(Laughter)* His entire speech today is about the problem raised by the opposition party in relation to gambling among young people.

For me, the matter can be viewed in this manner: it is easier for people to drink beer and participate in soccer betting in Lan Kwai Fong than gambling in a casino on Lantau. If it is considered that telephone betting will not promote gambling among youngsters, how would the youngsters be expected to visit a casino on Lantau for gambling? Is the Government's so-called strong governance changing constantly? I think it is better for me not to offend the Government anymore. *(Laughter)*

President, I had better respond to the comments made by colleagues earlier. Of the numerous points raised by them, I think I should mention the one concerning the "division of labour" between Hong Kong and Macao, a point raised by a number of colleagues before. On major policies, I think that there is indeed a certain element of delineation made by the Central Government, though I do not find it necessary to delineate in such a meticulous way. For Hong Kong, there are logistics, ports, and so on. Have the well-developed Yantian port and Shekou snatched away the business of our terminals in Kwai Chung? As for airports, the airport in Macao is enjoying huge success. Has it snatched away the business of the Chek Lap Kok airport? For these reasons, I do not entirely agree with the saying of "division of labour". While Hong Kong remains a financial centre, Shanghai's stock markets are also prospering. If we operate casinos like those in Macao or smaller ones, will we snatch away the business of others? I disagree.

It is suggested that crime rates will definitely rise with the establishment of casinos. However, we have not seen crime rates in Macao going up. Even Singapore, which is most concerned about crime, has the guts to build casinos.

I do not think that casinos will naturally lead to more crimes, or such scenes as the indiscriminate shooting of people by triad societies with machine guns decades ago.

President, I absolutely agree that retraining should be provided to low-skilled or low-income workers to enable them to switch jobs. However, I have also noticed that many of them may not necessarily become financial or technological professionals. On the contrary, Macao serves as an excellent example. Many people in Macao can easily take up the positions offered by the hotels and casinos there after receiving retraining.

Will we put ourselves in a disadvantaged position as Macao has already had a long history of operating casinos and we are a newcomer? Las Vegas has also operated casinos for decades, and yet Macao is enjoying huge success today. Even Singapore is determined to operate casinos in two years. Does it mean that we cannot do what others have already done?

President, while I have great respect for the opinion survey conducted by the Democratic Alliance for the Betterment and Progress of Hong Kong, as mentioned by Miss CHOY So-yuk earlier, the survey was targeted at the hundreds of people living on Lantau. Of course, the opinions of Lantau residents have to be respected as well. However, the Liberal Party's opinion survey was conducted among 2 500 members of the public over the past 10 days, and half of the respondents have expressed support. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr James TIEN, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr James TIEN rose to claim a division.

PRESIDENT (in Cantonese): Mr James TIEN has claimed a division. The division bell will ring for three minutes, after which the division will begin.

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

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

Functional Constituencies:

Mrs Sophie LEUNG, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Daniel LAM, Mr Jeffrey LAM and Mr Andrew LEUNG voted for the motion.

Dr Raymond HO, Ms Margaret NG, Mr CHEUNG Man-kwong, Mr Bernard CHAN, Mr SIN Chung-kai, Dr Philip WONG, Mr WONG Yung-kan, Mr Timothy FOK, Ms LI Fung-ying, Mr WONG Kwok-hing, Dr Joseph LEE, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Mr WONG Ting-kwong and Miss TAM Heung-man voted against the motion.

CHIM Pui-chung abstained.

Geographical Constituencies:

Mr James TIEN and Mrs Selina CHOW voted for the motion.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr James TO, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr LEUNG Yiu-chung, Mr Jasper TSANG, Dr YEUNG Sum, Mr LAU Chin-shek, Mr LAU Kong-wah, Ms Emily LAU, Miss CHOY So-yuk, Mr Andrew CHENG, Mr TAM Yiu-chung, Mr Albert CHAN, Mr Frederick FUNG, Mr LEE Wing-tat, Mr LI Kwok-ying, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr CHEUNG Hok-ming, Mr Ronny TONG and Mr Albert CHENG voted against the motion.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, 10 were in favour of the motion, 15 against it and one abstained; while among the Members returned by geographical constituencies through direct elections, 27 were present, two were in favour of the motion and 24 against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negated.

PRESIDENT (in Cantonese): Second motion: Electing the Chief Executive by universal suffrage.

ELECTING THE CHIEF EXECUTIVE BY UNIVERSAL SUFFRAGE

MR RONNY TONG (in Cantonese): President, the International Covenant on Civil and Political Rights referred to in Article 39 of the Basic Law defines the right to universal suffrage as the right to vote and be elected at periodic elections which are genuine or real by universal and equal suffrage. However, I believe not many people will ponder upon the meaning of "real or genuine elections". Can the right to vote be taken to mean that an election is real?

In my opinion, a real election must be a democratic election allowing the free right to stand as a candidate in elections and free representation of different political views. A real election must be one in which electors can exercise their full right to know and take part in debates and electioneering activities. Most importantly, electors should be free to select their political leader. A blind election without genuine choices is nothing but an election with a shell, yet without a soul. It is a great pity that the method for the small-circle selection of the Chief Executive is even devoid of universal suffrage, or a shell of an election.

What is most lacking in such a distorted political system is the right to stand as a candidate and full participation by all people. The existing method for the selection of the Chief Executive will definitely lead to three bad consequences:

- (1) A Chief Executive who has never been baptized by any democratic election can hardly be expected to hold "a better grasp of public sentiments" and have the desire of being accountable to the masses. Worse still, he might even lack a sense of crisis, for he might think that he is merely "donning the Emperor's Robe". Without such a sense of crisis, he can hardly convince us that he will serve the public wholeheartedly.
- (2) Conversely, a Chief Executive relying on the support of the business community will naturally be biased towards it. Such a system will merely enhance the possibility of collusion between business and the Government and reduce the Chief Executive's credibility.
- (3) Last but not least, the plurality of the aspirations of the masses has also highlighted the cultural trend of society as a whole. A Chief Executive engaging the masses must have a comprehensive set of ideas of running the territory and long-term policies for meeting these aspirations. Only with this can the Chief Executive prescribe the right medicine in governing Hong Kong and resolve the deep-rooted conflicts in society, thus yielding twice the result with half the effort. In contrast, a Chief Executive who only focuses on developing the economy in favour of businessmen will only intensify social division and conflicts, widen the wealth gap and increase social instability.

All of these bad consequences have indeed surfaced one after another since the reunification, with voices of discontent heard in society almost every day. Confronted with constant internal depletion, how can all of us be united as one to build the SAR and our country a better future?

It has been argued by some (including Mr Howard YOUNG) that Hong Kong people are not mature enough and the premature introduction of a democratic political system will only bring welfarism to the SAR. Pardon me, I think any statement like this is making fallacious arguments in an attempt to call a stag a horse or confuse the cause and effect. The disparity between the rich and the poor will definitely lead to more people asking for welfare. The less fair and just society becomes, the more people will ask for changes to social order. Have Members ever considered how our country has come into being? Is there anything wrong with the democratic system?

It has actually been revealed by global studies that conventional democratic governments, such as Finland and Sweden in Scandinavia, the United States, Britain, and so on, are oriented towards state welfarism. Despite their relatively high ratio of public expenditure to Gross National Product (GNP), their ratio of public expenditure has tended to fall gradually over the past decade because their social conditions are more consistent with justice, and resources are distributed in a fairer manner. As a result, more people enjoy equal opportunities and demands for social welfare will naturally diminish. A periodic and substantial election can actually give society hope of becoming better able to change the status quo. Such social mentality and aspirations are more useful and constructive than any financial support.

Conversely, in numerous Southeast Asian neighbours, such as Singapore, we can see that despite the continued economic development the public expenditure in these countries has increased year on year. For instance, public expenditure in Singapore accounted for a mere 14.4% of its GNP in 1995, but rose to 16% in 2006. One of the major reasons is that economic development has often widened the gap between people. Although these countries enjoy better opportunities of development, the wealth gap problem has worsened as a result. The fact that unfairness and injustice in society simply go unnoticed under the political system has eventually led to enormous grievances among the masses. While the Government cannot ignore the existence of these grievances, it is yet unwilling to devolve powers and open up its government. As a result, public grievances can only grow. The only way out for the people in power is to "hand out candies" in the hope of placating discontent in every way. It is however regrettable that these sentiments of discontent will not subside due to increases in welfare expenditure but will only continue to intensify due to the changing economic structure. It has thus been proved that rising welfare expenditure is caused by political imbalance. The reluctance of the people in power to open up the government is also a major reason for the rise of welfarism. Confronted with compression of public expenditure, Hong Kong has to allocate more resources to protect the disadvantaged groups, as the social system gets more and more unequal. In the end, the Government is put under an increasing financial stress.

At present, our welfare expenditure already accounts for 17.3% of our total expenditure, with \$30 billion to be spent this year. The Government's total expenditure also accounts for 18.2% of our Gross Domestic Product (GDP).

However, we can see that conflicts between the lower stratum and society at large remain and keep intensifying day by day. The grievances thus arisen have not diminished because the Government keeps "handing out candies" every day. When the economy was at its worst over the past decade, public expenditure once accounted for 22% of our GDP. We do not mean to say that the Government's decision to use the money at its disposal to revive the economy at that time was wrong. But why are the Government's coffers constantly under the watchful eyes of all people, including the poorest and the most powerful business community? There were instant requests for tax cuts when government finances became better shaped. At the same time, some people insisted that our public expenditure and welfare expenditure should increase. I think that the Government has finally come to realize that if money cannot satisfy different classes and strata in society, social division might worsen. However, when it is simply impossible to reconcile conflicts in social interest, public grievances will only intensify. It is precisely for this reason that democratic reform has become a matter of great urgency, not to mention that universal suffrage is a goal and pledge of the Basic Law.

The evil of social injustice has been manifested in the problem with social welfare expenditure a long time ago. It is yet a great pity that our Government has chosen to turn a blind eye to the problem of social injustice. If this situation is allowed to continue, the problem will only impose an enormous financial burden on society and make it impossible for society at large to face the bad consequences brought by the unfair social system.

Many people oppose universal suffrage on the ground that the goal laid down in Article 45 of the Basic Law is too complicated. How can universal suffrage be implemented without a consensus? Actually, Hong Kong people have reached a consensus a long time ago, that dual elections by universal suffrage should be expeditiously conducted. Almost all opinion polls conducted after the reunification have demonstrated to us that more than 60% or 70% of Hong Kong people hope that dual elections by universal suffrage can be expeditiously conducted in Hong Kong. Actually, if Members can calmly look at the ultimate mode of political system set out in Article 45 of the Basic Law, they will easily see that the ultimate method for selecting the Chief Executive comprises only three elements: first, a broadly representative nominating committee; second, nomination in accordance with democratic procedures; and third, selection of the Chief Executive by universal suffrage.

It is known to all that democratic procedures and universal suffrage, representing the core values of all civilized societies, are governed by specific standards. The only issue pending discussion is how a broadly representative nominating committee is to be formed. How difficult can this be? A most simple and direct method is to turn the existing Election Committee into a nominating committee. Perhaps half of the composition of the newly-formed committee can be replaced by directly-elected members. Can a nominating committee not be formed in this way? How much longer should our discussion continue?

It is indeed not very difficult to nominate more than one candidate to the Chief Executive election in accordance with democratic procedures and let Hong Kong people determine through universal suffrage who should become the Chief Executive for the new term. From now to 2012, we still have six years to figure out the method of forming the nominating committee. If this will cause insurmountable difficulties for Hong Kong, I cannot see what future Hong Kong holds. Should anyone rise to speak in this Council that it is impossible for the Chief Executive to be elected by universal suffrage in 2012, I will consider that he fails to live up to the expectations of Hong Kong people and his own conscience. Thank you.

PRESIDENT (in Cantonese): Mr Ronny TONG, please move your motion. You merely explained the content of your motion in the beginning of your speech.

MR RONNY TONG (in Cantonese): I am sorry.

PRESIDENT (in Cantonese): Please move your motion.

MR RONNY TONG (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

Mr Ronny TONG moved the following motion: (Translation)

"That this Council considers the year 2012 appropriate for electing the Chief Executive by universal suffrage."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Ronny TONG be passed.

PRESIDENT (in Cantonese): Mr Howard YOUNG will move an amendment to this motion. The motion and the amendment will now be debated together in a joint debate.

I now call upon Mr Howard YOUNG to speak and move his amendment.

MR HOWARD YOUNG (in Cantonese): Madam President, I move that Mr Ronny TONG's motion be amended.

Regarding the Chief Executive election and electing the Chief Executive by universal suffrage, I believe Members will still remember that the SAR Government proposed late last year a constitutional reform package to double the size of the Election Committee (EC) and include 500 or so members of the District Councils, that is, all members of the District Councils, in the EC. However, the proposals were vetoed by the democrats as a bundled package. Hence, we eventually lost the opportunity to greatly enhance the democratic element of the EC.

Notwithstanding this, the Liberal Party appreciates that the people of Hong Kong still have great expectations for the Chief Executive to be elected by universal suffrage at an early date. We also support the election of the Chief Executive by universal suffrage by 2012 at the earliest.

The Liberal Party's stance towards expeditiously creating mature conditions for electing the Chief Executive by universal suffrage has remained unchanged all along. This position has been stated clearly on different occasions, including a number of motion debates on political reforms in this Council, the proposal to the Commission on Strategic Development in August this year of a political supportive package for electing the Chief Executive by universal suffrage, and the visit to Beijing in September by all Members of the Liberal Party in this Council. The wordings of the amendment proposed by me on behalf of the Liberal Party today to reiterate our stance can be found in the document presented at that time — when the conditions are ripe, meaning that there is a nominating committee which is broadly representative and acceptable

to both the Central Government and Hong Kong, and the relationship between the executive and the legislature has been rationalized and is harmonious, we hope that the election of the Chief Executive by universal suffrage will be held in 2012.

The Commission on Strategic Development is making an effort in pursuit of the goal of achieving the election of the Chief Executive by universal suffrage and has started discussions on three core questions. The first question is the composition of the nominating committee, including such issues as which constituencies should be represented and the number of such representatives. The second question concerns what procedure and mechanism to be adopted for the nomination of candidates for the Chief Executive election. The third question concerns how nominated candidates should face Hong Kong society and registered voters and in what manner universal suffrage by "one person, one vote" should be conducted.

Like the general public in Hong Kong, the Liberal Party hopes a consensus will be reached expeditiously by the Commission on Strategic Development for a standard to be set for the election of the Chief Executive by universal suffrage.

Madam President, it has been pointed out in the amendment that a nominating committee which is broadly representative must be acceptable to both the Central Government and Hong Kong. Why? Within the framework of the Basic Law, we can see that the Central Government has decisive powers over Hong Kong's political development. Article 43 of the Basic Law also provides that the Chief Executive shall be accountable to the Central People's Government and the Hong Kong SAR. Therefore, both parties have a definite role to play.

For instance, according to Article 45, "the ultimate aim is the selection of the Chief Executive by universal suffrage upon nomination by a broadly representative nominating committee in accordance with democratic procedures". Article 7 of Annex I to the Basic Law even stipulates that "If there is a need to amend the method for selecting the Chief Executives for the terms subsequent to the year 2007, such amendments must be made with the endorsement of a two-thirds majority of all the members of the Legislative Council and the consent of the Chief Executive, and they shall be reported to the Standing Committee of the National People's Congress for approval." It is thus evident that the Central Government has a role to play.

The Standing Committee of the National People's Congress (NPCSC) made it clear in interpreting the Basic Law in 2004 that the revision mechanism stated in Annex I to the Basic Law involves six steps. First, the Chief Executive has to make a report to the NPCSC and, subject to approval by the NPCSC, initiate the mechanism and, finally, report to the NPCSC for approval or record. This explains why I believe it is virtually impossible for universal suffrage to be realized without the consent of the Central Government.

Madam President, in order to create the mature conditions for the election of the Chief Executive by universal suffrage, the Liberal Party holds that, besides establishing a nominating committee — a condition imposed by the Basic Law — it is also important that the relationship between the executive and the legislature be rationalized for harmony to be achieved. This is because the Chief Executive is like a loner in this Council, for he has no votes in this Council. On the other hand, even though political parties have votes in this Council, they often have no powers. In other words, one has all the powers but no votes, and the other has votes but no powers.

Therefore, the Government can only co-operate with political parties on a case-by-case basis in dealing with a variety of questions. Even though the Chief Executive, Donald TSANG, has often stressed the importance of "strong governance", the Government has to seek support from different political parties in a wide range of questions on each occasion. How can the Government ensure smooth governance or avoid failure?

Although government-friendly political parties have managed to secure two seats in the Executive Council, they represent a mere two-fifteenths of the non-official membership of the Executive Council. Furthermore, their participation in the Executive Council in a personal capacity is not at all helpful.

Therefore, the Liberal Party considers it most imperative for the Government to form a ruling coalition with government-friendly political parties so as to radically resolve its problem of lacking support in this Council. Only through allowing government-friendly political parties to formulate policies and assist the Government in promoting governance can the abovementioned problem caused by inadequate political support be resolved.

Moreover, we also agree that party politics be strengthened. Various major political parties should work even harder to nurture political talents. In

doing so, it will naturally be much easier to promote the election of the Chief Executive by universal suffrage.

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

Mr Howard YOUNG moved the following amendment: (Translation)

"To delete "the year 2012 appropriate for electing the Chief Executive by universal suffrage" after "That this Council considers" and substitute with "that, should the pertinent conditions be ripe, meaning that there is a nominating committee which is broadly representative and acceptable to both the Central Government and Hong Kong, and the relationship between the Executive and the Legislature has been rationalized and is harmonious, this Council hopes that the election of the Chief Executive by universal suffrage will be held in 2012"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Howard YOUNG to Mr Ronny TONG's motion, be passed.

DR RAYMOND HO: Madam President, few people in Hong Kong would object to electing the Chief Executive by universal suffrage. Indeed, Article 45 of the Basic Law states that, "the ultimate aim is the selection of the Chief Executive by universal suffrage upon nomination by a broadly representative nominating committee in accordance with democratic procedures". Unfortunately, the agreement does not extend to the timing of its adoption.

Recently, 12 members of the Association of Engineering Professionals in Society, of which I am the Chairman, have decided to stand for the 2006 Election Committee Engineering Subsector Election. These candidates and I pledge to elect a Chief Executive who would commit himself to seeking consensus to further the development of a democratic political system.

The objective of electing the Chief Executive by universal suffrage in 2012 was amongst the pledges in my 2004 Legislative Council election platform. It is always my wish to see this happen through consensus.

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

DR YEUNG SUM (in Cantonese): Madam President, the election of the new-term Chief Executive will be held in a couple of months' time. Looking back at the several elections held a decade, four years or six months ago, we will find that they were but small-circle elections that saw no involvement of the great majority of the Hong Kong people. Moreover, their results could well be predicted even before the elections.

The Democratic Party will fully support Mr Ronny TONG's motion that the year 2012 is appropriate for electing the Chief Executive. In our opinion, social conditions were already adequate and ripe for the implementation of universal suffrage when the three Chief Executive elections were held in 1997, 2002 and 2005, only that actual implementation had proved to be impossible.

Despite the Chief Executive's verbal indication that he wished to see universal suffrage during his lifetime, Mr TSANG has not fully reflected the people's aspirations to the State in addressing the issue of universal suffrage. Instead, the matter has been handed to the Commission on Strategic Development for handling. However, there is no way for the views of the community at large to be represented by the Commission due to its composition. Actually, it is unnecessary to spend any more time discussing this point. The repeated deliberation of the issues of electing the Chief Executive and universal suffrage by the Commission will only further delay the implementation of universal suffrage. The Democratic Party is of the view that, if dual elections by universal suffrage cannot be conducted in 2007 and 2008, 2012 will be appropriate for electing the Chief Executive by universal suffrage. What the Government should do now is to examine ways to ensure the election of the Chief Executive in accordance with the most open, fair and honest principles in a "one-person, one-vote" manner.

The Democratic Party has presented to the Government a detailed proposal on how to elect the Chief Executive by universal suffrage in 2012. In brief, it is proposed that the Legislative Council should act as the nominating committee for the Chief Executive election, and the Chief Executive be elected by "one person, one vote". The Democratic Party has always maintained that, when the Chief Executive is elected by universal suffrage, the process must expand its democratic element as far as possible to ensure the greatest possible public participation and the credibility of the Chief Executive election. As the Legislative Council is the most democratic structure in the existing SAR political system, the nominating committee formed by Members of the Legislative

Council will be the most broadly representative and represents, to the largest extent, public wishes in the interest of various social strata. Furthermore, as the Chief Executive candidates must be nominated by Members of the Legislative Council, this can ensure, to a certain extent, that the Chief Executive candidates take account of the wishes of the public and Members of the Legislative Council when presenting their election platforms and in fulfilling their pledges after being elected. In the opinion of the Democratic Party, such an election design can ensure adequate credibility for the Chief Executive in governing Hong Kong and is conducive to the implementation of policies and development of the relationship between the executive and the legislature.

The Democratic Party urges the Government to extensively consult the public expeditiously on ways to elect the Chief Executive by universal suffrage so as to enable the public to determine the future of Hong Kong, instead of allowing the government-controlled Commission on Strategic Development to determine the direction of constitutional development.

There is no way for the Democratic Party to support Mr Howard YOUNG's amendment. According to the Liberal Party, it is hoped that the Chief Executive can be returned by universal suffrage in 2012 when the pertinent conditions are ripe. What the Liberal Party means is that there must be a nominating committee which is broadly representative and acceptable to both the Central Government and Hong Kong, and the relationship between the executive and the legislature must be harmonious before there is hope for the Chief Executive to be returned by universal suffrage. Madam President, the Democratic Party considers the conditions imposed by the Liberal Party a difficult obstacle. Actually, a rationalized and harmonized relationship between the executive and the legislature has nothing to do with the election of the Chief Executive by universal suffrage and, hence, should not be made a prerequisite for universal suffrage. Otherwise, does it mean that we can continue to ignore the wishes of the majority public by not implementing universal suffrage so long as the relationship between the executive and the legislature has not been rationalized and harmonized? Definitely not.

Furthermore, imposing a rationalized and harmonized relationship between the executive and the legislature as a condition for universal suffrage is tantamount to reversing the cause and effect relationship, not to mention that the Liberal Party has not proposed any ways to rationalize the relationship between the executive and the legislature. In my opinion, we must begin with the

institution for the relationship to be rationalized. After securing the mandate of the Hong Kong people with the introduction of universal suffrage, the Chief Executive will be able to pick talents from among the political parties sharing identical or similar concepts with him to establish a governance coalition. This will naturally make it easier for the Chief Executive to gain the support he deserves in this Council. From the angle of separation of powers, the relationship between the executive and the legislature should be one of mutual-supervision and checks and balances, rather than harmony. If we are to strive for harmony, should we not criticize the proposals raised by the Chief Executive? A most harmonious relationship between the executive and the legislature can be achieved if everyone in this Council is a royalist who cares nothing about any mistakes made by the Government, and this Council is prepared to function as a rubber-stamp by monitoring the Chief Executive in a casual and perfunctory manner. Fine, such a relationship between the executive and the legislature is the most harmonious. But who will take care of and protect public interest? Such representatives of public opinion will surely let the people down.

Madam President, the Democratic Party supports Mr Ronny TONG's original motion and opposes Mr Howard YOUNG's amendment. Thank you, Madam President.

MR ALAN LEONG (in Cantonese): President, in this year's policy address, the Chief Executive sends a message to the leader of the third SAR Government, that three issues must be explored in a pragmatic manner. The first issue stresses the importance of a comprehensive, well co-ordinated, harmonious and sustainable development in a holistic manner while sustaining economic development. Actually, this is nothing new to people of various strata. The Government's policy in this area has all along been the focus of attention of people in the territory, including practitioners or workers in the construction industry who are concerned about the progress infrastructure development, or people who are doing their utmost in conserving antiquities and monuments or striving for a green environment.

The Chief Executive should have explained clearly what he has done over the past 17 months since taking office in promoting sustainable development as part of the policy address. However, only questions were raised in his policy address without any answers. This demonstrates that he has simply failed to

state clearly his own position and inclination, and so there is nothing he can say. However, in the event that he seeks a re-election, and if his chance of success in seeking a re-election will hinge on the preference of society, he will eventually be forced to address this issue which he has failed to explain clearly in the policy address.

If the Chief Executive is required to, in seeking a re-election, face a contested election in which public participation by universal and equal suffrage is enabled, the subjects to be discussed will definitely not as vague as the questions raised in the policy address. Instead, succinct and direct questions like the following questions will be asked: "Chief Executive, do you think that the Tamar construction project has been adequately discussed?" or "Residents in redevelopment areas have waited for redevelopment for many years, but a high-density mode of redevelopment might be adopted. How can the conflicts thus arisen be resolved?" Some people might also ask: "Why did the Government decide not to preserve the Star Ferry Pier, Queen's Pier and the clock tower?" Voters will rely on the answers given by candidates to determine how to cast the votes in their hands.

Regrettably, President, this is not applicable to the Chief Executive election to be held in March next year. The authority to determine who is going to be the next Chief Executive is controlled by 800 people, out of the territory's total population of 7 million. Government officials and political parties and groupings belonging to the ruling coalition have continued to stress that the 800 people are broadly and fully representative. However, we all know only too well whether this is true.

According to the electoral statistics of the Election Committee (EC), the 800-member EC is divided into four sectors, with approximately 25 000, 180 000, 14 000 and 716 members in each sector. The ratios of the numbers of voters to the numbers of EC seats are as follows: 124:1, 902:1, 89:1 and 7:1. The five constituent subsectors with the largest numbers of voters, covering 157 000 or so voters, will elect 120 EC members. In other words, there is one seat for every 1 300 voters on average. The five constituent subsectors with the least numbers of voters, though having only 600 voters, can elect 87 EC members. In other words, there will be one seat for every seven voters on average.

President, given such a disproportionate distribution of seats, which stratum can best determine who can secure the post of Chief Executive? Are

the candidates' platforms more important or responses must be made to the aspirations of the residents in redevelopment areas and even the general public? Today, when town planning stresses sustainable development, government officials, businessmen and the general public must seek consensus on a fair platform. However, under an electoral system tilted heavily towards the business community, how can we expect the Chief Executive elect to build and safeguard this platform of dialogue in a fair manner?

President, the problem of urban development confronting Hong Kong now has reached an acute stage. The crux of the problem has nothing to do with the adequacy of investment on infrastructure. Instead, it lies in the fact that a number of development projects have seriously undermined the environment and humanistic benefit. People living in communities like Tin Shui Wai, the town centre of Yuen Long and Tai Kok Tsui have to bear with the bad consequences caused by inadequate planning. They have tried every possible means in the hope that their views can be heard by government officials. Unfortunately, the people have repeatedly been let down by a system destined to mute the voices of the people. This is evident in the recent incidents involving the Star Ferry Pier, Queen's Pier and the clock tower. The Government's indifference is best manifested in the rally in which 150 000 people flocked to the clock tower on the last day in the hope that the Government could conserve the clock tower and retain our collective memory of the clock tower.

Further delaying the development of a democratic political system will only further disappoint the people. From the positive angle, opening up the political system to make it accountable to all people can make our leader better grasp public aspirations humbly. From the negative angle, a democratic election can at least give the people a chance to kick out uncaring leaders so that new leaders in future will take warning from them. Given the level of development and popularity of education in Hong Kong, we deserve to enjoy a better democratic system expeditiously to enable the Chief Executive election to truly focus on specific issues instead of talking vaguely about the so-called "three major challenges".

With these remarks, President, I support the original motion and oppose the amendment.

MR BERNARD CHAN: Madam President, I think we are running ahead of ourselves here.

It is all well to talk about 2012 as a good time for universal suffrage. However, whether we like it or not, that decision will be subject to the approval of the Central People's Government.

This time last year, this Council was debating a constitutional reform package for 2007 and 2008. The package was a small step forward, but it was also a real one. Of course, that Bill was voted down.

Maybe the Central People's Government will change its stance. But there is no evidence that Beijing believes full universal suffrage in 2012 would be good for Hong Kong. My impression is that they are simply not confident about going all the way in one go.

I have heard some members of the pro-democracy camp say that the business community likes the current political system and wants to keep it. There might be some people who feel that way. But I can assure you that plenty of people do not.

Under the current system, the executive cannot count on a base of support in the legislature. And it cannot point to a mandate from the public. This is a major problem affecting our governance. But the solution does not lie in asking for everything in one go. There is a real danger that if we insist on asking for everything, we will end up getting nothing. In other words, keep the current system.

Is that really what the pro-democracy camp wants?

MS EMILY LAU (in Cantonese): President, on the 16th of this month, a riot broke out in Tonga, a South Pacific island nation — President, the nation has a population of only 110 000. Six people died in the demonstrations and havoc staged in the capital by young people in support of democratic reform. President, Tonga is a constitutional monarchy. After ascending the throne in September, its new King appointed a new prime minister and all cabinet members. Of the 30 parliament members — the number is indeed too large considering the nation's population of 110 000 — only nine were directly elected.

President, subsequent to increased disquiet among the masses, the Tongan Government swiftly made a "U turn" by allowing Tongan nationals to elect the vast majority of parliament members in 2008.

President, I did not mean to suggest that Hong Kong should follow Tonga by referring to this incident. However, not everything falls from Heaven. Neither am I trying to incite people — we have to understand it, though enactment of legislation on Article 23 has not yet started. However, we take issue with the statement made by Mr Bernard CHAN, that there is no need to raise the matter so early. Why should we wait for "grandpa" to say it before we can raise the matter? If that is the case, there is no need for us to raise the matter anymore. We wonder how much longer we have to wait. The matter was raised decades ago. President — we do hope universal suffrage can be implemented expeditiously. It was with great reluctance that we agreed with Mr Ronny TONG that the year 2012 is appropriate for electing the Chief Executive by universal suffrage. We have been striving for implementation of dual elections by universal suffrage in 2007 and 2008, though our proposal has been turned down by the Central Authorities. However, we still hope that universal suffrage can be implemented expeditiously.

President, the Chief Secretary for Administration spoke on the same topic during the Hong Kong Trade Development Council Annual Dinner in London on 31 October. Regarding this issue — he did mention again the Chief Executive's package of proposals being turned down in December last year — he said that discussion must be held among all the principal players to achieve a so-called meaningful compromise, and the democrats in the Legislative Council were among the principal players he was referring to. He did not describe the democratic camp as the opposition probably because that would lead to misunderstanding in Britain, for the opposition was taken as a minority in British parliament. The opposition mentioned here in Hong Kong was also a minority, though we have secured the majority of votes. It might take us hours to explain clearly to the British. The Chief Secretary for Administration was at that time referring to the democratic camp, other factions in the Legislative Council, the business sector and the Government.

The question is, President.....Of course, the Chief Secretary for Administration omitted the most important party, that is, the Central Authorities, or the party mentioned by Mr Bernard CHAN earlier in the meeting. Actually, the most important players are the Central Authorities, a handful of plutocrats

and their agents. They control a wide range of matters, and yet we do not have any chance to engage in dialogues with them. President, I wonder if you have the chance to do so. Yet, we have absolutely no chance to engage in dialogues with the rich people in Hong Kong's high society. Neither do we have a chance to engage in dialogues with the Central Authorities. I therefore have no idea how we can achieve what the Chief Secretary for Administration suggested. I think that the Government should at least do something to make this happen if it could have made a comment like that. However, not only has the Government failed to do so, it has failed to engage in dialogues with us too.

The Chief Executive has recently invited the Democratic Party to a meal as a probable signal of opening dialogues. I wonder if the Chief Executive will tell us he will invite the Civic Party as well. I think the Chief Executive should engage in dialogues with the pan-democratic camp — not necessarily inviting us for a meal. This is not a problem. I consider it very important that he should also invite the business community to join the discussion. If he is reluctant to do this, he should be considered having failed entirely in his duty.

Some colleagues have earlier mentioned the 800-member EC. President, perhaps you have noticed that someone spoke last week because the nomination had already closed. Eight hundred is actually a very small figure. However, 237 people have managed to be elected uncontested. In other words, all the seats are filled — with 12 candidates for 12 seats and 11 candidates for 11 seats. Plus 40 members from the Religious subsector, 60 from the Legislative Council, 36 from the National People's Congress, 373 seats have been filled. The remaining 427 seats will be contested on the International Human Rights Day next month, when only several tens of thousand of people might vote in the election. It is even more ridiculous that 580 voters in the Financial Services subsector will elect 23 candidates to contest 12 seats. President, only 23 seats are available. Actually, all of them are corporate voters. Ninety-five voters in the Hotel subsector will elect 15 candidates just to contest 11 seats.

The situation with a couple of seats is even more interesting. A senior official has even asked why there is a "Long Hand" in two subsectors, that is, having one extra candidate. In the Insurance subsector, to which Mr Bernard CHAN belongs, 140 corporate voters will elect 13 candidates to contest 12 seats, meaning that there will be an extra candidate. In the case of the Textile and Garment subsector, 3 779 corporate votes will elect 13 candidates to contests 12 seats. Again, there will be one extra candidate.

The situation is somewhat better in some other subsectors. The Real Estate subsector has 719 voters to elect 12 seats. How many candidates are there? Seventeen. The Transport subsector has 179 voters to elect 12 seats. How many candidates are there? Nineteen. They are all rubbish. This handful of people — particularly as they have too many ties with the plutocrats — must not be allowed to monopolize all the seats. We Hong Kong people can only sit and watch. This is entirely unfair. Some of us in the democratic camp have been fighting since the '70s, the '80s and even the '90s. We will continue to fight. We will not wait for the Central Government to nod in approval before we take action. As there is no way for us to visit the Mainland, how can we discuss with them? We hope the executive can at least achieve what was stated by the Chief Secretary for Administration. If those people are really important in achieving a meaningful compromise, they should take the lead to engage all of us in the discussion.

Hong Kong people have made it very clear that they want democracy. Therefore, I fully support Mr Ronny TONG's motion and oppose Mr Howard YOUNG's amendment.

MR CHIM PUI-CHUNG (in Cantonese): Madam President, during a discussion held on 21 December last year on the 2007 and 2008 elections, the Chief Executive invited me for a meeting. There were also newspaper reports that he had treated me to red wine. I told the Chief Executive at that time that the passage of the motion was out of the question. However, he was confident that the motion could definitely be passed because at least six, or even 10, Members in the democratic camp would support him. This was what I told him — one of the first five Members would definitely occupy the sixth place. This is because one or two of them might occupy the first and second place. However, no one could be found in the third, fourth and fifth place. The next Member would take the sixth place instead. Why is it that there would be five Members and yet the sixth place would be filled? This has aptly proved that the pan-democratic camp is not as reliable as perceived. That was a lesson learned by Chief Executive Donald TSANG as admitted by him. He even remarked later that there was a difference in affinity with political parties. This is indeed detrimental to harmony in Hong Kong. While he could have acted in that way, he should not have spoken it out.

Our motion debate today is about the election of the Chief Executive by universal suffrage. I have to point out again that, while the proposal of

implementing universal suffrage in 2012 is mooted, universal suffrage might not be implemented until 2022. This is because the undertaking that Hong Kong's way of life would remain unchanged for 50 years would have been half realized by that time. In other words, 25 years would have already passed. If both parties make concession on equal terms, Hong Kong will probably become politically mature and the Central Government may have great confidence in the voters in Hong Kong. Frankly speaking, not a single word I said just now was untrue. I have also kept reminding Members not to say anything untrue — we are duty-bound to monitor the operation of the Government but not necessarily help it achieve its target or goal. Not only should we see clearly, we have to look afar as well. After all, the Basic Law has spelt out three steps: First, the endorsement of a two-thirds majority of all the Members of the Legislative Council; second, the consent of the Chief Executive; and third, the consent of the Standing Committee of the National People's Congress (NPCSC). As the representative of the Central Government, the NPCSC will impose conditions, such as the requirements imposed today. Without the consent of the NPCSC, there will literally be mere empty talk.

The so-called Commission on Strategic Development set up by the Government should be our concern. I have maintained that it is dividing or undermining the representativeness of Members of this Council or — I do not wish to say that it is absolutely misleading the Central Authorities. The Central Authorities might have already known about it, but the SAR Government should not have acted in this way. So, how should the Government act? Understanding is of paramount importance. Next, there will be five elections in Hong Kong.

First of all, I personally consider the election of the 800-member Election Committee (EC) to be held in December an election of elites. Of course, the elects, whoever they are, must be very popular. Second, barring any unforeseen circumstances, voting will have to take place in the election to be held in March next year, though the outcome will not be changed. Of course, I have always maintained that it is better to have an election than no election at all. Nevertheless, voting represents everything in elections. Third, 36 National People's Congress Deputies will be chosen by the 800 people next year. I once said that I would boycott the election should it go through two rounds of voting, as with the previous election. If the procedure is revised so that there will be only one round of voting, I as a voter will fulfil my responsibility. Fourth, the voting results of the District Council election will definitely not turn out to be

lopsided as with the previous election. The final battle is going to be staged in 2008. Let us set our eyes on 2008. The pan-democratic camp should be able to secure 40 votes if it is competent. Then, it will be able to gain the endorsement of a two-thirds majority during the 2012 election and do whatever they would like to do. Of course, the Chief Executive and the NPCSC might not necessarily approve in the end. Conversely, if the SAR Government is competent, it might also be able to secure 40 votes and thus insist that dual elections by universal suffrage be held in 2022 and 2020. Without enough votes, the pan-democratic camp cannot object even if it wishes to.

Hence, theoretically, the support of all functional constituents in Hong Kong must be secured in order to solicit the support of a two-thirds majority of Members of the Legislative Council for the two elections to be held. Otherwise, consultations would definitely be the ultimate solution.

We have seen that the upheaval in Taiwan has inflicted enormous damage on the economic momentum of Taiwan as a region or a country. It is not worthwhile for Hong Kong to put ourselves in such antagonistic positions. As a responsible leader of the territory, the Chief Executive should demonstrate his sincerity. I have never objected to the Chief Executive discussing with Members of this Council. Of course, he should tell us clearly if something cannot be done because of the timetable or roadmap. Apart from that, he should also demonstrate his willingness to foster understanding and accommodation as a starting point. This is what a responsible government should do. On the contrary, he has handed the question to the Commission on Strategic Development and created disputes and meaningless confrontations and antagonism in the end. I think that the Chief Executive should — in particular, he will soon be re-elected — demonstrate his sincerity.

I would also like to appeal to Members of the so-called pan-democratic camp to fight for the interest of Hong Kong people by virtue of facts, instead of emphasizing again and again that dual elections by universal suffrage is the most democratic. Of course, the people will raise no objection. However, they hope all the more that a timetable can be drawn up. Even if the timetable turns out to be 2022, as I mentioned before, it is nonetheless a timetable. Although some Members will say that it takes too long, it must be understood that it has very often been the case that nothing is achieved despite efforts made over two decades. Two decades could have passed at the wink of an eye. Under such circumstances, it is better than discussing the matter once every year and accomplishing nothing when the next election is held after four years.

Madam President, I certainly all the more hope that a compromise acceptable to all the people of Hong Kong and the Central Government can be achieved. This is what we all hope to achieve.

MR LAU WONG-FAT (in Cantonese): Madam President, if the constitutional reform proposal marketed by the authorities some time ago had been passed by this Council, I believe today's debate on electing the Chief Executive by universal suffrage in 2012 would have been much more realistic. In fact, ever since the relevant proposal was negated, the actual situation regarding the progress of constitutional reform in Hong Kong is not that of marching on the spot but that of a quagmire. This is because since everything has been overturned, mutual trust has been damaged and it is inevitable that a period characterized by the holding of grudges and the lack of exchanges will ensue. One can call this a "cold war" period or a "cool down" period.

How to thaw and warm up this frigid relationship, so that all sides can return to the right track of being on speaking terms and negotiating with one another, will depend on whether the authorities concerned and various camps can adopt a pragmatic and tolerant attitude and display greater sincerity and political wisdom. More importantly, it is necessary to learn from the previous experience and avoid a repeat of the instance of striking down all proposals, thus bringing about a lose-lose situation or an all-lose situation for the three sides.

In order to agree on a constitutional reform proposal that meets the requirements of the Basic Law and is acceptable to people in various sectors, I believe it is necessary to go back to the basic principle of "having mutual understanding and accommodation, seeking common ground while putting aside differences and building mutual trust". Otherwise, the Commission on Strategic Development will only degenerate into a venue for various sectors to voice their own political views and state their positions. Even if senior officials have more seafood dinners with pan-democratic groups, this will only become the titbits in the political sections of newspapers.

Madam President, we can consider electing the Chief Executive by universal suffrage in 2012 as a goal, but the question of whether we can attain this goal will depend on whether we can create the conditions on the premise of meeting the Basic Law requirements and agree on a proposal that is acceptable to

all sides and sectors by adopting a pragmatic, rational and harmonious approach, as well as gaining the trust and support of the Central Authorities.

Madam President, the rule of law is an advantage of Hong Kong. With this sturdy shield, we are in a better position to discuss the issue of constitutional reform in detail and form a consensus.

I so submit. Thank you.

MS MARGARET NG (in Cantonese): President, our original motion today reads, "That this Council considers the year 2012 appropriate for electing the Chief Executive by universal suffrage." No place in the world will ever think that this original motion is wrong. By the standards of any, any Hong Kong people, by the standards of all places in the world, there is no longer any doubt about the appropriateness of electing the Chief Executive by universal suffrage.

As for Mr Howard YOUNG's amendment and the preconditions set by the Commission on Strategic Development, all of us know that they are nothing but stalling tactics. The intention is obvious to all, and I do not think that I need to say any more about them. Therefore, in rising to speak today, my purpose is just to add a footnote to Mr Ronny TONG's remark on "a matter of extreme urgency". He remarked that the election of the Chief Executive by universal suffrage has become "a matter of extreme urgency". President, in a moment, I wish to explain the meaning of "a matter of extreme urgency".

Actually, everyone agrees that something has gone wrong with the governance of Hong Kong. This is also the common view held by those in the Chamber today. Everyone is unhappy in one way or another — members of the public, parents, students, teachers and practically everyone. Mr LAU Wong-fat talked about what he called a failure to achieve anything just now. But we in the democratic camp are not the only ones who have failed to achieve anything. Earlier, Mr James TIEN suggested the establishment of a casino, but his wish cannot possibly come true, right? This is also an example of failing to achieve anything. Strictly speaking, therefore, people in Hong Kong generally think that Hong Kong is actually regressing. They think that something has gone wrong with our competitiveness and progress, with the result that we have been lagging behind others and many problems have cropped up.

All Hong Kong people know what the problems are, and that all these problems are not without any solutions. President, every time when we hold a public hearing, many professionals and people from the wider community will advise us on how to solve the problems. But absolutely nothing has been achieved so far.

President, I wish to say a few words on the reasons. The basic reason is the closed power system. In this connection, I wish to draw Members' attention to the functions and powers of the Chief Executive. Members should take a look at this instead of always listening to the Government's talks about how everything is rejected. Mr Howard YOUNG and Mr LAU Wong-fat spoke at great length just now, but the only example they could give was that since the Government's constitutional reform package was vetoed in December last year, the situation has been very miserable. But Members should also look at the issue of economic control. The executive branch of the Government controls the two major types of resources in Hong Kong. The first one is land. Land is the most precious resource of Hong Kong. As we all know, the prices of land are completely controlled by the Government. According to the Government, the disposal of land does not require the approval of the Legislative Council. In the West Kowloon incident, the Government made it very clear several times that even if we did not give our approval, it would not listen to our advice. This is the biggest resource under the Government's control, and it can always be exchanged for power. Many people need to obtain land in Hong Kong for various purposes — the Hong Kong Disneyland, Cyberport and Grand Promenade. But all the powers of land grants, land exchange and land sales are in the hands of the Government, and there is also the power under the Application List system. This is a kind of resource that can be exchanged for power and support.

The other resource is the public money in the Treasury, including our huge reserves. How about this resource? It is a tool through which the Government can control the various sectors in Hong Kong. Everything needs money. Everything needs financial support. Can Members not see that everything in Hong Kong is thus under the tight control of the Government?

Let us first take a look at what we have been discussing recently — the education policy. In the past, diversified development was permitted under the education policy. But now, all has gradually come under the Government's control. Even in the case of kindergarten education, the Government is also

trying to impose control through the system of "education vouchers". Private kindergartens wanting to benefit from the system must convert themselves into non-profit-making kindergartens. In this way, they will also come under government control. The situation is the same in the social welfare sector. What should an organization do if it wants any funding from the Government? It must comply with the conditions set by it. Another example is connected with the many contracts awarded by the Food and Environmental Hygiene Department. Members all know that many contracts are awarded by the Government, so if any organization wants any funding from the Government, it must comply with the conditions set by it. Therefore, President, we can see that the executive controls both the money in the Treasury and land resources. And, who is in control of the executive? The present system is inherited from the British Hong Kong colonial administration, so all the powers originate from the top and are vested in the Chief Executive. How does the Chief Executive hold all of these powers? Therefore, he who becomes the Chief Executive will have all the powers. If there is any time in the future, we may discuss some of the changes after the introduction of the accountability system.

But, in the meantime, we must ask, "How do we elect the Chief Executive?" Currently, the Chief Executive is elected by a coterie of 800 people only. For this reason, a candidate must "bargain" with these 800 people. This coterie of 800 people is not subject to the Prevention of Bribery Ordinance, because this Ordinance can only deal with a candidate's transaction of benefits with certain people. Dealings with a functional sector as a whole and whether or not the Chief Executive's future policies will be biased towards any particular sector are all the grey areas beyond the reach of the Prevention of Bribery Ordinance. This explains why he can do things so blatantly now.

President, checks and balances are the only solution to this problem. However, this Council is unable to check all these administrative powers. The only people who can do so are the general electors. Therefore, if Hong Kong is to progress, if we want any choices and prospects, we must introduce universal suffrage. It is only by doing so that we can break the present deadlock. This is the footnote I want to add to Mr Ronny TONG's remark on "a matter of extreme urgency", because the problem has become so pressing that we cannot wait any longer.

Thank you, President.

DR KWOK KA-KI (in Cantonese): Madam President, Mr Ronny TONG's motion today is about the appropriateness of 2102 for electing the Chief Executive by universal suffrage.

Actually, when it comes to this motion, I think that both Mr Ronny TONG and those of us who support democracy will all feel a bit aggrieved. We feel aggrieved because even when we talk about 2012, we are still not quite so happy deep down our hearts. We have all along hoped that universal suffrage can be introduced in Hong Kong as soon as possible. We have always maintained that next year, that is, 2007, and also the year after next will be the best times for introducing universal suffrage for the two major elections. We of course understand that the interpretation of the Basic Law by the National People's Congress on 26 April (2004) has made all this impossible. But then it seems to me that those who support democracy and the democratic camp are held responsible instead. Some people even argue that we will be most unrealistic and fail to know the time of the day if we do not change our position. I am very unhappy about such an argument, which confounds right and wrong and explains the outcome as the cause. But I also think that it is very difficult to change such a situation.

But, it is after all very good that Mr Ronny TONG has at least raised the topic for discussion today, although many people who support democracy certainly do not think that 2012 is the best time. Because they simply wonder why it is impossible to do it next year and the year after next, which are just right round the corner.

Chinese people are very miserable. We are after all a great power, and we are always proud of our country's prestige in the international community. And, our country has even spent billions of dollars on making one of its nationals the Director-General of the World Health Organization — we all know that the whole process involved many struggles and possibly many exchanges of benefits, though. However, when it comes to democracy, Chinese people always feel inferior to others. Hong Kong people also have the same feeling.

Many Hong Kong people will ask, "Why is it impossible for Hong Kong to have democracy?" As early as the 1980s, we already started to ask for democracy and universal suffrage. It is now 2006. About two decades have already passed, but some people still think that we cannot make it and are not properly equipped. Some even maintain that supporters of democracy are

inflicting harm on the national interest, though they stop short of calling these supporters traitors. Why have such arguments that completely confound right and wrong emerged in this society, in this very place?

To begin with, it must be pointed out that the democratic camp was not the first one to advocate the election of the Chief Executive by universal suffrage in 2012, though the motion today is moved by the democratic camp. The first one to admit the feasibility of introducing universal suffrage in 2007 and 2008 and to express support for this was in fact the DAB. The first one to talk about the feasibility of introducing universal suffrage in 2012 was in fact the Liberal Party. What we are doing now is just to revise history and raise an age-old topic for discussion. We of course understand that when this topic is discussed once again today, many people will deny what they said in the past, because they all know the time of the day. Perhaps times have really changed and little do we realize that the conditions in Hong Kong now are even more unsuitable for introducing universal suffrage when compared with those of several years ago. But what are the reasons? What are the reasons for such deterioration of our intellect over these years? Whatever reasons are put forward, they will convince no one.

Hong Kong people are the most peaceful people. On 1 July 2003, 500 000 Hong Kong people took to the streets. And, in 2005, some 200 000 people did so once again. During the marches, there was no disturbance whatsoever. All participants simply expressed their hope of introducing universal suffrage for the two major elections in a peaceful manner. There was no trouble, no disturbance. Everyone simply swallowed all his grievances for the sake of the most important goal. However, some people even have the face to totally deny what others actually did, in the hope of making people think that nothing really happened.

But we need not be surprised. The reason is that the one who talked about 2012 once again was in fact Donald TSANG himself. In July this year, no one knew who would come forth to challenge Mr Donald TSANG. As Members all know, Mrs Anson CHAN had not yet declared her intention of not running in the election. As a result, when he met with journalists in Singapore, Mr Donald TSANG said, "Unlike some opportunists, I cannot talk about any timetable for introducing universal suffrage, nor can I chant any sweeping slogans on democracy. As a matter of fact, with the exception of 2007 and 2008, universal suffrage may be introduced in any particular year, including

2012." When we now listen to these remarks again, we may think that they were made a very long time ago. But they were actually made only as recently as July this year, so Members can see how rapidly things can change. Having made these remarks in July, Mr TSANG forgot all about them soon afterwards.

This topic has already become a taboo that cannot be mentioned anymore. Why? Because it is considered not proper to do so. Some people will be displeased, so others must not say the wrong things. Members can therefore observe that whenever I see Donald TSANG, I will ask him the same question. Luckily, though, he was the very one who made all those remarks. I have never added anything to the remarks made by Mr TSANG or the Government. Mr TSANG himself once said that he would see to it that we could have universal suffrage during his lifetime. I am very persistent, and every time when I meet him, I will ask him this question because I think that everyone, every government, must be careful with its words, must not make any light remarks. The people will hear anything the Government says. Time and again, the people of Hong Kong got to the threshold, and every time, they thought that they would have the opportunity of discussing the introduction of universal suffrage, but they were invariably disappointed. Having gone through all the changes since 1997, Hong Kong people now realize that universal suffrage is an important means of making the Government more accountable.

We can observe that the Central Authorities have been clamping down on corrupt government officials. But I believe that all the strenuous efforts will be of no avail, because the problem actually lies with the system itself. As long as Hong Kong people are denied an accountable government that can be appointed or dismissed by them, as long as they cannot choose a Chief Executive to head the Government, it will be highly unlikely that society can achieve any substantial progress.

Speaking of Members' voting decisions today, I of course know more or less what will happen. And, I can smell the odour of things burnt as well, for I have heard that even 2012 is not considered appropriate. But this is still a very good time because the democratic camp was not the first one to mention 2012. The three categories of people I have mentioned, that is, Mr Donald TSANG, the DAB and the Liberal Party, all mentioned at different times that Hong Kong would have universal suffrage in 2012 at the latest. We all know that this type of democracy is at best a kind of "birdcage democracy". There will still be many restrictions, one of which is a nominating committee. It is simply not

worth mentioning at all. But we are still prepared to accept it. This is the reality. But everyone must still hold himself accountable to history.

With these remarks, I support the motion. Thank you, Madam President.

MR LEE WING-TAT (in Cantonese): President, it appears that a quorum is not present.

PRESIDENT (in Cantonese): Will the Clerk please ring the bell to summon Members back to the Chamber.

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

PRESIDENT (in Cantonese): A quorum is now present. Mr LEE Wing-tat, you may continue to speak.

MR LEE WING-TAT (in Cantonese): President, the debate today on the election of the Chief Executive by universal suffrage is most opportune. But recently, both the DAB and the Liberal Party have been maintaining a very low profile on this issue. A moment ago, I asked Dr YEUNG Sum whether Members belonging to the DAB had spoken. It seems that they have not. But Mr Howard YOUNG of the Liberal Party has already done so. I believe somebody will certainly argue with the Liberal Party over all the points. "Uncle Fat" has also spoken, but he is just the representative of the Heung Yee Kuk. I am very interested in knowing the DAB's position. But since Dr KWOK Ka-ki has already expressed some opinions on this, I shall not take the debate any further.

I instead wish to discuss an article on constitutional development published by Mr Jasper TSANG in *Ming Pao* on 17 July this year. Mr Jasper TSANG's essays are usually more logical, with every sentence well-structured and to-the-point. In other words, there is no nonsense. There is this sentence in his article, and I quote, "The Central Government's assessment of the political situation in Hong Kong following the vetoing of the constitutional reform

package is: there has been no fundamental change in the political ecology." He is of the view that the situation as such, we are not yet able to fulfil the conditions for introducing universal suffrage. This is the first viewpoint, and we may discuss it later on. There is also this second viewpoint, and I quote again, "There is one more important point which the Central Government will definitely consider. Let us assume that in the 2012 Chief Executive Election, the incumbent Chief Executive then can run for re-election. In that case, with the support of the Central Government and all the advantages he enjoys as the incumbent, even if universal suffrage is introduced," This is his exact wording, and I continue to quote, "he will still stand quite a big chance of being re-elected. This will reduce the risks resulting from a political crisis, in which the Central Authorities refuse to accept a candidate returned by universal suffrage." Owing to the time constraint, I shall discuss these two points only.

First, let me discuss the assessment that there has been no fundamental change in the political ecology. There is no detailed explanation, no elaboration, in his article. Does it mean that the democratic camp is still clinging adamantly to the cause of democracy? Does it mean that the democratic camp still refuses to listen to the Central Government? Does it mean, in other words, that the democratic camp should not always oppose for the sake of opposing, should not refuse to support the Government's policy proposals? What does "there has been no fundamental change" mean? Or, maybe, all this is not what it means. Perhaps, "there has been no fundamental change" actually refers to something even more important — the pro-establishment faction, the royalists and also the pro-Communist faction are still unable to get 50%, or even 60%, of all the votes in any direct elections. If they can get 60% of all the votes, then even if there is universal suffrage, they will still get 60% of the seats. In that case, why should they still fear Mr LEE Cheuk-yan, who is always so critical and cynical? There will be nothing to fear. Is that what is meant by a change in political ecology?

Some people, therefore, comment occasionally and somewhat jokingly that it may sometimes be a good thing for the democratic camp to lose in an election. Once the democratic camp loses, the pro-Communist faction will get 60% of the votes and seats. In that case, they can control the Legislative Council and they will have nothing to fear. This is the first viewpoint. I hope that Mr Jasper TSANG can come back to listen to my speech. I also hope that he can understand what I mean. Maybe, Members belonging to the DAB can explain to us the meaning of "there has been no fundamental change in the political ecology".

I now wish to discuss the second viewpoint. This involves a question I must ask. The underlying logic of the second viewpoint is actually very simple, and I am just following this logic. Donald TSANG will certainly be re-elected. From 2007 to 2012, Donald TSANG will be the Chief Executive, and I am still referring to Jasper TSANG's analysis. But the post must be filled by another person in the term commencing in 2012. This person may be A, B or C. But this does not matter. The only important thing is that the post must be filled by a new person in 2012. According to Jasper TSANG, the one who stands in the election in 2012 will not be an incumbent Chief Executive seeking a re-election but will be a new candidate, so if universal suffrage is introduced in 2012, it will be more difficult for the new candidate to win because, in his words, the candidate will not enjoy any advantages as the incumbent does and may not have the support of the Central Authorities. Mr NG Hong-mun also mentioned this viewpoint once in the press. I have been closely following the articles written by them, which is why I know that Mr NG Hong-mun once mentioned this viewpoint in an article published in *Ming Pao*.

Assuming that Mr Jasper TSANG's viewpoint is correct (I always think that when compared with other DAB members, he is clearer in thoughts and more logical), what should he support? I think he must at least support the introduction of universal suffrage in 2017, right? The reason is that a new person will be elected Chief Executive in 2012, and he will be the Chief Executive until 2017, so he should enjoy all the advantages as the incumbent does. Right? An added reason is that a preordained candidate will still win the so-called election in 2012. The person who will become the Chief Executive will still have the Central Authorities' blessing. For this reason, the Central Authorities will strongly support this particular person who has all the advantages as the incumbent does unless their choice in 2012 is wrong. But I do not think that the Central Authorities will pick a wrong person anyway.

Consequently, following the logic of Jasper TSANG and the DAB, one should at least support a timeframe. Right? The timeframe concerned will of course be longer than that demanded by the democratic camp. But the difference is just one term. To me, this is still better than having no timeframe at all. What is the position of the DAB? I cannot remember it clearly as well, but there are four conditions. First, there must be sound economic progress. Second, political parties must be well-developed. Third, there must be good nationalistic education. And, I have forgotten the fourth one. Maybe,

Secretary Stephen LAM can remind me later on. In brief, all these conditions will mean no timeframe at all. It is all up to the Central Government to say whether any certain time is appropriate, or not appropriate. We call these conditions variable criteria. The criteria mentioned in Jasper TSANG's article are at least more objective, whether we like them or not. What are his criteria? In essence, he means that the candidate seeking re-election must have all the advantages as the incumbent does, the support of the Central Authorities and therefore a high likelihood of winning. That way, the Central Authorities will find the candidate OK and trust him.

I hope that Jasper TSANG can come back and give a reply. If not, I hope Mr TAM can relay my message to him. Because of this debate, I have read his article several times. First, what is meant by "there has been no fundamental change in the political ecology"? Does it mean that universal suffrage can be introduced only when the DAB can secure 60% of all the seats? Second, should the DAB or Jasper TSANG himself at least come forward and say that the thing they should support most is the election of the Chief Executive by universal suffrage in 2017? Do they think so? Thank you, President.

MISS TAM HEUNG-MAN (in Cantonese): Madam President, Mr Ronny TONG's motion today says that it is appropriate for Hong Kong to elect the Chief Executive by universal suffrage in 2012. Hong Kong is a developed society, and it is much more developed than many of the democratic countries where universal suffrage is implemented. Who dares to say that universal suffrage is not suitable for Hong Kong.

According to the Liberal Party's amendment, it will not be the right time for us to introduce universal suffrage unless we can all agree on an electoral package for returning the Chief Executive by universal suffrage. This argument simply puts the cart before the horse. Consideration should be given to any electoral package only after we have all agreed that it is the right time for Hong Kong to introduce universal suffrage. We are all here today to discuss electoral packages, so it follows that it is already the right time for Hong Kong to introduce universal suffrage. As for which package we should adopt, it is all up to us to decide. Only those people who do not want to introduce universal suffrage in Hong Kong will try every means to cause trouble over the form of universal suffrage.

Let me illustrate my point by drawing an analogy. There is this student who is excellent in both academic results and conduct, but due to financial hardship, he is unable to pay his tuition fees. As a result, he cannot enter university. But we cannot thus conclude that he is not ready for university education, right?

Similarly, Hong Kong is actually more than ready for universal suffrage in terms of population quality and level of social and economic development. Our *per capita* foreign exchange reserve is the highest; our illiteracy rate is lower than those of many countries with universal suffrage. We are ready for universal suffrage even today, not to speak of 2012. That we do not have universal suffrage today is not the result of any internal factors. Rather, it is because of external factors, because some people still do not want to relinquish their privileges, still do not trust the people of Hong Kong.

Another point in the Liberal Party's amendment is that the relationship between the executive and the legislature must be rationalized before there can be any room for introducing universal suffrage. This is simply absurd. One of the functions of the legislature is to check the executive, so it is simply impossible for it to give way to the executive all the time for the sake of a good relationship. If the legislature does so, it will fail in its duties. Is the Liberal Party suggesting that the Legislative Council must first become a rubber-stamp if universal suffrage is to be introduced?

Madam President, it is not enough to say that Hong Kong is ready for universal suffrage. More importantly, there is actually an urgent need for it to introduce universal suffrage as soon as possible. The reason is that without universal suffrage, it will simply be impossible to improve the governance of Hong Kong and promote social harmony.

In recent years, there have been many bitter arguments in Hong Kong over many different topics. The finalization of the West Kowloon Cultural District project and health care financing has all been delayed because of divergent views in society. The Chief Executive's lack of credibility is the precise reason for the continued delay of all these important topics. The election of the Chief Executive by universal suffrage can increase the credibility of the Government, which is conducive to its administration.

Once universal suffrage is introduced, candidates in the Chief Executive Election must set out their beliefs and policy proposals in their election platforms,

so that all Hong Kong people can make their choices. The Chief Executive elect returned by such an election will naturally have the mandate of the majority in society. He can then govern Hong Kong with full recognition in accordance with his election platform, and his policies will more likely be accepted by the general public.

In the case of the recent heated discussions on widening the tax base, for example, I am sure that even after the nine months of public consultation, it may not necessarily be possible for society at large to agree on a feasible and widely accepted scheme. The whole consultation exercise may again fail to achieve nothing in the end. Things will be different if there is universal suffrage in Hong Kong. If, for example, a candidate who proposes a scheme on widening the tax base is subsequently elected, there will be public support when he really implements the scheme later.

It follows that the efficiency of the SAR Government in administration will be greatly enhanced. With the people's mandate, "strong governance for the people" will never be reduced to an empty slogan. In the course of administration, cases like the West Kowloon Cultural District project, which must be abandoned due to strong opposition, will never occur again.

Madam President, many pro-establishment people often dismiss the 1 July march as a sign of social discord. This explains why they are so wary about the introduction of universal suffrage. But I can tell these people that as soon as universal suffrage is introduced in Hong Kong, the bulk of the grievances in society will be removed. Society will turn much more harmonious.

The people's grievances are, to a certain extent, caused by their sense of helplessness. Many people think that something has gone wrong with the Government's administration, but they are simply unable to influence its policy decisions through any normal channels. Consequently, grievances amass. It is thus small wonder that hundreds of thousand people decided to take to the streets. What the people want is nothing but a mechanism for influencing government. Universal suffrage is the precise answer to this aspiration.

Madam President, Hong Kong people are certainly capable and fine enough to make use of the ballot box to elect a Chief Executive that can best serve the overall interest of Hong Kong. If Members agree to this, they should support Mr Ronny TONG's motion. I must also appeal to the Government that

for the sake of upgrading governance quality and fostering social harmony, it must promptly put forward a scheme on electing the Chief Executive by universal suffrage and conduct a public consultation exercise. I so submit. Thank you, Madam President.

MR TAM YIU-CHUNG (in Cantonese): President, Mr Jasper TSANG should thank Democratic Party Chairman LEE Wing-tat for giving so much weight to his article. Maybe, the article is too difficult or abstract, so Mr LEE Wing-tat claims that he cannot understand it, is not sure. I am not surprised at all. But, frankly speaking, I will not read Jasper TSANG's articles in such great detail. If he cannot understand anything, he can of course ask Jasper TSANG direct. But usually, I will not try to ask the author after reading an article because experience tells me that it may not be possible to contact him. Usually, if I find any enlightening viewpoints in an article, I will try to explore and analyse them, so as to find out whether they are sensible.

Well, so much for that and let me come back to business. The Basic Law provides that the method for selecting the Chief Executive shall be specified in the light of the actual situation in the Hong Kong Special Administrative Region and in accordance with the principle of gradual and orderly progress. The ultimate aim is the selection of the Chief Executive by universal suffrage upon nomination by a broadly representative nominating committee in accordance with democratic procedures. All this is conducive to the prosperity and stability of Hong Kong.

In December last year, the SAR Government put forward a very positive package on selecting the Chief Executive in 2007. This package meets the Basic Law requirements and is consistent with the mainstream opinions in society. It also commanded the support of the majority of Legislative Council Members. But due to the bundling tactic of the opposition in this Council, it was negated. An endeavour of harmonious political consultation was thus turned into acute confrontation. The constitutional reform package put forward by the SAR Government last year was formulated after 18 months of consultation, during which the Government had listened to the views of all sides, political parties and political groupings and considered the aspirations of different political forces in society. In the words of academics, it represents the Highest Common Factor of all in society.

Had the constitutional reform package been passed by the Legislative Council last year, we would have made the most important and concrete first step towards achieving the ultimate aim of electing the Chief Executive and all Legislative Council Members by universal suffrage. Had we made this step, we would have been closer to the ultimate aim of introducing universal suffrage. Hong Kong people in general can understand such positive significance, so the constitutional reform package for 2007 and 2008 was able to receive widespread public support. It would have presented the first-ever opportunity for all sectors in Hong Kong to achieve the greatest concrete progress in democratization through mutual consultation under the framework agreed by the Central Authorities. It would have created the most harmonious social and political atmosphere in Hong Kong since the reunification. Most importantly, with a spirit of mutual understanding and accommodation, and taking account of the overall situation, the different political forces in Hong Kong would have established an effective system and concrete mechanism for cross-party and cross-faction negotiations and consultation. However, all these wonderful visions have vanished because of the opposition's "bundling" tactic and determination to be the "opposition". Should they not feel guilty towards Hong Kong people and their consciences?

Owing to the vetoing of the constitutional reform package, the political system of the SAR can only mark time in 2007 and 2008. Since there is no gradual and orderly progress, how can they argue that Hong Kong will possess the conditions for introducing universal suffrage in 2012?

The thwarting of democratic progress is of course one of the disastrous consequences resulting from the opposition's vetoing of the constitutional reform package put forward by the SAR Government last year. But what is even more disastrous is the total destruction of the consultation mechanism for Hong Kong's democratization. We often describe politics as an art of compromise. By compromise, it is meant that through negotiations, different political forces can work out a scheme acceptable to all. The process is difficult. Apart from patience and tact, all sides must show sincerity and mutual trust. During the negotiations and consultation process last year, the opposition kept raising their asking price. In order to achieve their unilateral objective, the opposition went so far as to distort public opinions and even trampled on the findings of independent surveys conducted by academics they usually hold in high respect. In any future negotiations on public policies, how can other political parties and groupings, the SAR Government and the Central Government have any trust in

them? Image-wise, such an all-or-nothing political stance has certainly enabled the opposition to win the battle, but then it has lost others' trust in it. The opposition has been complaining that others do not trust them. They should really do some serious soul-searching.

Concerning the political development of Hong Kong after 2008, the DAB thinks that active efforts should be made to create the necessary conditions. In regard to the actual political dynamics, the DAB advocates the formulation of a roadmap before a timeframe. This means that we should first identify a form of universal suffrage that is suitable for Hong Kong before deciding on a timeframe for the introduction of universal suffrage. The focus of our present discussions on Hong Kong's democratic development should be the design of our political system. We should conduct more in-depth discussions on the structure and details of the political system. If all these problems can be solved, it will be very easy to solve the problem of "when". However, if we hasten to decide on a timeframe before society can reach a consensus on a form of universal suffrage, it will not even be possible to get the support of two thirds of Legislative Council Members. In that case, how can we implement any timeframe drawn up beforehand?

The "early introduction of universal suffrage" is a promise in the DAB's party platform. We are optimistic that we can achieve this objective. I so submit. Thank you, President.

DR FERNANDO CHEUNG (in Cantonese): President, we have been discussing the issue of implementing universal suffrage in Hong Kong for nearly a quarter of a century since the eighties of the last century. I fail to understand why Mr TAM Yiu-chung should still talk about "formulating a roadmap before a timeframe", why he should still find it necessary to discuss which form of universal suffrage to adopt. There are admittedly many systems and forms of universal suffrage, but we must first agree on the timing of its implementation, meaning that we must first draw up a clear timeframe. As for the details of implementation, they are just technical matters.

I think the most important matter today should be whether or not Hong Kong is to be permitted to truly implement "a high degree of autonomy" and "Hong Kong people ruling Hong Kong", the common aspiration of several governments and Hong Kong people years ago. We are promised such a

direction under the Basic Law. Are we still supposed to waste our time now? I think this should be our focus. Any continued discussions in this legislature on when Hong Kong can be fully equipped and how certain conditions can be attained in various aspects are simply a trick, a stalling tactic and downright prevarication. Such discussions are completely meaningless. Are they saying that despite the prevailing level of economic and cultural development of Hong Kong, we are still not fully equipped even when compared with many backward countries where universal suffrage is being implemented?

Why do people like us who are now called the opposition (I do not understand why we should be called the opposition, though we see no problem with this if there is really a ruling faction in Hong Kong) still fight so doggedly for universal suffrage after so many years of discussions? The reason is that universal suffrage can ultimately force election candidates or people who want to be in power to win the confidence and support of electors by putting forward their complete policy beliefs and blueprints. As for electors, they can collectively decide the development direction of society and set policy priorities under the principle of "one person, one vote" and equal rights for all. The outcome will be a clear and commonly agreed direction of social development. But this is precisely what we are lacking in. If we do not have all these things, what else do we have? Mr TSANG says that there will be no problem. He says that he has been a government official for 40 years and is used to how the Government works — there is no need for any blueprint or beliefs. Nor is there any need for any directions. The most important thing is that Hong Kong is a "blessed place". Therefore, as long as we can continue to work hard, depend on the unlimited care of the Motherland and wait for good luck, there is no need for any direction.

It is indeed correct that there are no such needs. As long as he is preordained by the Central Authorities, as long as the Northern Overlord can say "it's you", he will be the only choice. He does not need to show us how he intends to lead Hong Kong. He does not need to pay any attention to the biggest conflicts in society, including the wealth gap. In the course of social development, capitalists want to make profits, workers want to receive reasonable pay and a minimum wage, and poor people face many problems. How should we distribute social resources and resolve all the conflicts arising in the course of resource distribution? But he does not need to pay any attention to all this. Many incidents have occurred in society, and in this legislature, we have also discussed many problems such as domestic violence, old age protection,

care for people with disabilities and the shortage of institutional care. But he can simply ignore all these problems.

Speaking of education, during our discussions on "education vouchers" yesterday, even Arthur LI could behave like a child and said, "If you don't like the idea, I can always withdraw it." All these problems and conflicts are still unresolved. And, the Government's adamant refusal to address these problems is precisely because we do not have universal suffrage. Without universal suffrage, we will not have any institutional power to check those in power. We will be unable to force them to face the people and hold themselves accountable to the people. We will be unable to force them to seriously implement their election platforms.

It seems that Donald TSANG very much wants to publicize his pragmatic politics. He has been saying that British Prime Minister Tony BLAIR is also very pragmatic, as best evidenced by his advocacy of the "Third Way". However, the "Third Way" advocated by Tony BLAIR is the result of many reflections, and there is a whole set of policies and specific political platforms behind the entire theory. He wants to re-examine the political framework based on traditional liberalism and find out how social democracy can perpetuate in the globalization of the 21st century, so as to ensure the protection of all people regardless of wealth and the continued development of society. I think if Tony BLAIR happens to notice that Donald TSANG has referred to him as the best example of pragmatism, he will certainly become speechless. I really hope that our Chief Executive can find out what the "Third Way" is all about. They have done a lot of thinking and studies on the problems and conflicts faced by society as a whole, so as to ensure that sustainable development and competitiveness can coexist, that while diversified social development continues, there is still an overall direction, and that while every citizen can live with dignity, the spirit of persistent self-strengthening is not affected. It is not at all easy to solve all these problems. A lot of thinking, consultation and studies are required. Besides, the person in charge must display good leadership. Neither a civil servant claiming to be able to discharge the duties of a bureaucrat nor a person who has never gone through the baptism of universal suffrage can lead Hong Kong forward.

With these remarks, President, I support Mr Ronny TONG's original motion.

MR FREDERICK FUNG (in Cantonese): President, in their speeches, many Members have levelled criticisms at the Government and certain political parties. I would like to treat them to a cooling drink now and take a step backward to discuss whether, from the academic and theoretical perspective, 2012 is a suitable time for Hong Kong to introduce universal suffrage. I actually think that this is quite an academic topic.

We may analyse at three levels whether we need universal suffrage as a social institution. I suppose being a government official in his present capacity, the Secretary must have read political science. From the perspective of political science, the economic system is the infrastructure and political system the superstructure. They are closely related and complementary. I believe the President will also know that in the most advanced Western countries which uphold capitalism and market economy, including Japan, the United States, Britain, Germany, France and even those former republics under the Soviet Union which now also uphold capitalism and market economy after becoming independent, universal suffrage is invariably a component of their political systems. Naturally, there are many different forms of universal suffrage, but the essence should always be universal suffrage. It is quite another matter if Hong Kong people think that universal suffrage should not be implemented in a place upholding market economy, and that another kind of system should be adopted instead. But then, we will have to prove that the alternative system is feasible. However, my personal conviction is that we should adopt a component system that is proven successful by many others. In brief, I do not think that there can be any arguments against universal suffrage. The Secretary for one has never said that we should adopt another kind of system. A democratic political system should be complemented by free economy.

Second, are there any necessary conditions for introducing a democratic political system in a society upholding free economy? The answer is certainly "yes", though I do not agree to all the conditions contained in the amendment. They are just too abstract. There are bound to be some necessary conditions. For example, the population of a place must be predominantly middle-class. There are many definitions of the term "middle class". Apart from some required levels of personal income, education, good sense and an ability to access a wide variety of information and look at things from the macro perspective should also be the attributes of middle-class people. These attributes can ensure that the ruling government elected by the middle-class

people will not be too radical. Is the population of Hong Kong predominantly middle-class? We have been introducing various policies to assist the poor and discussing what is meant by poverty. The number of people defined as poor is less than 1 million. This means that after deducting these 1 million people, there are 5 million people who are not defined as poor. The *per capita* GDP of Hong Kong last year was US\$24,000. This means an average of \$18,000 monthly per person. I do not think anyone can accept the saying that the population of such an affluent society is not predominantly middle-class. Besides, when it comes to academic qualifications, more than 50% of the population possess qualifications of Secondary Three or above. Therefore, I can observe that the population of Hong Kong is predominantly middle-class.

Third, I wish to discuss social culture. Speaking of this, one may ask, "Will political liberalization lead to a greater number of struggles, especially violent and non-peaceful ones?" I think Hong Kong is comparatively conservative in this respect. A look at the past political incidents in Hong Kong will show us that unlike the people in many other places or countries where governments are returned by universal suffrage, Hong Kong people are non-violent. In each of the several marches in the past, there were hundreds of thousands of participants, but there was no violence, not even one single incident of fisticuffs. I fail to see how the people's political behaviour may lead to the polarization of Hong Kong or any violence. No violent means, not to speak of any revolution, will be adopted to deal with internal conflicts.

I therefore think that we are not lacking in any necessary conditions. Speaking of an appropriate time, I must say that even Mr Ronny TONG's proposal, that is, 2012, is much too late for the implementation of universal suffrage. Why does he not propose 2007, 2008 or even the very year in which the SAR Government was established? I have asked this question because we already possess all the necessary conditions. I want to talk about something I came across in my studies many years ago — let me just show off my book knowledge a little bit. I was at that time studying political administration at The Chinese University of Hong Kong, and some academics there once conducted a survey on 120 countries or places that elected their political leaders in the 1960s and 1970s. The survey discovered that the rates in respect of five elements were very important. It was found out that places with higher rates would enjoy greater social stability after the conduct of elections. In contrast, places with lower rates would be less stable afterwards. These five elements were: first, a

high literacy rate; second, a high property ownership rate; third, the presence of various means of communication such as the press, television and the radio. And, we now even have the Internet. As the number of communication means increased, it would become more difficult for anyone to exert control on others. The fourth element was an abundance of ways to disseminate information. When information and news could be spread extensively around, no one would be able to control the dissemination of news. The fifth element was a sizeable middle class. If the respective rates for all these elements were 60% or higher, universal suffrage would basically not cause any instability.

After discussing all these basic conditions, I must look at the consequences in case we do not introduce universal suffrage. Members must not simplistically think that the 800-electoral election will be the only consequence. It being a coterie election will also lead to two conflicts. The first is the conflict between the rich and the poor. The reason is that the 800 people are mostly business tycoons, so the one in power must "bow" to them for their votes. As a result, all policies will be biased towards the rich. What is more, there will also be conflicts among the rich, because the 800 people cannot represent all rich people in Hong Kong. Some rich people are represented while others are not. So, there is also the conflict between those rich people who have representatives and those who do not. More importantly, since the Chief Executive is returned by a coterie of 800 people, he will have to be extremely cautious when handling some highly controversial territory-wide issues. The Secretary must have experienced all this. All these consequences could be seen in many past cases, including the constitutional reform package, the West Kowloon Cultural District project and even the current issue of introducing a sales tax.

(THE PRESIDENT'S DEPUTY, MS MIRIAM LAU, took the Chair)

Therefore, I think that problems will surely emerge if the Government still refuses to consider the introduction of universal suffrage now. Lastly, I must add that most importantly, as long as universal suffrage is not introduced, political disputes will only continue, will only continue to pester the Government.

Thank you, Deputy President.

MR LEUNG YIU-CHUNG (in Cantonese): Deputy President, I am just one of the members of the pan-democratic camp. But when I first saw Mr Ronny TONG's motion, I really hesitated, hesitated as to whether I should support the motion. Deputy President, why have I said so? The reason lies with the wording of the motion, which reads, "That this Council considers the year 2012 appropriate for electing the Chief Executive by universal suffrage." Based on the logic of the wording, can we thus say that only 2012 is appropriate and any other time is not? Logically, this should be our interpretation. If this is really the case and if I also support the motion, I will be in trouble. Why? To say the least, if I support the motion, I will be gainsaying the common conviction of Ms Emily LAU and myself when setting up the united front for direct elections in 1995. I will gainsay this conviction. Why? Because as early as 1995, Ms Emily LAU and I already started to fight for universal suffrage. Can I now say that that particular year was not appropriate and only 2012 is appropriate? Therefore, I am really a bit hesitant as to whether I should support the motion.

However, the wording is one thing and the actual message should be quite another. I do not think that this should be what Mr Ronny TONG means. He certainly does not mean that it was inappropriate to introduce universal suffrage in the past and only 2012 is appropriate. I do not think that this is what he really means. Then, what does he mean? He is in fact telling us that we have no alternative. He actually wants to say that history is history. Can we possibly travel back in time? Can we possibly travel back to 1995 and implement universal suffrage? No, we cannot. That is why we must look into the future. When we do so, what is the soonest possible time that we can see? It is 2012, because constitutionally speaking, it is no longer possible to do it in 2008. So, we can only do so in 2012. This explains why Mr Ronny TONG mentions 2012 in his motion. This is the reason. I hope my interpretation is not wrong, Mr Ronny TONG. Consequently, I have finally decided to support the motion. I hope that those Members who are against the motion or others will not oppose his motion simply because of its wording. I do not think that we should allow arguments to drag on like this.

(THE PRESIDENT resumed the Chair)

However, I still want to say that as a matter of fact, we do not think that 2012 is the only appropriate year. I wish to tell the Secretary that I find all

those years since the reunification appropriate for the introduction of universal suffrage. The reason is that under the Basic Law, the ultimate aim is to achieve universal suffrage after the reunification. Therefore, any time since the reunification should be appropriate. The only question is whether or not the Government is willing to do so. If the Government is not, nothing can possibly be done.

Speaking of the amendment, I must comment that it already represents some sort of improvement. What kind of improvement? At least, it shows a willingness on their part. But, of course, such willingness is qualified, for it reads, "That, should the pertinent conditions be ripe, meaning that there is a nominating committee which is broadly representative and acceptable to both the Central Government and Hong Kong, and the relationship between the Executive and the Legislature has been rationalized and is harmonious, this Council (will consider 2012 appropriate)." President, there is honestly a problem with the amendment. Why?

Mr TAM Yiu-chung kept talking about a past incident. He said that the constitutional reform package last year could not be passed mainly because of the "bundling tactic" of the democratic camp, and that the path of democracy has thus eluded us. President, it is alright for him to accuse us of employing a "bundling tactic". But can he say that they never employed any "bundling tactic"? Secretary Stephen LAM, did you employ any "bundling tactic"? What was your "bundling tactic"? You said last year that unless we passed the constitutional reform package, the road to democracy would be blocked.

PRESIDENT (in Cantonese): A point of order?

MR LEE CHEUK-YAN (in Cantonese): Yes. A quorum is not present now. Those in the Chamber now are all democratic camp Members.

PRESIDENT (in Cantonese): Mr LEUNG Yiu-chung, please sit down first. Will the Clerk please ring the bell to summon Members back to the Chamber?

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

PRESIDENT (in Cantonese): A quorum is now present. Mr LEUNG Yiu-chung, you may continue with your speech.

MR LEUNG YIU-CHUNG (in Cantonese): President, I was quoting Mr TAM Yiu-chung's remarks just now. He said that we in the pan-democratic camp had employed a "bundling tactic" in dealing with the constitutional reform package. Yes, we must admit that we did employ such a tactic. But we did not use any string for the bundling. What did we use? We used our ideal to bundle ourselves up. What is the ideal in question? As a matter of fact, we all thought that a basis for introducing universal suffrage was already present in our society. But the Government refused to accept our viewpoint. How could we support the Government in that case? We bundled ourselves on this very basis.

However, the Secretary himself cannot possibly deny having employed a "bundling tactic". President, why do I say so? The reason is that the Secretary's "bundling tactic" was even worse than ours. Why? Because he told us that if we did not pass the constitutional reform package, the road to democracy would be blocked. Most importantly, he put all the blame on us. President, is such an argument valid at all? Members all know that not all motions discussed in the legislature will necessarily be passed. Had this been the case, this Council would no longer be a representative assembly. What will it be then? A rubber-stamp. There are bound to be divergent views in the legislature. And, some motions may not be passed at all. This is what a representative assembly is all about. But the Secretary blamed us for not passing the motion, for inflicting harm on both sides and for causing everybody to lose out completely.

President, "bundling tactics" aside, there is an even more serious problem. Even if we really passed the constitutional reform package last year, what would have happened? Could we have embarked on the road to democracy? I do not think so really. President, could we support the package sincerely? Well, sincerely or not, there was still a precondition. What was it? The approval of the Central Authorities. Even if we supported the package, the approval of the Central Authorities was still required. How could this be called democracy?

How can we meet the requirements of the Basic Law? The Basic Law provides very clearly that there shall be "one country, two systems", "Hong Kong people ruling Hong Kong" and "a high degree of autonomy". President,

how can we realize "a high degree of autonomy"? If we had done that last year, we would have humbled ourselves, completely obliterating the spirit of "a high degree of autonomy". How can we do anything like this?

The amendment today is just the same. What does it propose? It says that there must be "a nominating committee which is broadly representative and acceptable to both the Central Government and Hong Kong". This also means that we should yield to authority, the authority of the Central Authorities. If we do not do so, then we should hope for anything. I have asked many different people how we can achieve "a high degree of autonomy". But then, "the relationship between the executive and the legislature has been rationalized and is harmonious" is also found in the amendment. President, we are not the ones who do not want to rationalize the relationship and foster harmony. In many cases, when we want a Policy Bureau to promise to do something, it will invariably refuse. They do refuse us much more often than we refuse them. *(The buzzer sounded)*

President, I so submit.

MR LEUNG KWOK-HUNG (in Cantonese): I can remember that in December last year, we were discussing whether the "birdcage" package should be accepted. This year, we no longer need to do so because they do not even bother to raise the topic again. That is why Mr Ronny TONG has to move a motion on the topic. The "birdcage" was shattered last year. But for reasons unknown, it has now been fixed. The whole "birdcage" has been fixed.

What actually is found inside the birdcage? It is Mr Democracy. But this answer is not very precise, because we should say "Hong Kong people". Hong Kong people are kept inside such a small cage. Why am I talking about the same old stuff again? Why do I talk about the "birdcage" again? Because the royalists are talking about the same old stuff, raising all the old points. What Mr TAM Yiu-chung talked about just now was the same old stuff. His line of reasoning is actually very simple — "trimming the toes to suit the shoes". This is also the case with all Members belonging to the conservative camp. Since "Grandpa" has already made such a tiny pair of shoes for them, they must show due respect to "Grandpa". Since the shoes are too small for their feet, they now have to trim their toes. And, after putting on the shoes, they now say that the shoes can suit them comfortably well. If anyone does not want to trim

PRESIDENT (in Cantonese): Mr LEUNG, you won't be talking about the "birdcage" again, will you?

MR LEUNG KWOK-HUNG (in Cantonese): I shall refer to this birdcage later.

PRESIDENT (in Cantonese): If you are not going to talk about the "birdcage", would you please put it under the desk and continue with your speech?

(Mr LEUNG Kwok-hung put the birdcage under the desk)

MR LEUNG KWOK-HUNG (in Cantonese): This is a sign of mental disorder.

Some may say, "I am not going to trim my toes. I do not like that. I love freedom." But they cannot do anything like this. However, even women have been liberated from foot-binding for 100 years, my friend. The present situation is that those who do not want to trim their toes are all labelled the opposition. But what is wrong with opposing foot-binding and trimming the toes to suit the shoes? Therefore, Mr TAM Yiu-chung's remark that we would rather be a broken piece of jade than an intact tile was actually a Freudian slip. Many thanks to him. Precisely, we would rather be a broken piece of jade than an intact tile. To put it in another way in English, it is "Give me death or freedom". All is so simple. Or, it is "Better be dead than silenced". All these are the mottos of our ancestors. But, well, since he likes to be an intact piece of tile, we may just let him have his own way. Buddy, I suppose he can only find a tile in a tile shop, right?

Therefore, the Freudian slip betrayed a fact, which related to the issue under discussion today. Mr Ronny Tong is really very well-intentioned and he is prepared to make concessions. He only wants us to discuss whether it is feasible to introduce universal suffrage in 2012. That is all he wants. Actually, whether 2012 is appropriate for introducing universal suffrage is a totally meaningless topic. He should have said something more. But he has not done so because he wants Members to vote for his motion. But he is wrong. All those people will never be moved. They will certainly say "no" to him. What is their principle? The Communist Party has already decided that there

shall be no universal suffrage in 2012. All is so simple. If the Communist Party suddenly said tomorrow that there could be universal suffrage in 2012, Mr Ronny TONG would have nothing to worry about. At least 48 reasons will then be cited to explain why there should be universal suffrage in 2012. Do you get my point? Therefore, he does not need to consider their needs. They do not need him to consider their needs.

Therefore, on this issue, I can only say one thing. Whatever motives the royalists may have, they can never answer another question. Actually, when I was first elected, I already mentioned this question. Since everybody talks about public opinions, since even the Central Authorities themselves claim that they would listen to public opinions in Hong Kong, why do we not simply conduct a referendum? I once tried to move a bill on conducting a referendum, but the President ruled against my proposal. She said that such a motion could not be moved, so the road is blocked. He often asks us whether there are any public opinions. Buddy, I have already told him that it is best to conduct a referendum. But no one is willing to do this task. Those who think that universal suffrage should be introduced in 2007 and 2008 are often criticized for acting against public opinions. But this particular opinion of the public was once confirmed by the ballot. But many people still say something like that.

Therefore, the whole point of this debate today is about the Civic Party's intention of fighting for the introduction of universal suffrage in 2012. As a member of the League of Social Democrats, I have never considered 2012 as the deadline. I think that we should fight for the introduction of universal suffrage as early as possible. I also wish to take this opportunity to make one thing very clear, because some journalists once asked me whether I would vote for Alan LEONG if he was short of one vote in the Chief Executive Election. I told them that I would not. When journalists asked me for a reason, I told them that all was because his participation in this election would be the same as declaring that there would be no universal suffrage in 2007 and 2008. I do not think that we should do something like this.

But I must still make it very clear that there is bound to be a difference between how you treat your close friends and those who are not. Donald TSANG does not compare with Alan LEONG. Donald TSANG is a beneficiary under this corrupt system. He constantly speaks for this corrupt system (that is, the system of coterie elections). He does not even have the courage to defend his case here and has sent his "mouthpieces" to this Chamber

instead. I have never seen such lame leader before. As for Alan LEONG, he is different. Although I do not agree with him and I want to scold him later — I will not scold him today because there is no time and no point to do so. Therefore, when it comes to affinity, Alan LEONG is different. He still wants to shatter the "birdcage".

President, I must advise Members that instead of participating in the coterie election, they should mobilize Hong Kong people and ask them to do what they already did in December last year — taking to the streets to voice their opposition to the coterie election. I will definitely do so. I also hope that all those who oppose coterie elections can stop arguing with him. They should instead mobilize the forces of the masses, telling the whole world that it will be possible to abolish all coterie elections.

President, I am going to do what I already did a year ago — shattering this birdcage. This birdcage can be shattered only with the power of the masses. I must now tell Members that I may not be able to shatter the cage all by myself. But, well, it may be possible. Who knows? (*Punching sounds*) Can it be shattered? Can it be shattered?

I call upon Members to participate in the march on 9 December, so as to oppose coterie elections. Thank you, President.

PRESIDENT (IN Cantonese): Mr LEUNG Kwok-hung, you will take away the broken birdcage, won't you? Also, if there are any pieces on the floor, you will also remove them, right?

MR LEUNG KWOK-HUNG (in Cantonese): Yes, I will.

MR MARTIN LEE (in Cantonese): Madam President, let me say a few words on Mr Howard YOUNG's amendment as a start. The original motion is very simple, and it reads, "That this Council considers the year 2012 appropriate for electing the Chief Executive by universal suffrage." The motion as amended by him will be: "That this Council considers that, should the pertinent conditions be ripe, meaning that there is a nominating committee which is broadly representative and acceptable to both the Central Government and Hong Kong,

and the relationship between the Executive and the Legislature has been rationalized and is harmonious, this Council hopes that the election of the Chief Executive by universal suffrage will be held in 2012." . In fact, what he is trying to say is this: Only when "Grandpa" considers the year 2012 appropriate for electing the Chief Executive by universal suffrage will this Party dare to hope that the election of the Chief Executive by universal suffrage will be held in the Hong Kong Special Administrative Region. This is what he means, and put it in simpler terms, it means that "Grandpa" considers 2102 not appropriate for electing the Chief Executive by universal suffrage. It is just this simple.

(THE PRESIDENT'S DEPUTY, MS MIRIAM LAU, took the Chair)

He actually has just one point to make even though he has put in so many words and that is, they originally supported the election of the Chief Executive by universal suffrage in 2012 but now, although it is only said that the year 2012 is considered appropriate, he still does not dare to agree with it. He even proposed to delete the word "appropriate", and he only dared to say that they "hope" to see it happen. Even though he had put in so many words, he went no further than just "hoping" to see it happen. Madam President, I really.....Deputy President, I beg your pardon. You are a member of the Liberal Party and I am really sorry about it. This proves that you have the courage to face reality.

I know all Members from the Liberal Party and I do not believe that they have the mentality of a slave. They are not this kind of people, and they have their convictions. But why do they propose such an amendment? It really baffles me. Why do they have to put it this way? They only said that they hoped to see it happen and it is only when so many conditions are met that they dare to have this hope. Does it follow, then, that even for daydreaming, we can daydream only when many conditions are met?

About Mr TAM Yiu-chung, at least he was willing to rise to speak, and I thank him for speaking because I thought that the DAB was not going to speak at all. He mentioned again our voting down of the constitutional reform package in December last year, and he said that the package was a big step forward. He must have been confused, for he has forgotten that the decision made by the

NPCSC on 26 April 2004 had already stated the proportion of directly-elected seats of the Legislative Council election in 2008, that is, the ratio between directly-elected seats and functional constituency (FC) seats shall remain unchanged. This was expressly stated a long time ago, so how could the constitutional reform package be a step forward? How could it be a big step forward? In the first term of the Legislative Council, there were 20 directly-elected Members and 30 FC Members; in the second term, there were 24 directly-elected Members and 30 FC Members; in the third term and that is, the present term, there are 30 directly-elected Members and 30 FC Members. Now that we have come to a draw, and as the ultimate aim is to return all seats by universal suffrage, it follows that in the fourth term, we must take over them. But it is now stated explicitly that we must not take over them and that we can increase our number only horizontally at most. How can this be moving forward, let alone a big step forward? Are you treating me as a two-year-old child? How can you say it? Of course, he said this because the Government had said so, as the Government had said that they would move forward. But the Government did not say "a big step", for it only said that it is necessary to move forward. But some time afterwards, now Mr TAM thinks that we have forgotten it and changes the Government's remark of "moving forward" into "moving a big step forward".

He also mentioned the approach of "formulating a roadmap before a timetable". Owing to my very poor standard of Chinese standard, I had asked YEUNG Sum whether it is the word "屠" as in "屠殺" (meaning massacre). I thought that he was saying that all Members of the opposition must be massacred before he could declare support for universal suffrage. YEUNG Sum told me that it is not "屠", but "圖" as in "路線圖" (meaning roadmap), while "表" means timetable. In fact, this analysis of mine is more accurate, because Mr TAM did not declare support for the amendment. He did not say that he supported it. This amendment mentions harmony, and if Members of the democratic camp are exterminated, harmony must follow and by then, he can declare support for it. In fact, I think it is also correct to adopt my interpretation.

Finally, I really feel puzzled as to why they cannot support the motion even though it only says "appropriate" and what is more, it says the year 2012. If we compare the society of Hong Kong with countries or territories all over the world, if we are talking about the conditions for election, what conditions do we lack? What do we not have? Whether in terms of education or the economy,

all our conditions compare far more favourably with other places. About those democratic countries all over the world, let us think about the time when they first introduced democratic universal suffrage. For some countries, it may date back to several decades ago and for others, it may even be several centuries ago, and when we look at the situation at that time and compare it with ours in Hong Kong now, could it be that our conditions are still not appropriate? We are not talking about the conditions now, but those in 2012. Could it be that they are still not appropriate? I believe in the vote to be taken later, not many people would say that the conditions are appropriate. Why do we not have confidence in ourselves? Why do we look down upon ourselves? In fact, if we do not support this motion, those Members voting against the motion and abstaining in the vote will think that Hong Kong basically has no condition for universal suffrage to be implemented, not even in 2012.

In fact, from the angle of "Grandpa", it is true that we really do not have the conditions. Why is it that the year 2012 is not an appropriate time for Hong Kong from the angle of "Grandpa"? It is because the DAB cannot win. They often say that they are not ready. Why are they not ready? Because they are not ready to win. When "Grandpa" thinks that they are not ready to win, then, universal suffrage should not be implemented in Hong Kong. It is just this simple. This issue has been debated in this Council many times. The birdcage has been broken over and over again. It must be mended because it will certainly be brought here again in the future. In fact, "Long Hair" should not have punched it thrice; it is enough to punch it once, for it would be easier to mend it. Moreover, the President told him earlier that he must put the birdcage away, and it so happened that he mentioned "foot binding" at that time. I was worried that he would really put his foot on the table, because that would go along well with what he was saying then and fortunately, he did not do so (*the buzzer sounded*).....

DEPUTY PRESIDENT (in Cantonese): Time is up.

DR LUI MING-WAH (in Cantonese): Deputy President, Hong Kong is a city with a lot of freedoms. As we can see, the freedom of the media has gone beyond the moral standards expected of the press industry. The freedom of speech tolerates people with grievances hurling abuses at other people in front of the Legislative Council. Hong Kong has become a city of procession, thanks to

the perseverance of street fighters carrying coffins in staging protests and processions. What is more, despite the solemnity of the law, judicial reviews have become a common tool used by the general public to challenge the law. Fortunately, these actions of free expression, whether they concern money, benefits or justice, are still carried out within the parameters permitted by law. This is what makes Hong Kong adorable, and a reason why our society has remained relatively peaceful and stable. In a society without universal suffrage for the two elections, members of the public can still enjoy such a high degree of freedom. No wonder Hong Kong people are not very enthusiastic about hastening the progress of democratization.

The Legislative Council is a miniature of society in Hong Kong. Elites from all sectors of the community work conscientiously with seemingly limited latitude. Apart from enacting and amending laws, they have to bring in the views of their constituents and fight for their rights or give advice to the Government in order to exercise an influence on policy formulation, and also monitor the operation and finance of the Government. But irrespective of what topics are under discussion, as the majority of Members are knowledgeable people, they speak in a logical and judicious manner, citing authorities and giving a detailed account of past and present-day experiences. However, the topic under discussion today is the election of the Chief Executive by universal suffrage. The wording of the motion is: "That this Council considers the year 2012 appropriate for electing the Chief Executive by universal suffrage.", but there is no further explanation. Certainly, one of the ultimate objectives of constitutional development in Hong Kong is the election of the Chief Executive by universal suffrage. But if the motion proposes only the date for implementing universal suffrage without explaining the conditions and the reasons for a particular date to be considered — appropriate, that would indeed be putting the cart before the horse and this is incomprehensible.

Originally, the election of the Chief Executive by universal suffrage should be an outcome of democratization, whereas the ultimate objectives of democracy are to maintain social stability, build a harmonious community, assure sustained economic development, and enable the public to live in peace and work in contentment. These are the detailed conditions required. So, when all the conditions are ripe, that would be the appropriate time to elect the Chief Executive by universal suffrage in Hong Kong. These are very clear principles, because constitutional reform is not a military war. In a war, one

side of the war can mobilize all of its forces to serve the purpose of war at all cost, having no regard to sacrifices. But it takes time to reform the constitutional system, and haste would only bring about adverse effects. Although many Asian countries and territories have implemented a democratic system of universal suffrage for many years, their political situation is nonetheless chaotic and volatile. Is this not a very good example of the adverse impact of premature delivery of democracy?

Thank you, Deputy President.

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

MR LEE CHEUK-YAN (in Cantonese): Deputy President, insofar as this topic of discussion is concerned, Mr Ronny TONG considers the year 2012 appropriate for universal suffrage but in fact, time has long become appropriate for it. I am worried that even if universal suffrage is held in 2012, it would regrettably be a sham universal suffrage only. Recently, I have heard of something which, I think, is terrifying, and I am worried that Donald TSANG would follow suit. That is, washing powder can be used for making deep-fried dough-sticks. I am worried that Donald TSANG would do the same and create a sham universal suffrage, just like using washing powder to make deep-fried dough-sticks. This seems quite possible judging from the present trend. Judging from the discussions in the Commission on Strategic Development (the Commission), I have been worried that the final outcome would be a sham universal suffrage.

How will it become a sham universal suffrage? What tricks will be played? I must admit that this is actually provided for in the Basic Law, and tricks will be played in the nominating committee. So, Martin was wrong just now when he said that the DAB could not win in 2012. If tricks are played in the nominating committee by imposing restrictions on nomination and confining the nominees to only a few people, they would stand a good chance of winning in the election, just that we do not know whether or not the Central Authorities would like them to win, but this is another issue. They only have to tamper with the nominating committee and I think they can confine the winning candidate to those people favoured by the Central Authorities.

We can see this trend from the current discussion. I am very worried that, as we can see from the papers of the Commission, the making of a sham universal suffrage would be the composition of the nominating committee which has consistently been under our discussion. For most members of the Commission are inclined to support turning the Election Committee (EC) into the nominating committee. With regard to turning the EC into the nominating committee, let us just take a look at those 800 EC members. If they should really become members of the nominating committee, it will certainly give cause for concern.

I think this system of the 800-strong EC is indeed disastrous to Hong Kong and the people, and it is because of systems like this that Hong Kong is condemned to such a sorry state. First, as we all know, it is obvious that the EC is seriously slanted towards the interest of the business sector. A newspaper had listed the number of representatives of all the consortiums in the EC one day, revealing the number of representatives of companies under LI Ka-shing's group in the EC. They may be returned through various channels; they may not necessarily be returned as representatives of the business sector, as they may also be returned by professional sectors. In fact, judging from the composition of the EC, we all understand that the EC is entirely controlled by consortiums.

Under such a system, the policies made by an EC which is seriously slanted towards the business sector will all be biased in favour of the business sector. On the question of minimum wage, under such a system, how will the Chief Executive dare to propose the setting of a minimum wage? If he has to canvass votes, he must canvass votes from these people who are precisely opposed to setting a minimum wage. In that case, how could the people's livelihood be improved? HU Jintao told him to improve the people's lot, but if HU Jintao genuinely hopes to improve the people's lot, he must first destroy the EC. The existing system has basically deterred improvement to the people's livelihood and to the wealth gap and prevented the distribution of resources from being rationalized. The cause is that all policies are slanted towards the business sector.

Second, I think the EC is actually an "advantage-taking committee". What do I mean? It is because they take an advantage before every election and obtain benefits from their own sectors. The EC would certainly say that they are not taking any advantage. They would say that they are working for the overall interest, because they consider the interest of their own sectors as the

overall interest of Hong Kong. They consider that the overall interest of Hong Kong is equivalent to the interest of their sectors. This is why it is an "advantage-taking committee".

Third, I think this EC is a "puppet committee", for all of its members are puppets. We must bear in mind that when TUNG Chee-hwa was nominated in 2002, he was nominated by this very EC. Later, when even the Central Authorities considered the situation had run out of control and a replacement of the Chief Executive necessary, TUNG Chee-hwa then got a sore leg. Although TUNG Chee-hwa did not perform satisfactorily and public discontent was surging, he was still nominated by the EC then. Why? Because members of the EC are basically puppets at Beijing's beck and call. They do whatever Beijing tells them to. But in Hong Kong, they still act in an overbearing manner as if they are the master, thinking that they have the power to make decisions. How can they have the power to make decisions? They are only puppets on strings. So, if the EC will be turned into the nominating committee, it would really be most unfortunate to Hong Kong.

As things now stand, Members may ask: Is there a chance for universal suffrage to be implemented in 2012? Why does it stand little chance of implementation under such a nominating committee? While it may still stand a chance, we do feel discouraged. Why? It is because from the papers of the Commission, the approach adopted is this: "Whether a universal suffrage proposal with a higher nomination threshold should first be adopted to ensure that the candidates would be acceptable to both the Central Authorities and the SAR, and this would in turn help secure the support of the Central Authorities and various sectors of the community for the proposal." A nominating committee with a very high nomination threshold would be created finally to ensure definite support from the Central Authorities. Why does universal suffrage not stand a chance of implementation in 2012? It is because everything would be controlled then. Another topic under discussion in the Commission is this: "It was necessary to further discuss whether and how to ensure that the Chief Executive-elect would be acceptable to the Central Authorities.". It all boils down to the same thing and that is, how the nominating committee should be tampered with to ensure acceptance by the Central Authorities.

So, Ms Emily LAU was furious on one occasion. She said that a member had proposed that the candidates be first screened by the Central Authorities before their nomination by Hong Kong people. Ms Emily LAU was very

worked up at the time. I was nevertheless sympathetic towards that proponent. Why did he not be more forthright by suggesting that whoever preordained by the Central Authorities shall be elected? Why should it be necessary to make a pretence? This would at least be better than creating a sham, just like using washing powder to make deep-fried dough-sticks.

I think it is most saddening that even if the so-called universal suffrage were held in 2012, it might still be a sham. Worse still, the demand of political parties including the DAB and the Liberal Party is very simple, because whether it be the four conditions put forward by the DAB or the two conditions put forward by the Liberal Party, to put it plainly, they amount to only one condition and that is, to wait for the instructions of the Central Authorities, and they would agree to anything as long as it is approved by "Grandpa". Such being the case, why do they not be more honest by suggesting to do whatever "Grandpa" says, so that there would be no more quarrels among Hong Kong people and political parties would not have anything to say, and in that case, the greatest harmony would be achieved (*the buzzer sounded*).....

DEPUTY PRESIDENT (in Cantonese): Time is up.

MR LEE CHEUK-YAN (in Cantonese): Deputy President, thank you.

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

MR ALBERT CHAN (in Cantonese): Deputy President, concerning this motion today, the League of Social Democrats (the League) should have, in principle, proposed an amendment to it, so as to amend the year of the election of the Chief Executive by universal suffrage to 2007. But by the time when we learned of this motion, as the League is a newly established organization, we might have reacted a bit slowly procedurally, or perhaps as I grow old — I am over 50 and my reaction has started to become slower, which is so often manifested when I am in the football pitch as I could miss the goal even though I was right in front of it. Given the delay thus caused, we were unable to propose an amendment and so, we cannot clearly and fully express the position of the League on the election of the Chief Executive.

So, insofar as today's motion is concerned, its wording cannot clearly express the position of the League and we feel most sorry about it. However, we will continue to fight for universal suffrage in the election in 2007 and we will not give up this basic position and principle. So, we will abstain in the vote on this motion.

Discussions relating to election have been conducted over and over again in this Chamber, and controversies have never ceased over the past decade or so. Although the royalist party has been creating hurdles for other people, smearing people and making allegations by distorting facts, they are always just repeating similar arguments which are basically rather boring. That is why about 80% of the seats here are now empty as this topic is again raised for discussion in this Chamber. To people who have studied politics or read the "ABC" in politics, or even people who understand the development of democratic government or any other political system, the aspiration for universal suffrage is an indisputable fact.

In many elections of deputies to the National People's Congress (NPC) in the Mainland, although many restrictions are imposed on nomination, many deputies to the NPC are returned by universal suffrage. Yet, their situation is rather peculiar, in that some people may vote by proxy on behalf of other people. That said, the extent of universal suffrage (the type of universal suffrage in the Mainland) is still greater than that in the election of the Chief Executive in Hong Kong. So, Hong Kong people should feel ashamed. Hong Kong is even more backward than the Mainland in terms of popular suffrage in election. This is indeed extremely ridiculous, a disgrace to Hong Kong people.

Unfortunately, Hong Kong people are perhaps "economic animals" who would yield to everything as long as they can make money and so, the virtues of propriety, righteousness, honesty and a sense of shame have all vanished without a trace. Officials even behaved arrogantly when discussing this issue. Their attitude is infuriating to all Hong Kong people, and these officials are paid by us (they are paid out of public coffers and by Hong Kong people) but from the way that they have behaved, they are precisely biting the hand that feeds them. Their attitude is so shameful.

I remember clearly that the '80s saw a climax of the pro-democracy movement. I remember that during the assembly at Ko Shan Theatre, the cries of the people and the sentiments of the people were all clearly echoed. There

was no question of election-related benefit or special interest whatsoever at that time, and the movement was purely based on aspirations for democracy and aspirations of the people, and support was also obtained from many religious groups and professional bodies. Now that 20 years have passed in a blink of an eye. Many people and organizations have become subjects of lobby — some are awarded medals, some are appointed to head certain organizations, and some are even recruited to sit on high-level committees. Over the past decade or two, the most significant change has been the Chinese side seeking to establish ties and rally support at all levels, in all directions and through various organizations and even resorting to suppression and coercion, thus causing the entire pro-democracy movement to meet a lot of obstacles in its growth in the community and precluding its healthy development. The League will continue to mobilize the masses and particularly reach out to the grassroots, in order to obtain public support and oppose small-circle elections.

The League will hold a formal press conference tomorrow to make public our position on the election of the Chief Executive. We basically insist on the "three Nos" principle: No nomination, No candidacy, No casting votes. We also call for the immediate abolition of appointed District Council (DC) seats, and we will actively strive for the election of the Chief Executive by universal suffrage and the election of all Members of the Legislative Council by universal suffrage. We will mobilize and call on the public to take part in the procession to be organized by the Civil Human Rights Front on 9 December. Certainly, this procession may not be able to gather the same level of momentum as that of the procession on 4 December last year or that of the 1 July rally in the year before last, but with regard to this aspiration of the people, the participation of some people in the small-circle election must not be interpreted as a sign of achieving democracy. This is a sheer distortion of public sentiments and the true meaning of election.

Democracy cannot be achieved overnight. In a blink of an eye, we have been fighting for democracy for 20 years. Perhaps we still have to fight on for 20 years more, because there are too many distortions like these and as a result, the true aspirations of the people have been neglected.

I do not know for how many times more this Chamber must conduct discussions before democracy will be achieved. With regard to the motion to be proposed by Mr LEE Cheuk-yan next week, I have managed to propose an amendment to it in time to call for a fully elected Legislative Council in 2008.

As I said earlier, Deputy President, the League will abstain in the vote on this motion today.

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

MR ALBERT CHENG (in Cantonese): Deputy President, the topic under discussion today is very simple. It is the election of the Chief Executive by universal suffrage.

In a civilized society, democracy is not a charity handout. It is a right to which every person is entitled. As I said last week, this motion is not a Members' bill. Nor is there any plan to enact legislation. Rather, it is a declaration of position. It is like discussing whether or not we should have food to eat. Mr Ronny TONG's demand is just this simple. We are to discuss whether or not people should have food to eat, whether or not they have the right to eat, and whether or not they have the right to vote.

The election of the Chief Executive by universal suffrage in 2012 is so far away from now. No one knows what will happen a few years later and now, we are only declaring a position on this issue, pointing out that we have the right to eat, and the right to choose our job and the place to live. Certainly, we also have the right to choose our leader. We propose an election mechanism on the basis of "one person, one vote" not because we wish to hand-pick anybody. Mr Ronny TONG has proposed this motion today not because he wishes to hand-pick his fellow party member, Mr Alan LEONG, to be the Chief Executive in 2012. If that is his intention, I would raise objection too. We are only holding discussions on the election. What are we afraid of? If we do not even have the courage to declare our position, how could we be qualified to sit in this Chamber?

Moreover, some Members have insulted the people and voters of Hong Kong. They said that Hong Kong people do not have the qualifications, that they are immature and that they do not know how to choose their leader. If such being the case and if this logic stands, the Chief Executive should not have been elected by 800 people in the first place. What qualifications do they have? Are they more intelligent than me? I am one of these 800 people, but I will not vote in the election of the Chief Executive. I only hold this post, and this post

can be said as a dowry. Honestly, I am not qualified to vote in the election. If my voters are not qualified to vote in the election, how could I be qualified to do so? I really do not know how to vote. If this logic stands, that is, if Hong Kong people are immature and not qualified to return their leader, these 800 people would not be qualified to do so either but preparations are now being made to return these 800 people. Who, in logic, will be qualified to return these 800 people?

If Members oppose this motion and hold the view that Hong Kong people will remain not qualified to elect their Chief Executive in 2012, then this debate should not have been conducted today. Why would it still be necessary to hold an election? We can simply appoint any person to this office, and all the problems would then be settled most expediently.

So, I certainly support Mr Ronny TONG's motion, and I think all amendments are meaningless. If you oppose it, then oppose it right away. Why should it be necessary to propose an amendment? That is only a waste of time, as everyone wishes to go home as soon as possible and few people are sitting here. In a word, this motion today asks for the right to vote, just like asking for the right to eat. Since we can vote to return Members of the Legislative Council, we can vote to return the Chief Executive. So, I think opposing this simple motion on the election of the Chief Executive by universal suffrage is tantamount to opposing our going home and having food to eat.

I so submit.

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

(No Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): If no other Member wishes to speak, Mr Ronny TONG, you may now speak on Mr Howard YOUNG's amendment. You have up to five minutes to speak.

MR RONNY TONG (in Cantonese): Deputy President, when I first read Mr Howard YOUNG's amendment, I found it most puzzling indeed. I had thought

about it for a long time before I realized that this amendment could be interpreted in two ways. The first is from the angle of a "more charitable reading", or a more liberal interpretation, or to put it this way, the amendment is universally applicable. But having thought about it more deeply, I thought if that was the case, why would it be necessary to propose such an amendment? So, the second interpretation is more plausible and that is, there are some implied meanings behind it. The first implied meaning is: ".....should the pertinent conditions be ripe". In other words, it means that the existing conditions are not ripe. I think this implied meaning is not only a gross insult to Hong Kong people, but also a gross insult to the Liberal Party. The second implied meaning is: In order to implement universal suffrage, there should be "a nominating committee which is broadly representative and acceptable to both the Central Government and Hong Kong". In other words, universal suffrage may stand a chance of implementation when these conditions are met. However, these conditions are already known to all people. Why should it be necessary to write them down as an amendment?

There are two more points which, I think, are really incomprehensible. First, what he is saying seems to imply that this broadly representative nominating committee has nothing to do with him, and that where there is this committee, there is universal suffrage, but he is not going to fight for it. Second, there may be a nominating committee, but it is acceptable neither to the Central Authorities nor Hong Kong people. I think this does not stand to reason at all. I believe the Central Authorities hope that Hong Kong will be a success, rather than a failure. There have been contentions over constitutional reforms in Hong Kong for such a long time, and these internal conflicts have caused so much depletion of energy. If we can resolve this problem, I believe Hong Kong will have an even brighter future. Such being the case, why would there be a broadly representative nominating committee which is nevertheless not acceptable to the Central Authorities or Hong Kong or even not acceptable to both the Central Authorities and Hong Kong? This is impossible. Such being the case, why would it be necessary to propose this amendment?

The third point is even more preposterous and that is: "the relationship between the Executive and the Legislature has been rationalized and is harmonious". Universal suffrage will stand a chance of implementation when this condition is met, but I think that this third footnote is all the more like putting the cart before the horse. Now, we all see that the relationship between the executive and the legislature is extremely tense, unharmonious and not

rationalized, but why? The reason is that the Chief Executive is not returned by universal suffrage, but by 800 people and so, he does not command any credibility, whereas at least half of all Members of the Legislative Council do have credibility. When they do not see eye to eye with each other or when conflicts arise between them, the relationship between the executive and the legislature is bound to be tense. If universal suffrage is implemented, the relationship between the executive and the legislature will likely improve because if the Chief Executive is returned by the majority of the people and at least half of all Members of the Legislative Council are also returned by the people, their views will certainly be similar, in which case conflicts are unlikely to arise. In other words, universal suffrage is a crucial factor for the relationship between the executive and the legislature to be rationalized and to become harmonious. So, if it is said that universal suffrage can be implemented only when the relationship between the executive and the legislature is harmonious, what is it if it is not putting the cart before the horse?

For these reasons, I think if this amendment is not superfluous, then it is an amendment with grossly insulting implications. I really do not know the answer but in any case, I hope that colleagues will oppose this amendment.

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Deputy President, the election of the Chief Executive by universal suffrage is the ultimate aim set out in the Basic Law for Hong Kong. Universal suffrage must be and will be implemented in Hong Kong. The general direction of our work is "formulating a roadmap before a timetable", which means that we will first explore and discuss this issue and reach a consensus on what model should be adopted for implementing universal suffrage in line with the relevant provisions of the Basic Law. After a consensus is reached on the model for universal suffrage, the roadmap for achieving universal suffrage in Hong Kong can be outlined and the timetable for universal suffrage will naturally be worked out. On the contrary, this motion today is actually putting the cart before the horse. If we provide a timetable hastily before deciding on the model and roadmap for universal suffrage, the timetable may turn out to be just empty talk.

Since the establishment of the Commission on Strategic Development (the Commission) in November last year, we have been encouraging discussions on the models for universal suffrage both inside and outside the Commission. There have been discussions in the Commission and also in the Legislative

Council. Since the establishment of the Commission in November last year, six meetings and four workshops have been convened to discuss how this ultimate aim of universal suffrage can be achieved in accordance with the Basic Law. The seventh meeting is scheduled to be held tomorrow, and the Commission will hold further discussions on the models for electing the Chief Executive and Members of the Legislative Council by universal suffrage.

Earlier on, Mr Frederick FUNG particularly asked whether the concept of universal suffrage is related to other developments in society, such as economic development. He also asked whether we, in handling this issue, should consider the matter from various perspectives and at various levels. Let me briefly respond to this point. Our view is that there is no conflict between free economy or capitalism in Hong Kong and democratic elections by universal suffrage which will be ultimately realized. They even complement each other from a certain perspective.

However, if we should deal with this issue in accordance with the Basic Law, we must take into account other considerations, such as whether the low tax regime can be maintained when universal suffrage is ultimately implemented, and whether a fiscal balance can be maintained in accordance with the Basic Law. All these are very important considerations founded on the principles enshrined in the Basic Law. They include, firstly, we must have regard to meeting the interests of various sectors of society when implementing universal suffrage and in the course of constitutional development; secondly, we must ensure that these developments will facilitate the development of the capitalist economy; thirdly, we must uphold the principle of gradual and orderly progress; and fourthly, we must ensure that the actual situation in Hong Kong is suitable. The four principles are highlighted by Chairman JI Pengfei in 1990 in his address to the NPCSC when he submitted the draft of the Basic Law and also extracted from the provisions of the Basic Law. These principles are enshrined in the legislative intent and provisions of Basic Law.

(THE PRESIDENT resumed the Chair)

The Commission is in the course of conducting substantive discussions on the possible models for electing the Chief Executive and for forming the

Legislative Council by universal suffrage. In respect of the model for electing the Chief Executive by universal suffrage, three areas of our discussion are worth mentioning. First, we are now discussing the composition and size of the nominating committee; second, we are discussing the proposals on or methods of nominating candidates for the Chief Executive election; and third, we are discussing the method of electing the Chief Executive by the public or registered voters by universal suffrage after nomination.

The Commission has actually made some progress in its work, and differences have also been narrowed through the discussions. I would sum up the progress in three points and I would like to explain them to this Council and Members here. First, generally speaking, members of the Commission agreed that the nominating committee should be formed in accordance with the Basic Law. Second, according to the proposals put forward by different people, organizations and political parties over a period of time earlier, the size of the nominating committee can range from 60 to 5 000 members. Recently, more members have proposed that the nominating committee be made up of 800 members, or between 1 200 and 1 600 members. They proposed that the size of the commission should be within this range. Certainly, other members have proposed other models of composition, and we have also received other proposals outside the Commission. Third, members are inclined to support that at the early stage of implementing universal suffrage, the nomination threshold should not be too low. More members have proposed that the nomination threshold should be set at one eighth or a quarter of the size of the nominating committee.

President, I am very glad to see that Members of the Legislative Council and political parties with representatives in the Legislative Council have put forward proposals on various aspects. For example, Mr Ronny TONG put forward proposals that he has considered on how the nominating committee should be set up. Mr Howard YOUNG recapitulated the contents of the papers submitted and proposals made by the Liberal Party to the Commission. Besides, the Democratic Alliance for the Betterment and Progress of Hong Kong also proposed the approach of "formulating a roadmap before a timetable", and suggested that consideration can be given to implementing universal suffrage for the election of the Chief Executive first. The Democratic Party proposed that the nominating committee be formed by Members of the Legislative Council and members of the public will elect the Chief Executive on a "one-person-one-vote" basis. The Hong Kong Association for Democracy and People's Livelihood

proposed that consideration be given to forming a nominating committee by 3 200 members from all sectors of the community. Mr LEE Cheuk-yan also expressed some opinions. He proposed that consideration be given to allowing political parties or voters to nominate candidates subject to confirmation by the nominating committee. Ms Emily LAU also provided some input. She considered that the nominating committee should be returned on the principle of "one person, one vote".

These many concrete proposals can facilitate discussion and provide more conditions for differences to be gradually narrowed. Although not every proposal is fully in line with the principles of the Basic Law, Members are very welcomed to make their suggestions and participate in the discussion continuously.

Many Members said to me on various occasions that concerning the report to be published in the first half of next year, as the Government of the Special Administrative Region (SAR) had said that the report would be submitted to the Central Authorities, should the Commission first consult the Legislative Council and members of the public when drawing conclusions on the discussion of this report? Let me explain this to Members. To amend the method of election successfully, we must, according to Annex I to the Basic Law, obtain a consensus among the Legislative Council, the Chief Executive and the NPCSC before the amendment can be taken forward. So, in order to achieve universal suffrage, it is necessary to forge a consensus in the community of Hong Kong and also in the Legislative Council.

The discussion that we are currently conducting is a kind of groundwork. The discussion on universal suffrage is conducted using a "dual-track" approach, that is, discussion is being conducted both in the Commission and in the Legislative Council. Members of the Commission come from various sectors of the community, including professionals, the academia, the business sector, members of different political parties, Members of the Legislative Council, and representatives of the labour sector and the media. We have purposely made the membership of the Commission wider ranging in terms of members' status or background because we hope to incorporate public views more extensively in the initial stage of our work. We hope to create a milieu where different opinions can be expressed and subsequently gathered and consolidated in future, so that when we put forward proposals at another stage, there will be more conditions for a consensus to be reached both inside and outside the Legislative Council.

President, at the present stage, we have been submitting to the Legislative Council Panel on Constitutional Affairs the papers and records of discussion of the Commission. We also discuss issues relating to constitutional development in the monthly meetings of the Panel. Efforts have been stepped up to conduct discussion and sum up opinions expressed inside and outside this Council as well as those expressed inside and outside the Commission, in the hope that a wider foundation can be provided for the third Chief Executive during his governance between 2007 and 2012. In the first half of next year, the report to be compiled by us will incorporate a diversity of views. After the publication of the report, we believe it can give impetus to further discussions in society, thereby laying a broader and deeper foundation for achieving the ultimate aim of universal suffrage.

Before I conclude, I wish to respond to a number of points made by Members today. When he spoke at the outset, Mr Ronny TONG particularly mentioned the International Covenant on Civil and Political Rights (ICCPR) and again, he mentioned that equal and universal suffrage is a basic right. In fact, the Commission had also conducted discussions on equal and universal suffrage. The Commission basically supported it, and this was also made clear to the Legislative Council. However, I wish to repeat a point and that is, it is not because the ICCPR is applicable to Hong Kong that Hong Kong shall achieve the ultimate aim of universal suffrage, as the British Government made a reservation provision in respect of Article 25 in 1976 when extending the ICCPR to Hong Kong, and the reservation provision has since remained effective. But in 1990 when the Basic Law was formulated, a decision was made on the ultimate aim of universal suffrage in respect of the electoral system for selecting the Chief Executive and the method for forming the Legislative Council and so, this aim will definitely be achieved.

Mr Alan LEONG and Ms Emily LAU also done a very detailed analysis of the composition of the various subsectors of the Election Committee (EC) as well as the ratio between the number of seats and the number of voters. I understand that over the years, the two Members as well as many other Members in the opposition have held this view.

However, what I wish to say is that the EC is composed of 38 subsectors and this has, in fact, realized the principle of "balanced participation". This is a very important decision made in the formulation of the Basic Law. The purpose is to ensure that the opinions of various sectors and strata in the community are

taken into account in the election of the Chief Executive. Indeed, when determining the composition of the nominating committee, we have to make reference to and consider this principle of "balanced participation".

The principle of "balanced participation" is actually enshrined in Article 45 of the Basic Law. The Chief Executive to be elected by universal suffrage in the future must overcome two hurdles: The first hurdle is to solicit support from the nominating committee, a broadly representative nominating committee representing support from various sectors and strata in the community. The second hurdle is to solicit support from registered voters. It means that a candidate must obtain two tiers of support from the public and the community before he can win in the election, and only in this way will a Chief Executive be returned. This arrangement requiring the candidate to overcome two hurdles is actually beneficial to the overall interest of Hong Kong, because a Chief Executive so returned must have regard to the interests of different strata and sectors and also the interest of the general public, and this will be tremendously helpful to his governance in his five-year term after election.

Mr CHIM Pui-chung, who is not in the Chamber now, particularly stressed that a number of very important elections will be held in the next two years and he considered that some of these elections are critical. Apart from the elections of the EC and the Chief Executive, he particularly made mention of the District Council (DC) Election and the Legislative Council Election.

Mr LAU Wong-fat also stressed in particular the proposals that we made on the methods of elections in 2007 and 2008. With regard to the constitutional reform package that we proposed last year for the elections in 2007 and 2008, the SAR Government has indeed made its utmost effort, with the objective of promoting the development of democracy in Hong Kong in accordance with the Basic Law. We made two fundamental decisions. First, we hope that DC members can be incorporated into the two electoral systems for the Legislative Council and the Chief Executive elections; second, we stated clearly that we would not further increase the number of functional constituency (FC) seats, with a view to enhancing democratic representation in the two electoral systems.

This proposal could, on the one hand, provide more room for political participation, enabling members in the second and the third echelons of political parties to take part in the fourth Legislative Council election in 2008, and on the

other hand, it can provide much greater room and a more solid foundation for discussion in the community of Hong Kong and with the Central Authorities on the course of development towards universal suffrage. But much to our regret, although 60% of the public were in support of this proposal, Members of the opposition did not respect public opinions and voted down the electoral package for 2007 and 2008.

So, Mr LEUNG Yiu-chung made some remarks about "having powers but not responsibilities and having responsibilities but not powers". But in my view, the most fundamental principle is that insofar as constitutional development is concerned, Members of the Legislative Council have the powers and the responsibilities because Annexes I and II to the Basic Law have conferred on Members of the Legislative Council considerable powers and obligations, and Members have the duty to scrutinize constitutional reform proposals and determine the progress of democratization in Hong Kong in future.

Since our discussion today has covered constitutional development in 2012 and thereafter, I very much hope that Members in this Chamber representing their own opinions or those of various political parties can learn the lesson of last year and recount experience. Should another opportunity arise between 2007 and 2012 for drawing up a proposal to take forward democratization in Hong Kong, Members must think twice before they act and must not vote it down hastily.

President, Members have drawn some analogies today, such as whether our constitutional system is like clayware or jadeware. I believe if the electoral package for 2007 and 2008 is clayware as described in the analogy used by Mr TAM Yiu-chung, then, on the day when universal suffrage is achieved, the constitutional system would become jadeware. As the saying goes, "jade cannot be made into anything without being carved and polished". To devise a system of universal suffrage suitable for the SAR, we must devote painstaking efforts to its formulation and constantly refine the proposals with meticulous care before we stand any chance of success. So, at the present stage, we must carefully handle and outline the model of universal suffrage and the roadmap before a timetable for universal suffrage can be worked out, or else it would be like driving a bus but "skipping all bus stops". Now, we must first decide on the model and roadmap before we can work out a timetable for arriving at the terminus. "Skipping bus stops" are irresponsible and so, President, I hope that

Members can put aside their prejudices and gradually reduce the differences in opinions, with a view to ultimately forging a consensus on the implementation of universal suffrage in Hong Kong.

With these remarks, I hope that Members will not support the motion.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Mr Howard YOUNG to Mr Ronny TONG's motion, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr James TIEN rose to claim a division.

PRESIDENT (in Cantonese): Mr James TIEN has claimed a division. The division bell will ring for three minutes, after which the division will begin.

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

(There were problems with Mr LEUNG Kwok-hung's voting buttons)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, you may now revise your vote as the indicator light is still blinking.

(Mr LEUNG Kwok-hung tried to press the button to cast his vote)

PRESIDENT (in Cantonese): Could you do it? No? Perhaps you can tell me how you had voted, so that we can revise the voting result later on.

MR LEUNG KOWK-HUNG (in Cantonese): I pressed the "abstain" button.

(Mr LEUNG Kwok-hung pressed the button again to cast his vote)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, are the voting buttons working now?

MR LEUNG KOWK-HUNG (in Cantonese): They are working now.

PRESIDENT (in Cantonese): They are working now? Good. Do other Members have any problem?

(No Member indicated any problem)

PRESIDENT (in Cantonese): If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mrs Sophie LEUNG, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM and Mr Andrew LEUNG voted for the amendment.

Dr LUI Ming-wah, Ms Margaret NG, Mr CHEUNG Man-kwong, Mr Bernard CHAN, Mr SIN Chung-kai, Mr Timothy FOK, Mr Abraham SHEK, Dr Joseph LEE, Dr KWOK Ka-ki, Dr Fernando CHEUNG, Prof Patrick LAU and Miss TAM Heung-man voted against the amendment.

Dr Raymond HO, Dr Philip WONG, Mr WONG Yung-kan, Ms LI Fung-ying, Mr WONG Kwok-hing, Mr WONG Ting-kwong and Mr KWONG Chi-kin abstained.

Geographical Constituencies:

Mr James TIEN and Mrs Selina CHOW vote for the amendment.

Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG and Mr Albert CHENG voted against the amendment.

Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr LI Kwok-ying and Mr CHEUNG Hok-ming abstained.

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

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

PRESIDENT (in Cantonese): Mr Ronny TONG, you may now reply and you have four minutes four seconds.

MR RONNY TONG (in Cantonese): President, I was in great fear as I was sitting here. What was I afraid of? I was not afraid of my motion being negated, as I already expected so. I was afraid that the number of Members speaking on this motion may be even less than the number of Members speaking

on the previous motion about building a casino on Lantau. Unfortunately, my guess was correct, for only 22 Members have spoken. The Alliance is better, for three Members from The Alliance have spoken. But Dr Raymond HO has spoken for less than two minutes, and I think his speech may break the record as being the shortest speech ever made. That said, however, I heard him say that he supported the implementation of universal suffrage in 2012.

Two Members of the Liberal Party have spoken, and it seems that only one Member of the Democratic Alliance for the Betterment and Progress of Hong Kong has risen to speak. Members who are in opposition were "relaxing and having a good time" outside this Chamber most of the time. On this very solemn issue, some Members did not even speak and worse still, they refused to sit in this Chamber to listen to other Members' speeches. I think this is insulting and saddening to this Council. It is also saddening to Hong Kong people.

The Secretary's response was even the strangest. He said that he hoped that we could put aside our prejudices, but he hoped that we would vote against the motion. This has indeed laid bare his intention for all to see. So, I do not think that I should respond to what he said.

Summing up what the opposing Members have said, I can see that their mindset is quite consistent and it can be fully explained in just a few words and that is, to be at the beck and call of the Central Authorities. This makes me think of a famous line by LU Xun who said that a democratic society cannot be built by people with a slave mentality. I do not believe that the Central Authorities will oppose the implementation of universal suffrage in Hong Kong, but if the Central Authorities are truly opposed to the implementation of universal suffrage in Hong Kong, what will be our responsibility? Our responsibility will certainly be working hard to make the Central Authorities understand the actual situation in Hong Kong and listen to the aspirations of Hong Kong people, rather than saying, "You may try if you so wish and if you succeed, then you are doing a good job but I think there will be a lot of problems and although I have no bias, I oppose your doing this."

In fact, President, as things now stand, I really have nothing to say anymore, (*laughter*) because they said on the one hand that they are not biased

but they put up opposition on the other. Indeed, we do not see how we can possibly convince them and perhaps this is a question of mindset or personality. President, the Government has once said in this Council to the effect that money does not grow on trees. This is very true. We would say that democracy will not descend from Heaven. Our responsibility is to make the utmost effort to fight for universal suffrage. Friends from the League of Social Democrats said that universal suffrage should be implemented next year. We do not oppose their view, but we are more pragmatic in hoping that universal suffrage can be held in 2012 at the earliest. There will be six years to go from now, and if we should be geared up to a new goal, I hope we can make a start now. Let us work in concert to strive for the implementation of universal suffrage in 2012. Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Ronny TONG be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Dr YEUNG Sum rose to claim a division.

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

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

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

Functional Constituencies:

Ms Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr Joseph LEE, Dr KWOK Ka-ki, Dr Fernando CHEUNG and Miss TAM Heung-man voted for the motion.

Dr LUI Ming-wah, Mr Bernard CHAN, Dr Philip WONG, Mr Timothy FOK and Mr Abraham SHEK voted against the motion.

Dr Raymond HO, Mrs Sophie LEUNG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Vincent FANG, Mr WONG Kwok-hing, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Prof Patrick LAU and Mr KWONG Chi-kin abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Ms Emily LAU, Mr Andrew CHENG, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr Ronny TONG and Mr Albert CHENG voted for the motion.

Mr James TIEN, Mrs Selina CHOW, Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Mr Albert CHAN, Mr LI Kwok-ying, Mr LEUNG Kwok-hung and Mr CHEUNG Hok-ming abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 27 were present, seven were in favour of the motion, five against it and 15 abstained; while among the Members returned by geographical constituencies through direct elections, 27 were present, 15 were in favour of the

motion and 11 abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negated.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 29 November 2006.

Adjourned accordingly at twenty-five minutes past Seven o'clock.

Appendix I

WRITTEN ANSWER

Written answer by the Secretary for Security to Mr LEUNG Kwok-hung's supplementary question to Question 3

As regards the amount of resources injected into anti-drug work under the five-pronged approach from 2003 to 2005, the information is set out in the table below for Members' reference.

	<i>2003-2004</i> <i>(\$ million)</i>	<i>2004-2005</i> <i>(\$ million)</i>	<i>2005-2006</i> <i>(\$ million)</i>
Legislation and Law Enforcement	299.9	308.2	297.1
Treatment and Rehabilitation	302.5	276.7	266.6
Preventive Education and Publicity	20.2	18.9	17.7
Research	4.8	3.8	4
External Co-operation	3.2	2.3	1.2
Total	630.6	609.9	586.6

Appendix II**WRITTEN ANSWER****Written answer by the Secretary for Health, Welfare and Food to Mr LEUNG Yiu-chung's supplementary question to Question 6**

As regards how the Government assessed whether the resource for outreaching services for young night drifters was adequate, the Social Welfare Department (SWD) spends about \$1.285 billion for the provision of various youth services in 2006-2007, which accounts for 3.7% of the total expenditure of the Department. Besides, the SWD has since August 2005 provided an additional \$13 million recurrent resources for non-governmental organizations to increase their manpower to provide more timely intervention service for young night drifters.

As youth services are people-based, we would carefully take into account the indicators relevant to the needs of young people to assess if the resources are adequate and determine the relative priorities in the allocation of resources for different districts. These indicators include youth population figures in different districts, number of youths at risk, number of juvenile crimes, number of young drug abusers and number of youths cautioned under the Police Superintendent's Discretion Scheme. While these indicators may not fully reflect the needs of the young people, they help us understand more effectively the situation of the youths at risk in different districts so that we can target our limited resources to the districts with greater needs.

Appendix III**WRITTEN ANSWER****Written answer by the Secretary for Security to Mr WONG Kwok-hing's supplementary question to Question 6**

As regards whether the figures of youths under 18 committing crimes had been further broken down by housing estate, we have now followed up with the police, and we understand that they do not keep such figures.