

# OFFICIAL RECORD OF PROCEEDINGS

Thursday, 17 January 2008

The Council met at Three o'clock

## MEMBERS PRESENT:

THE PRESIDENT

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

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

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

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 JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

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

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

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

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

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

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

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

DR THE HONOURABLE YEUNG SUM, J.P.

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

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

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

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

THE HONOURABLE CHOY SO-YUK, J.P.

THE HONOURABLE ANDREW CHENG KAR-FOO

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

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

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

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

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

THE HONOURABLE VINCENT FANG KANG, J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

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

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

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

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

DR THE HONOURABLE KWOK KA-KI

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

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

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

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

THE HONOURABLE CHIM PUI-CHUNG

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

THE HONOURABLE ALBERT JINGHAN CHENG, J.P.

THE HONOURABLE KWONG CHI-KIN

THE HONOURABLE TAM HEUNG-MAN

THE HONOURABLE MRS ANSON CHAN, G.B.M., J.P.

**MEMBERS ABSENT:**

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

**PUBLIC OFFICERS ATTENDING:**

THE HONOURABLE HENRY TANG YING-YEN, G.B.S., J.P.  
THE CHIEF SECRETARY FOR ADMINISTRATION

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

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

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

THE HONOURABLE FREDERICK MA SI-HANG, J.P.  
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

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

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

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

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

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

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

PROF THE HONOURABLE K C CHAN, S.B.S., J.P.  
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

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

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

**CLERK IN ATTENDANCE:**

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

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

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

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

(Mr LEUNG Kwok-hung displayed a basket)

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

**MR LEUNG KWOK-HUNG** (in Cantonese): I am not speaking on universal suffrage today .....

**PRESIDENT** (in Cantonese): This is not the time for you to speak. Would you please observe our rules?

**MR LEUNG KWOK-HUNG** (in Cantonese): I wish to buy some pork. I have \$10 here. Chief Executive, last time I gave you a carrot .....

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, please do not behave like that.

**MR LEUNG KWOK-HUNG** (in Cantonese): ..... I said without a minimum wage ..... I have only \$10 here. Tommy CHEUNG said it was ridiculous, too.

**PRESIDENT** (in Cantonese): All right, Mr LEUNG Kwok-hung, I am giving you a formal warning now. This is not the time for you to speak. Would you please stop? We have seen your basket. Please sit down.

(Mr LEUNG Kwok-hung disregarded the President, and continued to remain standing)

**MR LEUNG KWOK-HUNG** (in Cantonese): I wish the Chief Executive will prevent the public utilities from increasing their tariffs, legislate on a minimum wage, provide retirement protection, and let the poor have food to eat .....

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, would you please sit down?

**MR LEUNG KWOK-HUNG** (in Cantonese): I wish he can hear.

**PRESIDENT** (in Cantonese): Come on, sit down. *(Laughter)*

(Mr LEUNG Kwok-hung sat down)

**PRESIDENT** (in Cantonese): Chief Executive, you may address the Council now.

**CHIEF EXECUTIVE** (in Cantonese): President, Honourable Members, the Standing Committee of the National People's Congress (NPCSC) has set a clear timetable for the election of the Chief Executive by universal suffrage in 2017 and the election of Legislative Council Members by universal suffrage in 2020. This is a most important step for Hong Kong's constitutional development. Hong Kong is entering a new chapter in its constitutional discussion. We should try to apply fresh thinking to this new development and treasure this hard-earned opportunity. We must take forward democracy pragmatically and rationally.

Over the years, some Hong Kong people have indicated a lack of confidence in the efforts of the Central Government and the SAR Government in taking forward a democratic political development in Hong Kong. They have always assumed that the Central Government and the SAR Government wish to delay the pace of democratization in Hong Kong, with no sincerity at all in resolving the issue of universal suffrage. After the decision made by NPCSC on 29 December, they have speculated with skepticism, believing that all sorts of barriers will certainly be imposed behind the scene. There will be "bogus democracy" and "bogus universal suffrage". Such distrust is unnecessary and not constructive.

Under the "one country, two systems" framework, Hong Kong people should respect the Central Government's constitutional status and authority concerning political development. Otherwise, there would be no common ground for discussions. The Central Government has set a clear timetable for universal suffrage. Whether the establishment and further development of a future democratic system of which Hong Kong people can be proud hinges on whether or not the city can move away from the vicious internal debates. Each and every Hong Kong citizen, including Honourable Members present, has a responsibility to play their part in this. All of us, including me, are duty-bound, and we have no way to avoid or escape from being answerable to members of the public.

The establishment of a democratic system needs careful planning and attentive management. After the timetable has been set, enormous follow-up work that needs to be handled with concerted efforts is ahead of us. We should seek common grounds while reserving differences in a rational, pragmatic and tolerant manner. While we are fighting for an ideal proposal, we should also be willing to make compromises. Our next step is to achieve the target of enhancing the democratic elements in the two electoral arrangements in 2012. The next step will focus on the last Legislative Council election in 2016 prior to universal suffrage. This will be followed by the further step of implementing universal suffrage for the election of the Chief Executive in 2017. The last step will be the election of Legislative Council Members by universal suffrage in 2020. We will take these four steps to accomplish the grand mission of universal suffrage. We must not act on the spur of the moment, leaving the electoral arrangement of 2012 marching on the spot once again. This will only bring continuous contention in society, resulting in futile efforts of no avail, a stalling of the pace of implementing universal suffrage, and failure in the mission entrusted to us by the public.

Honourable Members, the realization of universal suffrage under the framework of "one country, two systems" has great historical significance. If only Hong Kong people will make concerted efforts, we will certainly be able to achieve great success in implementing universal suffrage, and write an admirable chapter of our Hong Kong story in the development of democracy. It is up to us to decide whether we take a giant step forward or stand on the same spot.

Thank you, President.

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

**MR VINCENT FANG** (in Cantonese): *President, Chief Executive, recent rising prices and soaring rents have made business very difficult for retailers. Recently I learnt that Schemes of Control Agreements (SCAs) have been signed between the Government and the two power companies under which the permitted rate of return on Average Net Fixed Assets has been lowered to 9.99%. May I ask how much saving in tariffs this measure will bring to consumers and when the downward adjustment will be implemented?*

**CHIEF EXECUTIVE** (in Cantonese): President, as Mr FANG has said just now, under the new SCAs, the permitted rate of return of the two power companies has been lowered. The existing permitted rate of return of 13.5% for one of the companies and 15% for the other will be lowered to 9.99% across the board. According to our present calculation, after the downward adjustment, the amount of reduction in tariffs payable by residents and business operators will be around \$5 billion per annum. When will this be effective? This will have to be reflected in the tariffs. According to our present calculation, it should be a reduction of double digits. The timeframe of implementation for CLP Power Hong Kong Limited and Hong Kong Electric Company is different. The time of implementation for CLP Power Hong Kong Limited, that is, the time for tariff reduction, should commence on 1 October this year. And the tariff reduction for Hong Kong Electric Company will commence on 1 January next year.

**PRESIDENT** (in Cantonese): Mr Vincent FANG, do you need to ask a follow-up?

**MR VINCENT FANG** (in Cantonese): *That would not be necessary.*

**MISS TAM HEUNG-MAN** (in Cantonese): *Chief Executive, in reply to a question I raised in this Council yesterday about the substantive impacts of the*

*subprime mortgage crisis in the United States, Secretary Prof Ceajer CHAN said that Hong Kong would not be affected by the subprime mortgage problem of the United States, because the economy of the Mainland was robust and there was an increase in Hong Kong's export of services. The Secretary had given us a shot in the arm, telling us not to worry. But when the Secretary was making that remark, yesterday the stock market seemed to have recorded the biggest drop of the index in a single day since the "September 11" incident. The shot in the arm seemed to have no stimulating effect on analysts. Before the financial turmoil in 1997, in your capacity as the then Financial Secretary, you had criticized some economic analysts as second-rate analysts. They .....*

**PRESIDENT** (in Cantonese): Miss TAM, what question would you like to ask? Please come to it direct.

**MISS TAM HEUNG-MAN** (in Cantonese): *I am asking the question now. Sorry, President. They were only raising alarmist talk. In the end, the financial turmoil really came, and Hong Kong ended up as a loser incurring huge debts. When we reflect on the stock market of the last two days and the reply of the Secretary yesterday, I am really worried that Hong Kong will repeat the same mistake .....*

**PRESIDENT** (in Cantonese): What is your question?

**MISS TAM HEUNG-MAN** (in Cantonese): *My question is .....*

**PRESIDENT** (in Cantonese): You have already used one minute 27 seconds.

**MISS TAM HEUNG-MAN** (in Cantonese): *Yes. Thank you, President. May I ask the Chief Executive who the second-rate analyst this time around is? Is it the Government or is it the economic analyst? In fact, has the Government been worrying these days?*

**CHIEF EXECUTIVE** (in Cantonese): Yesterday, I had listened to the debate in the Legislative Council, too, but I do not think the Secretary had said anything to the effect of what you said just now. Nevertheless, it does not matter. I can assure you, Miss TAM, that you are definitely not a second-rate analyst. The most important question is, as you do not seem to be analysing this question at all, you are asking me how I will analyse it, aren't you? All of us know that the subprime mortgage crisis has created considerable volatility in the international financial market. Each and every market will be affected. Of course the stock market will not react to Secretary Prof Ceajer CHAN in such a manner that it drops 1 000 points when he makes an utterance or surges 1 000 points when he makes another. If he has this kind of power, he is really something. I do not believe, and I do not think he is capable of doing that. However, problems originated from this subprime mortgage crisis are enormous. They also expose the problems of the existing mechanism of the United States and an imbalance in various aspects like deficits and domestic demands. This is a fact. Given the enormousness of the United States economy, it is bound to affect the global community with its problem. This is particularly so with the Asian region, which is a region of exports. It will certainly be affected by the weakened spending power of the United States. How great will the effect be? Nobody can quantify it at the moment. Nevertheless, we already know that the economic fundamentals of Hong Kong are sound. Moreover, we have sufficient capital and our market is pretty mature. Up until now, Miss TAM, I believe that our present ability in tackling any financial crisis is better than it was in 1999.

**MISS TAM HEUNG-MAN** (in Cantonese): *I asked just now, in fact, whether the Government had been worrying. With the tumbling of the stock market in the past two days, will the Government be worried that the hearts of Hong Kong people will be affected by the subprime mortgage problem of the United States ..... as indicated by the situation of the stock market, will the Government be worried, or does it have an awareness of crisis so that it is worried about the same mistake repeating?*

**CHIEF EXECUTIVE** (in Cantonese): I have said just now, everyone should be concerned about this subject. I have also said that certainly the SAR Government is concerned about these issues, as well as the day-to-day situation

of the stock market, our own economic fundamentals, our financing ability, capital flow, and in particular, the volatility of the global stock market. But you asked me whether I was scared. Well, it is not a question of whether you are scared or not. Things that have to happen will surely happen. I can only say that the SAR Government and the economic fundamentals as a whole are better equipped to tackle this kind of crisis now than it was the case in 1997 and 1998.

**MRS ANSON CHAN** (in Cantonese): *Chief Executive, since you assumed office, you have made deliberate efforts to expand the Accountability System of Principal Officials. The current creation of Deputy Directors of Bureau and Assistants to Directors of Bureau has brought criticism from many people, that this is only a division of political spoils, and that the measure will also contribute to the dangerous situations of centralization of power and a lack of proper checks and balances in the Government. May I ask the Chief Executive when the appointment of the first batch of Deputy Directors of Bureau and Assistants to Directors of Bureau will be announced? How many people will be appointed? Has the Government reached an agreement with the pro-government political parties to invite their members to join the Government and to nurture talents for them? During the recruitment process, how will the Chief Executive avoid being suspected of employing only people to his own liking and adopting the policy of affinity differentiation?*

**CHIEF EXECUTIVE** (in Cantonese): The further extension of the accountability system and how the system can be expanded to meet the demand of the public so that the Government's accountability can be strengthened has already been approved by the Finance Committee of the Legislative Council. The existing politically appointed establishment will then be expanded, with the addition of the posts of Deputy Directors of Bureau and Assistants to Directors of Bureau. Prior to this, long discussions and consultations were conducted — particularly consultation within the Government — which had been approved by the Legislative Council as well. Of course, Hong Kong is a free society. It is inevitable that there are different views. I have heard of and learnt about the criticism cited by Anson just now. However, with respect to our ability to respond to the demands of Members, to respond to the existing political demands of the public, particularly the accountability concerning policy explanation, implementation and execution, as we have only about 10 people or more, it is true that we do not have adequate resources to cover all aspects. It was under

these circumstances that the expansion of our existing system was approved by the Legislative Council.

As to your question of how many people will be appointed, I have mentioned many times before, the number of persons to be appointed will certainly be within the establishment approved by the Finance Committee of the Legislative Council, with the number not exceeding the approved figure. We will adhere to the principle of the prescriptive ceiling during our recruitment for the posts of Deputy Directors of Bureau and Assistants to Directors of Bureau. Insofar as the recruitment process is concerned, we understand very well that many people in Hong Kong have the intention of participating in politics. They also understand that there are many avenues of political participation, such as through participating in district activities; joining the District Councils, the Legislative Council and the executive arm of the Government; thereby their abilities can be trained to the level appropriate to the posts they wish to attain and through which they can serve the people. I believe many people would like to take up this job. Some of them are members of political parties while some of them are professionals. We are actively making preparations for the recruitment. However, I will certainly not make any "under-the-table" deal in accordance with the need of certain political party or certain member of the councils. These things will definitely not happen. Selection based on merit will certainly be used as the criterion of the recruitment exercise, with special focus on those who will be able to meet our requirements. I have said many times before, and I believe Secretary Stephen LAM has explained to the Finance Committee our requirements — they must be supportive of "one country, two systems", patriotic, and supportive of the policy platforms pledged by the current term of the Government to the public. People who support these, and those aspiring and capable candidates will be considered.

**MRS ANSON CHAN** (in Cantonese): *Chief Executive, I believe all Members of the Legislative Council are patriotic and love Hong Kong. In view of your remarks just said, will you invite people of the pan-democratic camp to take up the posts of Deputy Directors of Bureau and Assistants to Directors of Bureau?*

**CHIEF EXECUTIVE** (in Cantonese): I believe those aspiring individuals will certainly submit their names to me. If the pan-democratic camp mentioned by you wishes to submit names to me or hopes to raise certain matters for me to consider, I will be happy to consider them.

**MR WONG YUNG-KAN** (in Cantonese): *Chief Executive, with the recent soaring prices of fuel, oil and other daily necessities, the staggering increases have aggravated the financial hardship of the grassroots. However, I am more worried about the issue of information. As the prices of food continue to rise, some sectors have released information that there is a shortage of goods, bringing the prices upwards — prices of cooking oil, flour and live pigs have shot upwards, particularly the prices of live pigs. On 15 January, the auction price of the third wholesale of 40 pigs jumped from \$1,700 to \$2,400, causing a shock to the whole community. May I ask the Chief Executive, after the release of such information, how the public should analyse it? What will the Government do? Does the Government have any ways to prevent divergence in such information?*

**CHIEF EXECUTIVE** (in Cantonese): Mr WONG, thank you for raising this question.

First of all, the supply of live pigs to Hong Kong is basically stable. The situation you referred to on 15 January was unexpected. I would also like to know the details. Why did such a situation happen in operation? To ensure a more stable supply of pork to Hong Kong and to increase transparency of the live pig market, the Food and Health Bureau held a meeting with the Ministry of Commerce in Beijing this morning and two results were achieved. Firstly, the Ministry of Commerce has reiterated that it would ensure adequate supply of live pigs to Hong Kong. Temporarily, more than 4 000 live pigs will be supplied to Hong Kong daily, and more than 170 000 live pigs will be supplied to Hong Kong each year. Unless there is a sudden increase of pork consumption, otherwise the supply will be adequate to meet the demand of the Hong Kong market. The Ministry of Commerce reiterated that the supply was stable and that it would satisfy the demand of the market.

Secondly, the Ministry of Commerce will make daily notifications to the SAR Government about the number of live pigs to be supplied one day in advance. Then the SAR Government will announce the number so that the market has a clear understanding of the supply situation and a stable auction price of live pigs can be maintained. I believe that both Mr WONG and I share the same worry, and that is, the lack of transparency in market operation. Since the auction was divided into two sessions, on 15 January, some people deliberately capitalized on this and gave the impression of a sudden drop in supply in order to

mark up the price. I believe that under the new arrangement, this kind of situation will be minimized.

Now, on behalf of Hong Kong people, I would also like to take this opportunity to express our gratitude to the Ministry of Commerce for their support to us. I understand that presently our market needs some reassurance so that both the retail and wholesale prices of live pigs can be maintained at a stable level.

**MR WONG YUNG-KAN** (in Cantonese): *Chief Executive, will you consider resuming the release of daily prices of pigs or groceries through radio broadcasts so that the public will have a clearer understanding of the prevailing prices daily?*

**CHIEF EXECUTIVE** (in Cantonese): I can do that, but I do not know if the radio stations are willing to make such broadcasts. *(Laughter)* I am only making a joke. We should be able to use this method to do that. If such a need arises, we will consider how we are going to handle it.

**MR CHEUNG MAN-KWONG** (in Cantonese): *President, recently, voices about opening up the airwaves rise one after another. The Citizens' Radio was prosecuted by the Government by virtue of the draconian Telecommunications Ordinance. The Government also acted liked a bad loser, and sought an injunction from the Court, turning the Court into a political tool. May I ask the Chief Executive whether he has plans to review and amend the outdated Telecommunications Ordinance, open up the airwaves and expeditiously table the consultation document on public service broadcasting which the Government undertook at the end of last year to release?*

**CHIEF EXECUTIVE** (in Cantonese): I will answer the latter part first, as the question concerning the consultation document is easier to answer.

We have started to receive reports on the consultation document since 2006, that is, the consultation document on setting up a public service

broadcaster. You are referring to this consultation document, aren't you? There are a lot of controversies about this issue. Both the public and the media have a lot of views, and in particular, Members of this Council have a lot of views, too. I think the SAR Government has to be very careful about the handling of this, and has to study its acceptability. I agree with many of the proposals, especially those on how we should handle a public service broadcaster in order to meet the demands of a new society.

Moreover, insofar as control is concerned, Radio Television Hong Kong is not discharging its role effectively in many areas. However, this is a very sensitive issue. Regarding the implementation of this, especially the issue of conducting a public consultation, I think we have to draw up a timetable. I strongly believe those within the Government have to plan carefully how the consultation should be conducted.

With regard to the airwaves, arrangements have already been made for all our existing FM radio spectrum. Since the spectrum in Hong Kong does not have any spare capacity, we do not think we should urgently work on this. Furthermore, at present, Hong Kong offers the greatest freedom of speech. If you want to express your personal opinions, you can do so through various media. So it is not necessary to insist on this issue. Of course, we will also consider the matter. When digital broadcasting is to be implemented, we will certainly carry out a comprehensive review. As for the utilization of frequency bands and spectrum, we have to act in the interest of the public.

In respect of the Member's criticism of several areas, I have my own opinion. I must stress that there was sufficient legal basis on which the Department of Justice sought an injunction. Besides, it was based on the interest of the public. In this society which attaches great importance to its law and the rule of law, it is impossible for the Government to tolerate defiance of the law. The Government must uphold the rule of law. If criminal proceedings serve no useful purpose on the persons concerned to the extent that they disregard everything and engage in broadcasting just the same, they obviously will not stop their illegal broadcasting because of the criminal proceedings instituted against them. Illegal broadcasting causes interferences to existing frequency band users, including users of emergency services, the police, the Fire Services Department, as well as situations involving aviation, planes taking off and landing, and correctional services. Therefore, it has to be dealt with.

Furthermore, what kind of situation will arise if other people follow the example and set up radio stations one after another? So, considering the interest of the public and the need to uphold the rule of law, the Secretary for Justice has no option but to take further action to prevent people from abusing the frequency bands and engaging in illegal broadcasting.

**MR CHEUNG MAN-KWONG** (in Cantonese): *President, I heard the Chief Executive say just now that there might be a "backing out" or change of the release date for the consultation document on public service broadcasting. May I ask the Government whether it will stick to the original plan and release the consultation document as scheduled at the meeting of the Panel on Information Technology and Broadcasting on 29 January this year?*

**CHIEF EXECUTIVE** (in Cantonese): I will do so after a careful study of the matter. At present, I do not have such a plan. I very much believe that many views in the document have already been accounted to the public. Mr Raymond WONG has already given an account to us. I very much believe that the next step of work will not be as simple as the release of the document. It will have to give an explanation on the next step to be taken by the SAR Government, with particular reference to how to handle the issue of Radio Television Hong Kong. All of us understand that this is a sensitive and very complicated subject.

**MRS SOPHIE LEUNG** (in Cantonese): *President, I would like to ask a question on health care financing today. Chief Executive, I think all of us are waiting for the public consultation document on health care financing. May I ask the Government whether it has set a timetable so that we can be told the exact time this consultation document will be released? And will the Government have an established position by that time, or will it introduce only a proposal? If it will, what kind of a proposal it will be? And how long will the consultation period be?*

**CHIEF EXECUTIVE** (in Cantonese): Mrs LEUNG, health care financing is a livelihood issue that has far-reaching implications. Since it affects so many people, we should discuss the matter at length and seek a consensus in the community.

Political parties, civil organizations and individual academics have put forward various proposals on health care financing over the past couple of years. Their views are diversified and some have embodied fresh thinking that inspire us to scrutinize again the consultation document to be released. Therefore, we need some more time to prepare this consultation document.

However, we will conduct a detailed analysis on the pros and cons of various options, hoping that the public will explore and discuss the options in-depth. Regarding the consultation on various options, we will keep an open mind at the present stage and will not introduce only one proposal. As for the various forms of implementation, as we all know, they can take the forms of tax increases, that is, implementation through taxation; social health care insurance; voluntary private medical insurance; mandatory private medical insurance; mandatory medical savings accounts; and direct private payment. Various sectors have different views on different approaches. We are now carefully studying various options with a view to introducing several relatively feasible options in the consultation document for public discussion. However, I hope that you can give me more time.

**MRS SOPHIE LEUNG** (in Cantonese): *President, I would like to ask a follow-up. So, will the consultation be conducted in 2008, or will it be conducted at a time later than that?*

**CHIEF EXECUTIVE** (in Cantonese): I really hope that we can start the consultation within the year.

**MS AUDREY EU** (in Cantonese): *President, may I ask the Chief Executive whether there are any timetable and roadmap for the abolition of appointed District Council (DC) seats?*

**CHIEF EXECUTIVE** (in Cantonese): We conducted a comprehensive consultation on the role, function and composition of the DCs in 2006. Those who submitted their views generally opined that appointed DC members had made contribution to the DCs. They agreed that the appointed membership

should be retained since appointed seats would allow people of different background to participate in matters concerning district management. Furthermore, the professional knowledge and experience of appointed members can be useful to the DCs, so that appointed members and elected members can supplement each other.

Of course, there are different views concerning this aspect. However, even those who currently oppose retaining appointed seats agree that appointed members are of high calibre and have made contribution to DCs. You asked me what our next step should be. We can continue to conduct our study. This is particularly so during the process of constitutional development, for we can certainly conduct a study. But I do not have a timetable for the time being. However, I am keeping an open mind. If it involves discussion of constitutional development, we can continue to conduct our study of it.

**MS AUDREY EU** (in Cantonese): *President, can I take the Chief Executive to mean that insofar as appointed DC members are concerned, similar to members returned by functional constituencies, we can continue to discuss these memberships, and will further discuss the matter, but there is still no timetable to indicate when these seats will be abolished? Moreover, are you worried that if appointed DC members were to stand in elections, they would not be elected? Why do they have to rely on appointment in order to serve the community? Why can they not stand in elections, just like all others who stand in elections and do so in a fair and impartial manner?*

**CHIEF EXECUTIVE** (in Cantonese): I believe many people choose their own different ways to serve the community. Some choose to participate in the work of DCs and the Legislative Council through standing in elections. Some are enthusiastic about participating in government service, but they do not wish to do so through the process of standing in elections. There are a lot of people who belong to the latter category. There are various consultative frameworks in the Government. They can make good use of these talents, providing them with opportunities to discuss public affairs and platforms to give full play to their abilities. It is obvious to all that many of these people serving in the consultative frameworks of Hong Kong work with enthusiasm and selflessness. I believe these resources should not be laid to waste. I very much believe that

these people are worthy of our respect. Those who have intentions to stand in elections deserve our support and encouragement. But to those who wish to serve the public through other channels, we should not close the doors and shut them out.

**MR JASPER TSANG** (in Cantonese): *The Chief Executive has reached a conclusion regarding discussions on constitutional development among members of the community in Hong Kong over the past two years. He has found that agreeing on a roadmap before setting a timetable, which means forging a consensus on a roadmap and the models for universal suffrage before setting a timetable for implementation does not work. Therefore, he stressed in the report to the Central Government that the community demanded an expeditious setting of a timetable. Now that there is a timetable for universal suffrage, some people have complained that there are neither models for universal suffrage nor a roadmap. As there is a timetable only, these people have said that this is "frail". President, may I ask Chief Executive TSANG, as they have said that you are "frail", (Laughter) what you are going to do to ensure that your good intentions will not be in vain?*

**CHIEF EXECUTIVE** (in Cantonese): If I am considered "frail", I do exercise and run every day to keep my body from being frail and fragile, so that I can meet the daily challenges. I have to tell Members clearly and frankly, at the beginning of the consultation, when the current term of the Government assumed office, and some time ago, I had adopted the principle of agreeing on a roadmap before setting a timetable. According to my belief at that time, without an integrated design and a complete roadmap, it would be difficult to convince the Central Government to give us a timetable. However, after discussions, it seemed to me that this would be difficult to achieve. After a three-month consultation conducted by the Commission on Strategic Development, we came to believe that many problems originated from the lack of a timetable, without which it would be difficult to forge a consensus among members of the community.

So I had used another approach of presentation in the report I submitted to the Central Government, hoping that the Central Government would appreciate our situation. The decision made by the Central Government on 29 December has set two respective timetables for universal suffrage. They have a clear

understanding of the existing political situation of Hong Kong as well as our difficulties and position. Similarly, the Central Government understands the aspiration of the public for universal suffrage, and knows that they hope for an early implementation of universal suffrage. The most important point is that the setting of the timetables has reflected the Central Government's trust in the people of Hong Kong basically.

After the timetables have been set, we can argue about the details and the design. However, I personally feel that we have already overcome the most difficult and the most insurmountable problem. The year 2017 has been set for the election of the Chief Executive by universal suffrage. The year 2020 has been set for the election of the Legislative Council by universal suffrage. This timeframe is fixed and unchangeable. I very much believe that nobody present dares to overturn or delay the timeframe. In future, we will certainly have room for deliberation and study of the details, such as the procedure for nomination, how to handle the Legislative Council election in the future, and how to handle the functional constituencies. These are difficult issues. However difficult they are, we still have to reach a consensus. And after the timeframe has been set, I am fully confident that members of the community in Hong Kong can arrive at a consensus.

So, no matter how "frail" you describe it, once the timetable has been set, it indicates that everything is "solid". Nobody can undo it. Regardless of whether you support it or not, you cannot undo it. We have to work according to the time frame. Therefore, we must exert ourselves in concerted efforts to realize universal suffrage according to the timeframe in a pragmatic and inclusive manner.

**MR JASPER TSANG** (in Cantonese): *President, after Standing Committee of the National People's Congress had made the decision, officials from the Central Government came to Hong Kong to offer their explanation. Our colleagues were dissatisfied. They thought that the Central Government should not tell us the decision only after it had been made, instead, there should have been exchanges of views. May I ask the Chief Executive whether this kind of meetings will be arranged in the future to provide opportunities for Honourable colleagues from various political parties and groupings to exchange views concerning the subsequent constitutional development with officials of the Central Government?*

**CHIEF EXECUTIVE** (in Cantonese): First of all, it is difficult for me to answer your question. As a matter of fact, you should exchange views with me first. As the SAR Government has been appointed by the Central Government to take up this task, if you do not want to exchange views with me, it means that you have doubts about the SAR Government, and hence you wish to exchange views with the Central Government. However, I understand that we have to respect the Central Government's constitutional authority, especially the authority concerning political development.

In my capacity as the Chief Executive, I hope that we can create a harmonious environment so that both the Central Government and we share the same intention and view when we set out on a task. In that case, I will not have to feel resentment. I will not have to worry. But we have to work hard for this. Besides, this is not a one-way effort, but a two-way endeavour. I very much believe that if we can act like what QIAO Xiaoyang said, that is, if we respect the Central Government's constitutional status in the first place, so that we share the same platform, then dialogue will be easy.

**MR CHIM PUI-CHUNG** (in Cantonese): *Chief Executive, you pledged to "get the job done" when you were standing in the third term Chief Executive election. Now that you have been on the job for six months, your boss — the people of Hong Kong — will surely give you marks for your performance. Among the basic necessities of living — clothing, food, housing and transportation — I would like to ask a question about transportation. The problem of the Western Harbour Crossing is a very serious one. Due to inadequate revenue, the Western Harbour Crossing has to implement a toll increase. As a matter of fact, this involves the problem of easing the traffic at the Cross Harbour Tunnel. Will you ask the public to wait for another 13 years when the franchise of the Western Harbour Crossing expires before you take action? What appropriate action will you take to make your boss think that you have got the job done?*

**CHIEF EXECUTIVE** (in Cantonese): I work hard every day to gain the support of the people of Hong Kong. In respect of the arrangement of toll adjustments for the existing tunnels, all of us know that a contract is a contract. "Uncle CHIM", you are a businessman, you know very well that you cannot make alterations to a signed contract. Since the agreement has been signed, they have

the ability to take the action. As this is a done deal, they can implement toll increases. It seems obvious to us that things should not be like this, and that our situation should be considered. It is true that now they have made an adjustment, but it has not been adjusted to the maximum rate permissible in the contract.

I totally agree with you that given the current uneven utilization of the crossings, there is room for improvement. We will address the problem in due course. I agree with your views. I will try my best to find an opportunity during my term to work on the rationalization of utilization of various harbour crossings with a view to achieving a better balance in toll rates among various crossings. A good arrangement of utilization of various crossings will be able to divert vehicles from using the Cross Harbour Tunnel, resulting in an even daily distribution of utilization and the most satisfactory solution for all users. We will have to look into the matter in detail in order to identify a toll rate that will achieve this effect. But we have to respect the spirit of contract, too.

**MR CHIM PUI-CHUNG** (in Cantonese): *Chief Executive, I agree with what you said. However, will you tell the Secretary to negotiate with them with sincerity? Of course, you will feel uncomfortable if those operators lose money in their business operations. But if they are un-co-operative, you can propose to build a fourth tunnel, the location of which will be next to their tunnel, and see what will happen. The authorities really need to be sincere because the tolerance of the public is limited. You have to make them believe that you have already done your best. Can you do that?*

**CHIEF EXECUTIVE** (in Cantonese): Every Director of Bureau is devoted to his work. Secretary Eva CHENG particularly sincere. I think she is very sincere. She will certainly consider this situation carefully. As for your view, I would like to expedite the construction too. But can the construction be completed in such a short time? After all, they have implemented a toll increase. I can only undertake that I will pay more attention to this issue during my term of office, with a view to rationalizing the utilization of all crossings, so that insofar as toll adjustment is concerned, the best result can be achieved. However, I have to reiterate, in a society underpinned by the rule of law, the Government has to respect the spirit of contract.

**MR SIN CHUNG-KAI** (in Cantonese): *President, in reply to Mrs Sophie LEUNG's question concerning health care financing, the Chief Executive mentioned various options. There is a common point among all of them, and that is, they all need more money.*

*However, according to my understanding, the Government's surplus for the year should undoubtedly exceed \$100 billion. I am worried that the Government will "return money to the rich with its left hand but take money from the public with its right — for the purpose of health care financing". The Financial Secretary is responsible for distributing money, while the Secretary for Food and Health is responsible for taking money. It is easy to "distribute money" but difficult to "take money". If the health care financing scheme to be introduced by Secretary Dr York CHOW later entails contribution from the public, it will have a chance of offending the public.*

*Chief Executive, may I ask if you would consider drawing down the surplus of \$100 billion to alleviate the pressure exerted on health care and welfare expenditures because of the ageing population? The Democratic Party has proposed to appropriate \$50 billion from this year's surplus of \$100 billion to set up an Old Age Reserve Fund to reduce the pressure of health care contribution on the public in the future. Even if the public really has to make contributions in future, this measure will reduce the amount of contribution, ensuring that it will not resemble the Mandatory Provident Fund which requires the employee and the employer to contribute 5% respectively.*

**CHIEF EXECUTIVE** (in Cantonese): I am not the Financial Secretary anymore, though I have work in the post before. I think your view has already been reflected to the Financial Secretary. I believe when he formulates the budget, your view will certainly be considered together with other views concerning health care financing.

In studying the subject of financing, we have to differentiate the two items, as one is recurrent expenditure while the other is a capital investment. I do not know whether such a one-off provision will be sufficient. However, I had stated clearly the Government's commitment to health care financing. I had pledged during the election that we were ready to make adjustments in other areas so that the existing health care expenditure that accounted for 15% of our total recurrent expenditure would be increased from 15% to 17%.

Moreover, granting a bigger purse, we will be able to expand our expenditure. The 15% will also be relatively expanded with an increase in the actual amount. This, together with the increase in percentage, will make up an even larger amount. However, I believe the amount may still not be sufficient. We may need to make up for the shortfall by other financing methods. With respect to the questions of how much we have to spend in this area, what method will be used in financing, how much the Government has to commit, how much an individual has to commit, all these questions are worthy of discussion and further study.

The Financial Secretary will consider the short-term methods of alleviation. But regarding the long-term financing methods, a satisfactory outcome can only be reached after detailed discussions by us, and after the next round of consultation.

**MR SIN CHUNG-KAI** (in Cantonese): *Chief Executive, the concept is very simple. Now we have \$100 billion. To "distribute money" is a big temptation, because it will allow you to enjoy high ratings in public opinion polls, probably enhancing your score in the polls from 60 points to 70 points. It is easy to "distribute money". But if we ask people for money — ask the public to contribute to the health care financing scheme — the public will feel the pinch. Given that we have to take money from the public, should we consider allocating certain part of the money we already have for the purpose of health care financing?*

**CHIEF EXECUTIVE** (in Cantonese): I totally agree with what you said — it is easy to "distribute money" but difficult to "take money". I can surely understand that.

**MR JAMES TIEN** (in Cantonese): *Chief Executive, I would like to ask a question about the election of the Chief Executive by universal suffrage in 2017. We understand that whether we can reach a consensus on the elections of the Legislative Council and the Chief Executive in 2012 will have an effect on this. However, I am more concerned about the election of the Chief Executive by universal suffrage in 2017. By that time, the stakeholders will be the 2012 to 2016 term of the Legislative Council and the 2012 to 2017 term of the Chief Executive. Another question is about the Standing Committee of the National*

*People's Congress. The decision made on 29 December was made by the Tenth Standing Committee of the National People's Congress. The election of the Eleventh Standing Committee is in progress. By that time, the Twelfth Standing Committee may have assumed office. Even if the Legislative Council has arrived at a consensus with the support of the Chief Executive by that time, there may be queries among the community of whether the Central Government will give its support and what the attitude of the Central Government is. Will the Twelfth Standing Committee of the National People's Congress be able to change the decision made by a previous term, that is, the Tenth Standing Committee of the National People's Congress? If change cannot be made, on what legal basis can claims be made to support that the decision cannot be amended?*

**CHIEF EXECUTIVE** (in Cantonese): The National People's Congress is the highest authority of the country. The decisions made by the Congress are serious. And this decision is a pledge over an extended period. I believe the Central Government has been listening carefully to the views of the people in Hong Kong before setting the timeframe. I can assure you — and Mr QIAO Xiaoyang had also said before — that the Central Government has not only approved the timeframe, it will also support and make necessary arrangements as far as possible so that the election of the Chief Executive by universal suffrage in 2017 will be successfully implemented.

I very much believe — I very much believe — that once such an important decision has been made by the Standing Committee of the National People's Congress, the year of 2017 as decided will not be so easily overturned. I wish to reiterate that Members of this Council, as well as those outside the Council, and all the people of the country, have come to know the timeframe. We will only strive to work on this timeframe by all means, with a view to implementing the election of the Chief Executive by universal suffrage expeditiously. We should no longer wish for a delay. And we should no longer wish to overturn this decision. This is a serious decision made by the highest authority of the country.

**MR JAMES TIEN** (in Cantonese): *I am glad to hear the Chief Executive say that. In other words, the Government has confidence that the decision regarding this issue made by the Tenth Standing Committee of the National People's Congress will not be amended by the Eleventh and Twelfth Standing Committees of the National People's Congress.*

**CHIEF EXECUTIVE** (in Cantonese): Yes, I have full confidence in it.

**MS MARGARET NG** (in Cantonese): *President, updating and reforming the laws with a view to bringing improvements to society and developing more room of freedom is part of the rule of law. May I ask the Chief Executive, in answering the question of Mr CHEUNG Man-kwong, why he indicated that the Government would stand firm in refusing to review the Telecommunications Ordinance — despite the fact that the Ordinance was passed 30 years ago, that the magistrate court has found the Ordinance unconstitutional, and that reforming the Ordinance will give the public more room to develop freedom of speech?*

**CHIEF EXECUTIVE** (in Cantonese): As a matter of fact, I very much wish that I will not have to reply to this question. But since it has been asked, I have no option but to answer. The legal proceedings of the case have just begun. In fact, I should not comment on the details. This is particularly so as the Supreme Court will start the hearing to determine whether the injunction will be extended tomorrow. That is why we should not comment on this issue. However, I have to talk about a point — all of our laws should be made kept abreast of the times. If necessary, we should review and update the laws. Just now I did not say that the law would definitely not be amended. I do not know why I have given such an impression.

**MS MARGARET NG** (in Cantonese): *President, just now the Chief Executive very clearly indicated that he had no intention of conducting a review of the Ordinance. My question does not involve any details. If I was wrong, will the Chief Executive make a distinct promise to Members of this Council and members of the public sitting on the public gallery now that he will expeditiously conduct a review of the Telecommunications Ordinance, so that the public has more room to develop freedom of speech, and more citizens' radios or community radios — President, some people have proposed setting up community radios, including the Tin Shui Wai Radio — can be successfully set up. Will you make an immediate promise to us?*

**CHIEF EXECUTIVE** (in Cantonese): I think the freedom of speech enjoyed by Hong Kong people is as good as that of any of the most developed and democratic countries. Many independent organizations have made this

assessment. We do not have to debate on the issue. This is the fundamental value of Hong Kong people. The importance of freedom of speech constitutes the fundamental value of the SAR Government which cannot be changed. However, we cannot mix freedom of speech with individual cases of illegal broadcasting. They are two different things. But I can assure you, all of our laws have to make kept abreast of the times. If necessary, we will conduct a review. If the laws are found to be working effectively, we will continue to use them.

**MS MARGARET NG** (in Cantonese): *President, why has the Chief Executive deliberately evaded my question?*

**PRESIDENT** (in Cantonese): Ms Margaret NG, a Member can only ask a simple follow-up question. You have asked the question already.

**MS MARGARET NG** (in Cantonese): *But he has not answered my question.*

**PRESIDENT** (in Cantonese): He has not answered your question, but this .....

**MS MARGARET NG** (in Cantonese): *But this cannot be helped?*

**PRESIDENT** (in Cantonese): This cannot be helped. This is the rule specified in the Rules of Procedure.

**MS MARGARET NG** (in Cantonese): *Very well.*

**MR CHEUNG HOK-MING** (in Cantonese): *President, Chief Executive, many unpleasant incidents have happened in Tin Shui Wai in recent years. The community, both the Government and other friends included, has done a lot work. For instance, many Directors of Bureau visited Tin Shui Wai, Lisa WANG held her concert in Tin Shui Wai, and a television station also organized the countdown to New Year in the district. Moreover, some fung shui masters .....*

**PRESIDENT** (in Cantonese): Can you ask your question direct?

**MR CHEUNG HOK-MING** (in Cantonese): ..... *went to Tin Shui Wai to examine the fung shui there. May I ask the Chief Executive what overall and long-term plans you and the Government have to resolve the problems and address the worries of residents in Tin Shui Wai?*

**CHIEF EXECUTIVE** (in Cantonese): The problems of Tin Shui Wai have shocked the people of Hong Kong. As you know, I often visit the district. I went to the place with you once. Whenever I have an opportunity, I will go to Tin Shui Wai North to see how things are there, to meet and talk with the local people and organizations about the situation. This is an issue often discussed by the governing team of the SAR Government.

Currently, we are working on five areas to improve the situation of Tin Shui Wai. First of all, the most important area is the economy-related issue of employment. Secondly, we have to ensure good co-ordination of recruitment and matching of jobs. Thirdly, we have to relieve them from the feeling of being isolated by providing financial aid in transport to facilitate better cross-district liaison. Fourthly, efforts have to be devoted to improving government facilities in the long run, particularly medical facilities. Fifthly, we have to enhance cohesion in the district and mutual assistance in the neighbourhood.

With respect to employment, we all know that the Hong Kong Jockey Club has already set up a Telebet Centre in the district. We will create 2 500 additional jobs. The Government has already provided various training initiatives to dovetail with such a development. A training centre for volunteers has also been established in support of this. Moreover, there are many vacant land lots in Tin Shui Wai. We are planning to provide these sites for use by various enterprises and social enterprises with the aim of achieving social benefits. Apart from meeting the needs of the district, we hope this initiative will create more jobs. Furthermore, in association with the Hong Kong Tourism Board, the Government will promote the wetland park in the area, and develop other scenic locations with themes focused on near-by heritage sites and local cuisines, so that more local and overseas tourists will be attracted to Tin Shui Wai North, thereby enhancing economic activities and employment

opportunities. These are our continuous efforts in respect of boosting employment in the area.

As for recruitment, 2 000 vacancies were provided in two job fairs organized by the Labour Department in October and December last year. Moreover, we plan to organize other job fairs with the catering industry in February and April this year, with the hope of providing 4 000 jobs. We believe these efforts will yield results soon.

With respect to transportation fees, we hope to conduct a review through the implementation of the Transport Support Scheme. The results of the review will be released next month. It is hoped that the result will encourage residents to work across districts. The efforts of connecting them with other districts will facilitate them in capitalizing on employment opportunities provided in other districts.

Regarding the facilities of Tin Shui Wai, we will conduct a review of all works projects, with a view to putting in place facilities that are lacking currently. Residents are particularly concerned about health care services. As you all know, we will expedite the construction of a new general out-patient clinic in Tin Shui Wai North. Moreover, we will launch a pilot project in Tin Shui Wai North so that chronic patients will be able to purchase primary care services from the private sector. We hope that the project can be implemented in mid-year. In the long run, we are proactively identifying a site for the construction of a new hospital.

Furthermore, in respect of neighbourhood support, the Home Affairs Department has allocated additional resources to promote mutual help — to offer help to neighbours by looking after children when adults have to leave home, and extend help to each other when problems arise in the neighbourhood. I think currently this spirit is lacking in the Tin Shui Wai community. I hope to encourage mutual aid committees to apply for new resources to organize activities that aim at promoting mutual help, thereby strengthening the neighbourhood network.

Apart from these initiatives from the Government, there are various organizations, enterprises, individuals, religious organizations — Christian, Catholic, Buddhist, Taoist — in the community. Each religious organization

and various individuals hope to develop and extend their services in Tin Shui Wai. Through the co-operation of the community, business sector and the Government, I think very soon we will be able to consolidate the community network of Tin Shui Wai, strengthen the spirit of mutual help and improve the social services of the district. We appreciate the problems of Tin Shui Wai, but we also need a comprehensive and integrated plan. The SAR Government, the public and the Legislative Council have all shown their enthusiasm in this. I believe, step by step, there will be improvements in Tin Shui Wai, making the district more attractive and better than its present state. Eventually it will become a community brimmed with love.

**MR CHEUNG HOK-MING** (in Cantonese): *President, if residents of Tin Shui Wai have the opportunity to hear these words of the Chief Executive, they will be very pleased. However, while they are pleased, they may still have some worries. The Chief Executive has said so much just now. May I ask whether you can tell residents of Tin Shui Wai in simple terms, if priorities are to be set for the contents of your speech, which areas will achieve immediate and visible results?*

**CHIEF EXECUTIVE** (in Cantonese): I hope that immediate and visible results can be achieved in measures that aim at creating employment opportunities. Some of the measures have already been implemented. For instance, jobs have already been offered in the job fairs held in January and February. The plan of setting up the Telebet Centre will soon be implemented. The Transport Support Scheme is expected to be completed by the end of next month. Results and improvements will soon be achieved in these areas.

**MR ALBERT CHENG** (in Cantonese): *I am the Chairman of the Panel on Information Technology and Broadcasting (the Panel). After the Chief Executive had answered the question of Mr CHEUNG Man-kwong, a member asked me to raise a question. I am duty-bound to raise this question.*

*Regarding the consultation document on Radio Television Hong Kong, originally the Government had scheduled to submit the paper to the Panel of the Legislative Council by the end of last year. But the date has been revised more*

*than once. It was scheduled to submit the document to the Panel this month, that is, the Government would submit the document at the meeting on 29 January. I was taken aback when I heard what the Chief Executive said just now. In my capacity as the Chairman of the Panel, I have no idea that the Government has planned to postpone submitting the report. Since this is the case, a member asked me to raise the question. Will the Chief Executive clarify this?*

**CHIEF EXECUTIVE** (in Cantonese): The report is to be submitted to us. If you are referring to the report of Mr Raymond WONG, there is not much problem about that. But how are we going to undertake follow-up work? I believe the problem is not about the report itself, but the follow-up work. How are we going to consult the public so that the report can be implemented? This is a more important point. I believe we must conduct adequate and proper study in handling the matter. I will hold thorough discussions with the Director of Bureau on how the report should be submitted. And when we submit the report, we have to state what the Government's substantial stance on this issue is, and how the next step of our work should be implemented. I believe these are the items the public would like to know more. As for the contents of the report, many people, including Mr Raymond WONG, have already given a full account of them, haven't they?

**MR ALBERT CHENG** (in Cantonese): *No, Chief Executive. In fact, the report of Mr Raymond WONG has already been scrutinized by the Panel. But the Government is preparing another consultation document, and has undertaken to give an account on it in the Legislative Council. My question is very simple. Will the submission of the document be postponed? Since we are all here, I have to ask. (Laughter)*

**CHIEF EXECUTIVE** (in Cantonese): You said that the public consultation would be carried out by us on our own. Regarding our stance, indeed we have to be very careful in our handling of this. Besides, I think nobody wishes it be done in haste. It is only we who are anxious to do it. Nobody wishes we should do it in haste. *(Laughter)* I can tell you, it is true that nobody wishes we should do it in haste. I have learnt from public opinions that I should handle

this carefully, because the issue of Radio Television Hong Kong is very important.

Moreover, when we met with Members of the Legislative Council, no one had indicated full support. And a few Members or a small number of Members, especially those of the pan-democratic camp, objected to it. There are many different views on the issue. Under these circumstances, I have to be very careful in implementing the report of Mr Raymond WONG. And when I am handling this issue, I have to state my stance. That is why the report itself is not as simple as that. You asked me about our report just now. With respect to our report, our next step is to conduct public consultation, to state what the stance of the Government should be, and to spell out the details of this report, isn't it? I think we have to handle this matter carefully.

**MR ABRAHAM SHEK** (in Cantonese): *President, the land developers whom I represent are also very anxious. However, we would like to hear whether the Chief Executive will consider meeting the need of tourism development in Hong Kong, and following the examples of Macao, Shenzhen and Guangzhou in expediting the construction of hotels to match the development of tourism? At present, the pace of hotel construction in Hong Kong is much slower than that of these cities. Will the Government allocate sites for the specific purpose of developing hotels and offer special premiums for these sites? If it will, when will this happen?*

**CHIEF EXECUTIVE** (in Cantonese): I would like to thank the Member for his views. We will consider the issue if we are going to grant land in the next financial year. At present, the land use is flexible. It can be used for the purpose of constructing hotels or for other commercial use. If the Member means that in future, we must specify the land use of a certain site for hotel construction, it will have impacts on the flexibility of land use. I understand the Member is feeling that we should meet the need of tourism development and enhance our competitiveness so that special efforts should be made in this area. Maybe I should discuss the issue with the Secretary for Development.

**MR ABRAHAM SHEK** (in Cantonese): *President, lots are available now, but their prices — the rate of return for constructing commercial buildings is much*

*higher than that of hotels. Many people would rather build commercial buildings instead of hotels. This will have impacts on the overall economic development of Hong Kong. Therefore, I wish the Government will take this into account and devote efforts to the overall development of Hong Kong.*

**CHIEF EXECUTIVE** (in Cantonese): I have heard and understood your proposal, which I will proactively consider. *(Laughter)*

**MR LEE WING-TAT** (in Cantonese): *President, in the first paragraph of his address which is about constitutional development, the Chief Executive seemed to have doubts about the decision made by the Standing Committee of the National People's Congress. It seemed he had found the option unclear, and was not quite satisfied with some of the barriers. However, I wish the Chief Executive would understand that the public has been waiting for universal suffrage for more than 20 years. A lady who jointed the rally on Sunday said that she began joining rallies since she was in her twenties. She is nearly fifty years old now. She will be 70 when universal suffrage is implemented. How many 40 years are there in one's lifetime? As a matter of fact, she is about my age. (Laughter)*

*I would like to ask — Chief Executive, I believe it is difficult to ask you about the details, so I am asking about the principle only — even if there is universal suffrage in 2017, will you pledge to the public that the threshold of nomination for the Chief Executive by universal suffrage in 2017 should not be higher than that for your standing in election last year? When we believe society needs to progress, it is difficult for us to allow a process of excessive selection in the so-called universal suffrage. Secondly, there will be nominations for functional constituencies and geographical elections during the so-called universal suffrage for the Legislative Council in 2020. But even Prof Cecilia CHAN of the Commission on Strategic Development — I believe the Secretary knows about this — said that this was not universal suffrage. So do you think this is universal suffrage? I have two questions altogether.*

**CHIEF EXECUTIVE** (in Cantonese): The society needs continuous progress. I believe the proposal for universal suffrage in 2017 will be universally recognized and generally accepted by the people of Hong Kong. In particular, the Legislative Council has to accept this proposal for universal suffrage.

Therefore, it is not necessary to worry about this. With respect to the method of selecting the Chief Executive by universal suffrage, we can see clearly the framework now. The nominating committee can be formed with reference to the Election Committee. The nominating committee will then nominate candidates in accordance with democratic procedures. The candidates will be elected by all eligible voters in Hong Kong on the basis of "one-person-one-vote". This framework has been laid down. As for the details of the procedure of nomination, I believe there is sufficient time for discussion on this issue among members of the community.

You have mentioned the issue of functional constituencies, that is, the issue of universal suffrage for the Legislative Council. We will have a lot of time to discuss this. At present, we should focus on studying the electoral method for the election in 2012. However, since the Honourable Member has raised the question, I will say a few words on it. Over the years, universal suffrage has always been an ideal concept in the minds of Hong Kong people. Their request is focused mainly on the opportunity for every eligible voter to directly participate in the elections of the Chief Executive and Members of the Legislative Council.

Discussions on the issue among the community have begun with the recent discussion in the Commission on Sustainable Development on the issue which was studied in-depth and from a broad perspective. In the light of different arrangements of universal suffrage implemented by various developed democratic countries of the East and the West, we have now come to realize the high complexity of the nature of this proposal. A large number of views were collected during the consultation period of the Green Paper in the second half of last year. Some people shared a similar view with Mr LEE and believed that with the implementation of universal suffrage for the forming of the Legislative Council, seats of functional constituencies should be abolished. Some academics had certain views regarding this issue. However, some people opined that we should consider retaining those seats. But the method of election should be changed so that the principle of universal suffrage can be compiled with.

The SAR Government has not yet decided on the method for conducting universal suffrage in 2020. We keep an open mind in discussing this issue before we gradually come to a conclusion. At present, we still have ample time to discuss the issue. I have to reiterate that the most important thing is for us to

take the first step in 2012. Then we will gradually implement universal suffrage. Besides, not even a storm can take universal suffrage from us in 2017 and 2020.

**MR LEE WING-TAT** (in Cantonese): *President, insofar as this issue is concerned, I do not understand why the Chief Executive considers it so difficult to make a personal commitment in principle. In fact, I am not asking the Chief Executive to discuss the details. I only wish that the Chief Executive, as the most trusted person of the Central Government, could pledge to the public that the threshold of election of the Chief Executive by universal suffrage in 2017 should not be higher than the threshold in 2007. As a matter of fact, this is only a very humble request. Why did the Chief Executive spend three minutes in answering but fail to come up with a direct answer to this question?*

**CHIEF EXECUTIVE** (in Cantonese): Mr LEE, I can give a more direct answer to your question. You need not worry. I can assure you that the arrangement of the election by universal suffrage in 2017 will certainly be more democratic and the features of universal suffrage more fully reflected than that of the Chief Executive election participated by me.

**MR LAU WONG-FAT** (in Cantonese): *The subject of my question is the same as Mr CHEUNG Hok-ming's. It is also about Tin Shui Wai.*

*The nature of Mr CHEUNG's question is more serious while mine is more on the light side. The new town Tin Shui Wai has been called the "city of sadness". With the recent concern shown by the Government and various sectors of the community, the situation of Tin Shui Wai has begun to improve. Nevertheless, many local residents have reflected to me that the name of the new town "Tin Shui Wai" does not bring luck to them. As the name makes people feel uncomfortable, residents will only be pleased with a change of name. I think there is a certain reason for this feeling and belief. If residents of this new town are surrounded by water, won't they feel as if they are isolated in a city of sadness? The Chinese attach great importance to names, irrespective of whether they are names of people or places. They often say "there is nothing to be afraid of when one is born with a bad destiny, but it is most frightening when one is born with a bad name" .....*

**PRESIDENT** (in Cantonese): Mr LAU, please ask your question direct.

**MR LAU WONG-FAT** (in Cantonese): *Well, may I ask the Chief Executive whether he will change the name of Tin Shui Wai? (Laughter)*

*I am talking reason here, these places which are unlucky .....*

**PRESIDENT** (in Cantonese): Mr LAU, you have already put your question to the Chief Executive. You asked whether the name "Tin Shui Wai" could be changed. Is that correct?

**MR LAU WONG-FAT** (in Cantonese): *Yes. There are many precedents in Hong Kong, such as "Lo Fu Ngam" (tiger rock) .....*

**PRESIDENT** (in Cantonese): Please observe the time limit. You have already used one minute 31 seconds.

**MR LAU WONG-FAT** (in Cantonese): *"Lo Fu Ngam" was renamed "Lok Fu" (happiness and richness), "Ham Tin" (salty fields) was renamed "Lam Tin" (blue fields), "Yam O" (cloudy bay) was renamed .....*

**PRESIDENT** (in Cantonese): Mr LAU Wong-fat, you have used one minute 39 seconds. In fact, you have raised your question, would you please let the Chief Executive answer it?

**MR LAU WONG-FAT** (in Cantonese): *My question is whether the Chief Executive would proactively initiate a change of name for Tin Shui Wai. Or whether we will follow the example of organizing a campaign to solicit a name for pandas and publicly solicit names, and then select .....*

**PRESIDENT** (in Cantonese): Mr LAU Wong-fat, many Members are still waiting for their turns to raise questions. You have asked a question. Please let the Chief Executive answer it.

**MR LAU WONG-FAT** (in Cantonese): *Well, I will only say a few more words.*

**PRESIDENT** (in Cantonese): It is not a question of saying a few more words.

**MR LAU WONG-FAT** (in Cantonese): *No, I have to let him hear it clearly, so that he can consider whether he will accept my views. If I do not finish talking, how can he understand my views? Don't you think so?*

**PRESIDENT** (in Cantonese): Mr LAU Wong-fat, the aim of this Question and Answer Session today is to ask for the Chief Executive's views, not ours.

**MR LAU WONG-FAT** (in Cantonese): *Yes, I wish to ask ..... I wish to ask the Chief Executive whether he will consider changing the name of Tin Shui Wai?*

**CHIEF EXECUTIVE** (in Cantonese): Tin Shui Wai was named by the people of the New Territories. Mr LAU Wong-fat is a much respected "elder" in the New Territories. Since you want to change the name, we will of course respect your view and consider it proactively. I believe it is most important to act according to the wish of the residents and people of Hong Kong. Just now I was particularly pleased to hear the views of someone who is as experienced and well-versed in the situations of the New Territories as you are. Given that you also think there is a need to change the name, we will consider the issue.

We think that Tin Shui Wai is already a focus of concern of the people of Hong Kong. It has become part of Hong Kong people. As you can see, our support has been fully reflected in various activities organized in the district. If you believe there is a need to change the name, I will keep an open mind on this issue.

**MR LAU WONG-FAT** (in Cantonese): *Thank you, Chief Executive. I am only reflecting to you views of residents that I have come across. Since you said you would consider the issue, I will try to provide some names for your consideration. (Laughter) We are only seeking peace of mind, aren't we?*

**CHIEF EXECUTIVE** (in Cantonese): Very well.

**MR CHAN KAM-LAM** (in Cantonese): *President, Chief Executive, with soaring prices and the hardly notable increases in salaries of the lower-middle class, I believe many of us are discussing the issue of economic development recently. We are also concerned about the fiscal surplus that exceeds \$100 billion. Our attention is focused on this huge amount of money and how the Government will return wealth to the people.*

*In respect of this issue, I would like to know the plan of the Chief Executive. The Financial Secretary will soon announce the budget. Will you please give us with some "hints" and let us know how the financial hardship of the lower-middle class can be alleviated?*

**CHIEF EXECUTIVE** (in Cantonese): I certainly cannot reveal anything. Besides, the Financial Secretary has not told me what he plans to do. However, we have a basic principle, and that is, the SAR Government will not accumulate an excessive surplus. We need only a sufficient amount to meet the needs. Therefore, leaving wealth with the people is our basic principle. It is most important for us to strike a balance between the budget and leaving wealth with the people. In the good years when we have abundant fiscal resources, we will save them up bits by bits to prepare for contingencies. We will allocate the rest through tax rebates and expenditure plans so that resources will be put to the optimal use. I believe the Financial Secretary will adhere to this objective when he handles the surplus.

**MR CHAN KAM-LAM** (in Cantonese): *I totally agree with this. The Financial Secretary will announce the budget soon. However, as we all know, recently many elderly people have expressed the wish for an increase in the "fruit*

*grant". Chief Executive, you do not have to specify the amount of increase, but can you tell us whether there is an increase, so that they can have peace of mind?(Laughter)*

**CHIEF EXECUTIVE** (in Cantonese): You also know my personal stance about the "fruit grant". I believe it is necessary to respect the elderly. However, it is more important to allocate resources to the elderly in need. There will be a continuous increase in our allocation of resources, support and various subsidies for the elderly. But we have to be careful about how we should allocate and utilize these resources. In particular, these resources must reach those in need, and the "fruit grant" is one of our tools in achieving this. I believe the Financial Secretary and other relevant colleagues, especially Matthew CHEUNG, will conduct careful discussions so that a good proposal can be devised with a view to utilizing our existing abundant resources to help the underprivileged.

**DR KWOK KA-KI** (in Cantonese): *On 12 December, the Chief Executive released the report he had submitted to the National People's Congress. On 29 December, the curtains fell over a play written, directed and performed by the Chief Executive himself. Chief Executive, you have asked us to trust you. Firstly, more than 50% of members of the community ask for universal suffrage in 2012. You said there would be an ultimate proposal and would "do something big" last March. Just now a colleague asked you what kind of universal suffrage would be implemented in 2017, and whether there would be features of functional constituencies and a high threshold. You only evaded the issue like the plague. Repeatedly you have disappointed the people of Hong Kong, but you have asked us to trust you all the same. May I ask the Chief Executive what you have done to command our trust?*

**CHIEF EXECUTIVE** (in Cantonese): I have honoured my election pledges. Within the first month after assuming office, I had already released the Green Paper on Constitutional Development and commenced a three-month consultation period to canvass views from the public on the options, roadmap and timetable for implementing universal suffrage. The public consultation exercise was completed within six months after I had assumed office. I submitted my report to the Central Government prior to the regular meeting of the Standing Committee of the National People's Congress in December, specifying that

setting a timetable for universal suffrage would help achieve the ultimate solution of the issue of universal suffrage.

My report submitted to the Central Authorities has faithfully reflected the views submitted to me by the public during the consultation period. I have given an account on views regarding universal suffrage canvassed from various sectors during the public consultation, including those of the Legislative Council, District Councils, opinion polls, various organizations in the community, and members of the public. They are all reflected in the report. Regarding the views on implementing universal suffrage in 2012, more than half of the respondents and 12 600 submissions received are supportive of implementing universal suffrage in 2012, which are also reflected in the report. Furthermore, I have indicated clearly to the Central Authorities that these views should be taken seriously and given consideration. My conclusion that implementing universal suffrage for the Chief Executive first by no later than 2017 would stand a better chance of being accepted by the majority in our community was reached after full consideration of all the views expressed. Opinions reflected by the community and different levels of councils, including those reflected through the Legislative Council were also considered.

Insofar as implementing universal suffrage for the Chief Executive election in 2012 is concerned, it is a fact that this is the expectation of more than half of the people. But it is also a fact that implementing universal suffrage for the Chief Executive by no later than 2017 will stand a better chance of being accepted by the majority in our community. In respect of the subject of universal suffrage, the attitude of members of the public in Hong Kong is pragmatic. They have asked me to handle the issue in a pragmatic manner, so I have to convey these views to the Central Authorities in a pragmatic manner. In addition, I have sincerely and faithfully reflected their views. Now we have attained a timetable for universal suffrage. I believe what I have done is supported by the public and appreciated by the Central Authorities. As the Central Authorities have set a timetable, what it is going to do after this should be respected by us as well.

**DR KWOK KA-KI** (in Cantonese): *President, I thought the Chief Executive would give us more assurance. But he has only repeated what he is going to do — to implement a universal suffrage devoid of substance and soul. I have asked*

*about the details. In each and every poll (including your so-called analysis), more than half of the people in Hong Kong have clearly indicated that they wish dual universal suffrage be implemented in 2012. We have also asked many times about the substance of universal suffrage, about whether there would be a high threshold, and whether the principle of "one person, one vote" would not be adopted in universal suffrage. You have not given us an answer. Repeatedly you have evaded the issue, without giving a real answer on universal suffrage. In view of this, how can we trust you? Can you give us more assurance?*

**CHIEF EXECUTIVE** (in Cantonese): The subject of universal suffrage has been discussed for a very long time. With respect to the election of the Chief Executive by universal suffrage, we have set a framework. I do not have to give any assurance as the National People's Congress has specified the methods of implementing universal suffrage in the future. The new nominating committee can be formed from the existing Election Committee. The nominating committee will then nominate candidates in accordance with democratic procedures. All eligible voters in Hong Kong will be able to vote on the basis of "one person, one vote" under universal suffrage. This is a well-known fact. Regarding the election of the Legislative Council by universal suffrage, I have stated clearly in the report that as views within the community of Hong Kong remain diverse, it is difficult to reach a consensus. More time is needed to discuss the issue. We still have plenty of time. It is only in 2020 that universal suffrage will be implemented and the legislative process will only start in 2018. Under these circumstances, we have sufficient time to discuss the subject. The opinions of the people in Hong Kong should be respected. Before a consensus is reached, they should not ask the Chief Executive himself to say that he must do this or that. I have to listen to the views of all sectors. The Government will certainly continue to work towards this goal. I believe the next term of Government will do so as well. This is the responsibility of every Chief Executive of the SAR Government. And I believe this is also the responsibility of every Member of the Legislative Council.

**MISS CHAN YUEN-HAN** (in Cantonese): *President, Chief Executive, there was a debate in the Legislative Council yesterday. The topic of the discussion was a recent concern of the whole community — "inflation is more ferocious than a tiger". We have read from newspapers that the surplus of the Government*

could reach some \$100 billion. We believe the Government should, just like what the Chief Executive said, return wealth to the people. However, it seems that you are unable to tell us the substantive details of this. May I ask the Chief Executive whether you will do something to help the public face inflation when you consider the budget?

President, according to our observations — I will raise my question soon — the inflation of daily necessities such as clothing, food, housing and transportation, particularly non-staple food, is very serious. Yesterday Honourable colleagues put forward many views. When the public in general are complaining of the hardship, I can specially visualize several groups of people — I wish to ask the Chief Executive how he will help them — one of them is the "three have-nots", that is, people who do not have to pay tax, do not own properties, do not receive Comprehensive Social Security Assistance (CSSA); another group is those elderly living in poverty but do not receive CSSA; another group is the wage earners in general. May I ask the Chief Executive whether you have plans to introduce measures to help these people? In respect of these people who do not own properties, they will not benefit from your proposal of tax cut or rates waiver. So how are you going to help these people of "three have-nots"?

For those elderly in poverty — you said you had to consider carefully the issue of increasing the "fruit grant" — given that an increase of the "fruit grant" will not be able to help those elderly who do not receive CSSA to meet the living expenses, have you considered introducing some measures, such as providing living subsidies to elderly in poverty? Moreover, will the Chief Executive urge the employers in Hong Kong .....

**PRESIDENT** (in Cantonese): Miss CHAN, take a look at the timer. You have used one minute 44 seconds already.

**MISS CHAN YUEN-HAN** (in Cantonese): I will be quick, only one more sentence ..... urge the employers to consider whether they should increase salaries at the present time when they have recorded profits, and whether the rate of wage increase should be higher than that of inflation? I wish the Chief Executive would consider this issue. Have you thought of these measures before?

**CHIEF EXECUTIVE** (in Cantonese): Miss CHAN, with respect to the problem of inflation in Hong Kong, particularly the pressure of inflation on the grassroots, I can feel the hardship and understand their situation very well. The Principal Officials and I try hard to tackle the issue every morning, looking for ways to help the lower class, especially those people who are employed with low wages and bear the brunt of such pressure to resolve the problem.

All of us know that inflation is not only found in Hong Kong. In our region — not to mention the United States or Europe — the problem of inflation in Singapore, Taiwan and South Korea is more serious than in Hong Kong. It is even worse in the Mainland. Under these circumstances, it is impossible for Hong Kong to be immune. The most important and basic method we hope to adopt — the one you have just mentioned — is to increase salaries. As for CSSA, they are provided to another group of people. We will handle it separately.

With respect to those who do not receive CSSA, it is most important to increase their salaries. This is indeed the most important point. We have found the labour market condition increasingly difficult and the unemployment rate increasingly lower. As announced today, the unemployment rate stands at 3.4%. There has been gradual improvement. In respect of wages, there have been increases in wages for all semi-skilled workers and skilled workers. Their wage increase is proportional to the inflation rate. With the adjustment over time, I believe they will be able to overcome the problem of inflation.

Right now, we are targeting those who have no financial means, especially the elderly, to render our assistance. I believe we have to focus specially on the underprivileged. There is a positive side to your point, in particular, when you referred to those who currently do not receive CSSA and the elderly. They are living in hardship. How are they going to benefit more from the existing arrangement, including the adjustment under the system of "fruit grant"? I believe this is the issue Matthew CHEUNG and several other colleagues are actively discussing with the Financial Secretary. I hope we can adopt measures of utilizing the existing abundant resources to help them. I have no idea how much we can help them. The Financial Secretary has been very concerned about this and kept the contents confidential. He has not even told me about it.

Members debated on the issue for a long time yesterday. I had all along listened to the radio broadcast of the debate during which Members had put forth

many proposals. I believe the Financial Secretary will certainly listen to these views. We will continue to study this issue. I can tell you, I am just as concerned about this. The underprivileged, such as the so-called "three have-nots" you mentioned just now are also the people we are targeting at. Members can see what we have done to help, including the implementation of the Transport Support Scheme and the merger of the Mass Transit Railway and Kowloon-Canton Railway which aims at lowering transport expenses. The implementation of the new schemes for the two power companies are also aimed at reducing electricity tariffs. They are all corresponding measures adopted for the purpose of targeting the lower class and the grassroots. We will continue to work on this area.

With regard to prices, I mentioned earlier that we would adopt measures to improve the flow of information and provide sufficient information to the market with a view to reducing the chances of price manipulation. When such a situation occurs, not only will the Consumer Council do something about it, we will also do something, too. Thus, we are trying to tackle the problem from various aspects.

**MISS CHAN YUEN-HAN** (in Cantonese): *I think the Chief Executive's answer, particularly the part regarding the issue of those people of "three have-nots" and the elderly in poverty, is quite positive. I really hope that these people will benefit from this budget. Although we can implement tax reduction, still they will not benefit. How can these people living in poverty benefit from this budget? President, the Chief Executive said just now that the current wage increase for low-waged workers was proportional to the inflation rate. I would like to emphasize that their wages may only be about \$4,000-odd. Even if the percentage of wage increase is slightly higher than inflation rate, they are still workers living in poverty. I really hope that the Chief Executive will remember the hardship of these people whose wage increase is only a small amount .....*

**PRESIDENT** (in Cantonese): Miss CHAN, I think your message is clear enough.

**MISS CHAN YUEN-HAN** (in Cantonese): *Yes, I only hope that the Chief Executive will remember these people.*

**PRESIDENT** (in Cantonese): Very well.

**CHIEF EXECUTIVE** (in Cantonese): I will certainly remember them. However, these are business decisions of enterprises. In view of the tight condition of the prevailing labour market, it is certain that there will be an upturn in wages in the short to medium term. It should not be too difficult for semi-skilled workers, skilled workers and other middle-class families to overcome the problem. Of course, it will be quite challenging for them. But I believe they will be able to overcome the problem in transportation fees and food. Currently we need to be most concerned about the grassroots, especially the non-skilled workers. The question of whether their wages are sufficient to meet their living expenses is the very focus of our concern.

**MS EMILY LAU** (in Cantonese): *President, the Chief Executive said just now that he had honoured the election pledges he made when he stood in the small-circle election. At that time, he had said he would "do something big" and there would be an ultimate proposal for universal suffrage, providing three proposals compliant with international standards for the public to choose from.*

*President, I do not know how the Chief Executive has honoured the pledges because we do not quite believe universal suffrage will really be implemented in 2017 or 2020. Even if universal suffrage is implemented, we have no idea whether it will be genuine universal suffrage.*

*Mr Jasper TSANG asked just now whether meetings would be arranged for us to discuss with the Central Authorities, but the Chief Executive replied that we should discuss with him. President, last time I told you that the Chief Executive had refused to discuss with the pan-democratic camp. Without communication and a genuine proposal, how can the Chief Executive honour his pledges?*

**CHIEF EXECUTIVE** (in Cantonese): I have said many times already that universal suffrage would be implemented for the election of the Chief Executive in 2017 and for the election of the Legislative Council in 2020. This is a decision made seriously by the Standing Committee of the National People's Congress, the highest authority of the country, in accordance with the legislative

process. I believe this is indisputable and indubitable. There is no need to say whether you believe it will happen or not. It will certainly happen.

I have planned to participate in the election of the Chief Executive by universal suffrage in 2017 — not as a candidate, but I will participate — I will cast my vote. I have confidence in this election. Not only I have confidence, but many people do, too. I will use this period of time to try my best to convince you that it will certainly happen. You should plan to vote in the election, too.

**MS EMILY LAU** (in Cantonese): *President, the part of the question that the Chief Executive has not answered is — at that time you talked about providing three proposals compliant with international standards for the people of Hong Kong to choose from. Now where are these three proposals? Furthermore, as you represent the Central Authorities in Hong Kong, we wish to communicate with you. But why have you refused to communicate with the pan-democratic camp no matter what?*

**CHIEF EXECUTIVE** (in Cantonese): According to my memory, we did sit down and talk not so long ago. This is not something that happened a long time ago. If you wish to communicate, we will sit down and communicate again. Fine?

We met and talked at the Government House on that occasion, didn't we? Furthermore, we listed three directions in the Green Paper during the consultation period. I believe we have done our task. We have completed it and attained a good outcome. Now we have a timetable for election. Since the goal has been achieved, we should not argue anymore.

It is most imperative for us to have determination now. We have to plan how it can be implemented and consolidated. Now that the timetable has been set, it is not constructive if we still argue over matters in the past. Holding on to a skeptical attitude will not help the development at all.

At present, it is most important for us to exert concerted efforts by all means in a pragmatic and inclusive manner in devising a sound interim proposal

for 2012, with a view to implementing by all means the election of the Chief Executive by universal suffrage in 2017 and the election of the Legislative Council by universal suffrage in 2020. No matter how you argue about this, it is still going to happen. Therefore, it is imperative for you to go about it with sincerity, abandon all skepticism, and recognize the constitutional authority of the Central Authorities. I very much believe we can discuss anything.

**MR LI KWOK-YING** (in Cantonese): *The fact that Hong Kong is an international metropolis that has gained the confidence of global investors is attributable to our respect for the rule of law. This is precisely one of the core values of Hong Kong. Recently some people have publicly challenged the order made by the Court in the form of civil disobedience. Many members of the community have asked me this question. Under the existing legislations and orders, how can Courts in Hong Kong allow this kind of behaviour that deals a blow to the rule of law in Hong Kong, undermines the confidence of global investors, and hinders the economic development of Hong Kong? May I ask the Chief Executive what actions your Government can take to uphold the rule of law — a core value of Hong Kong?*

**CHIEF EXECUTIVE** (in Cantonese): We fully subscribe to the great importance attached to the rule of law in Hong Kong. This is an important element in our intrinsic values. With respect to the illegal broadcasting mentioned by the Member concerned earlier, we will act in a proactive manner, all in public interest. We will also take a series of actions to uphold the rule of law. This Government will not accept that someone have no regard for the law. We must uphold the rule of law. If criminal penalties fail, we will use other methods, such as applying for injunction orders from the Court and seeking civil remedies so that such incidents will not happen, and everyone will be made aware of the great importance attached to the rule of law.

**MR LI KWOK-YING** (in Cantonese): *President, the Chief Executive answered just now that he would take further action. But what exactly is that further action?*

**CHIEF EXECUTIVE** (in Cantonese): I said earlier that the case concerned is under legal proceedings. I do not wish to comment on the details. This is particularly so when all of us know that there will be another hearing on the injunction in the Supreme Court tomorrow. So, with regard to this matter, there will be escalated actions in consequence. We will continue with the necessary procedures.

**PRESIDENT** (in Cantonese): The time now is almost 27 minutes past four o'clock in the afternoon. Last question now.

**DR LUI MING-WAH** (in Cantonese): *There is something I do not understand and would like the Chief Executive to explain. All of us are saying that the timetable set for universal suffrage is 2017 and 2020. But the relevant decision actually has only mentioned that the timetable set for the election of the Chief Executive by universal suffrage is the year 2017. There is no mention at all of 2020. So how has 2020 come about? I remember clearly that when Deputy Secretary-General QIAO Xiaoyang was in Hong Kong, he mentioned the election of the Chief Executive by universal suffrage would be in 2017. After you had whispered something in his ears, he then said the election of the Legislative Council by universal suffrage would be in 2020. Therefore, it was the Chief Executive who had mentioned 2020.*

*So, based on what conditions do you believe that the election of the Legislative Council Members by universal suffrage should be implemented in 2020? Given that it has taken such a long time of discussion before a decision is made on the election of the Chief Executive, but the election of Legislative Council Members involves a wider scope, how can you make an immediate decision that the election of Legislative Council Members by universal suffrage should be in 2020?*

**CHIEF EXECUTIVE** (in Cantonese): Perhaps let me read out what Mr QIAO Xiaoyang said on this subject. I have a document on this topic here, because I knew some Members would raise this question. *(Laughter)* However, I thought it would be raised by pan-democratic Members. It turned out to be you. *(Laughter)*

Mr QIAO Xiaoyang said, "The decision made by the Standing Committee of the National People's Congress can be summarized in five 'clear' points. The first 'clear' point is the timetable set for the elections of the Chief Executive and the Legislative Council by universal suffrage. That is, the election of the Chief Executive may be implemented by universal suffrage in 2017. After the Chief Executive is selected by universal suffrage, the election of all Members of the Legislative Council may also be implemented by universal suffrage. In other words, 2020 will be the earliest date for the election of the Legislative Council by universal suffrage .....". There are many other things that require our continuous efforts.

In other words, this is the explanation given by Mr QIAO Xiaoyang. As for the wordings of the decision made by the National People's Congress — I do not know if the document is here now — it is said here that "the election of the fifth Chief Executive of the HKSAR in the year 2017 may be implemented by the method of universal suffrage; after the Chief Executive is selected by universal suffrage, the election of the Legislative Council of the HKSAR may be implemented by the method of electing all the Members by universal suffrage." It is written clearly here. If the Chief Executive is elected in 2017, then the election for the next term of the Legislative Council refers to 2020. It is that clear. Why did he not state this clearly? It is because if the election in 2017 — this is something all people in Hong Kong will not wish to see, and I firmly believe this will not happen — fails to elect the Chief Executive by universal suffrage, the election of the Legislative Council by universal suffrage will have to be deferred. So now we must make concerted efforts so that the election in 2012 and the election of the Legislative Council in 2016 will be implemented successfully, and the election of the Chief Executive by universal suffrage in 2017 will also be implemented successfully. That way, we will certainly have an election of the Legislative Council by universal suffrage in 2020. This is what it is all about.

**DR LUI MING-WAH** (in Cantonese): *President, I said just now that the decision made at that time did not mention the election of the Legislative Council by universal suffrage, and the time was only announced by the Mr QIAO Xiaoyang. At that time it was really not stated. But I agree with and accept the explanation given by the Chief Executive.*

**PRESIDENT** (in Cantonese): Today, 29 Members have pressed the button and indicated their wish to raise questions. The Chief Executive has answered questions from 23 Members. I wish to thank the Chief Executive for answering Members' questions.

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

**CHIEF EXECUTIVE** (in Cantonese): Thank you, President. Thank you, Members.

#### **NEXT MEETING**

**PRESIDENT** (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 23 January 2008.

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