

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 9 July 2009

The Council continued to meet at Nine o'clock

MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE JASPER TSANG YOK-SING, 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

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

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

DR THE HONOURABLE MARGARET NG

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

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

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

THE HONOURABLE WONG YUNG-KAN, S.B.S., 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 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 ALBERT CHAN WAI-YIP

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

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

THE HONOURABLE VINCENT FANG KANG, S.B.S., J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

DR THE HONOURABLE JOSEPH LEE KOK-LONG, 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

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

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

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 KAM NAI-WAI, M.H.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING

DR THE HONOURABLE LAM TAI-FAI, B.B.S., J.P.

THE HONOURABLE CHAN HAK-KAN

THE HONOURABLE PAUL CHAN MO-PO, M.H., J.P.

THE HONOURABLE CHAN KIN-POR, J.P.

THE HONOURABLE TANYA CHAN

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

THE HONOURABLE WONG KWOK-KIN, B.B.S.

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE IP WAI-MING, M.H.

THE HONOURABLE IP KWOK-HIM, G.B.S., J.P.

THE HONOURABLE MRS REGINA IP LAU SUK-YEE, G.B.S., J.P.

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN

DR THE HONOURABLE SAMSON TAM WAI-HO, J.P.

PUBLIC OFFICERS ATTENDING:

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

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

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

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

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

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

THE HONOURABLE MRS RITA LAU NG WAI-LAN, J.P.
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

CLERKS IN ATTENDANCE:

MS PAULINE NG MAN-WAH, SECRETARY GENERAL

MRS CONSTANCE LI TSOI YEUK-LIN, ASSISTANT SECRETARY
GENERAL

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

MRS PERCY MA, ASSISTANT SECRETARY GENERAL

PRESIDENT (in Cantonese): Clerk, please ring the bell to summon Members to the Chamber.

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

PRESIDENT (in Cantonese): Good morning, Members. Council now resumes and continues with the proposed resolution on amending the Code of Practice on Employment under the Race Discrimination Ordinance.

MOTIONS

PROPOSED RESOLUTION UNDER THE RACE DISCRIMINATION ORDINANCE

Continuation of debate on motion which was moved on 8 July 2009

MR LEUNG KWOK-HUNG (in Cantonese): President, first of all, I am grateful to Members who have spoken. They made me understand what racial discrimination and the Race Discrimination Ordinance (the Ordinance) are. In fact, the people of Hong Kong live under two large cultures or empires. One is the British Empire. And culturally, we are affected by the Chinese ethnic consciousness which is dominated by the Han race. Both of them make us prone to discrimination.

Let me first talk about the British instead of the Chinese. The British think that if you do not speak English, there is no other language to speak. An Honourable colleague cited yesterday an embarrassing situation which the Chief Executive experienced in which he said that the ethnic minorities should at least be able to read English if they could not read Chinese. I once met a lady who thought that all people in the world spoke English. This is a true incident. I met her in Britain and she thought that all people in the world spoke English. Actually, when she met me, she should realize that not all people in the world spoke English because I was speaking to another person in Cantonese at that time. Hence, this thinking is entrenched, and the Chinese are no different. When other people do not speak in our language, we will ask what they mean, suspecting

whether they have any unscrupulous moves, or whether they want to plot against us. The people from Guangdong are the same. We call people from other provinces "*Laoxiong*" (Old Brother) in Putonghua. Sometimes we even use "*Laoxiong*" to laugh at them. Admittedly some people address others by their characteristics in a bid to show intimacy, but discrimination can be said to be a kind of cancer, and sometimes I would also discriminate others without knowing.

Hence, when we know that it is not right to have discrimination, particularly racial discrimination, the Government of Hong Kong or all governments in the world will seek to minimize it. The resolution today, which proposes to adopt the Code of Practice on Employment (Code of Practice) under the Ordinance, seeks not only to tell the Government and the people of Hong Kong through legislation that this kind of behaviour is inappropriate, but also hopes to provide something for the people of Hong Kong to adhere to.

I always prefer renaming the "Code of Practice" as the "Code of Conduct" because the former is about the kind of work that should be done, but which is prone to paying lip service. "Conduct" means that after you have a concept like this and you truly regard it as a principle in your heart, then you will develop a set of behaviour. This is better. I believe that naming it as the "Code of Practice" is probably a perfunctory approach. As such, the Code of Practice, despite having its legislative aim and intent, will not yield satisfactory results after its implementation, or its intent will be distorted.

I listened to Mr Frederick FUNG's speech yesterday. His speech has awakened me to the fact that the Equal Opportunities Commission (EOC) has to handle such a large amount of work. Other than racial discrimination, its purview covers other forms of discrimination. We all know that the so-called scope of racial discrimination does not include the new arrivals to Hong Kong. This is a major omission. Certainly, the Ordinance has already entered the stage of the Code of Practice and it is useless to say any more about this now. But I still hold that as long as a certain type of people is discriminated in society, you have to deal with it. You cannot say that they are from the Mainland and they are not another race, so they cannot be included in the scope of racial discrimination. I think that Fine, even if we regard them as the same race Secretary Stephen LAM (have you worn your medal today? I guess not. You got this medal and now you have come here to answer our questions perfunctorily, indeed, you are). You will probably use a bit of your sophistry

and say to me that you are now talking about racial discrimination, and that the Administration never regards our mainland compatriots as belonging to another race, so it will not handle this issue. Secretary, I wish to digress a little and ask you when you will handle this issue? They are a group of people who has been subjectively discriminated, whether such discrimination is rendered intentionally or not.

Certainly, I was also discriminated by immigrants from the Mainland. The incident happened when I visited someone living in a posh district in West Kowloon. The person did not recognize me probably because he had not read the news or he had just come to Hong Kong. When I walked into the building, he had almost left it. Although I would not say that the building was luxurious, the door was indeed huge and the security tight. When I was waiting inside the building, that person looked at me as if he wanted to find out what I was doing, whether I was there to deliver goods or do the cleaning. When I quickly walked into the lift, he almost wanted to run out. When I saw this, I was prepared to say to him, "Then, would you please come out so that I can go up first." What is his discrimination against me? It is hard to describe. In a capitalistic society, this can be regarded as discrimination of the rich against the poor. I did not know what language I should use when I saw him. I knew that his Cantonese was poor, and he was a person who spoke English or Putonghua. And I also heard people in the lobby speak in Putonghua and English. So I can say that I have also been discriminated.

What am I driving at? That is, we now have passed a law, but how are we to implement it? Let me repeat the conversation between the Chairperson of EOC Mr Raymond TANG and me. It was actually Ms Cyd HO who put the question to him, so she should be given the credit. She asked him whether the manual was prepared in the six languages of the ethnic minorities. He answered in the negative and he was asked to do so. When he attended the next meeting, he sat where Secretary LAM is now sitting. I asked him whether he had finished preparing the manual. He replied that Chinese and English were the statutory languages in Hong Kong, so it was adequate to prepare the manual in these two languages. You really want to pound the table and marvel at his reply. His job is to eliminate racial discrimination and his targets for consultation are precisely the victims of our intentional or unintentional racial discrimination.

President, your constituency has many people of South Asian descent and I have also come in touch with many of them. Mr TANG, Chairperson of EOC,

said that he had already prepared the manual in the two statutory languages, that is, English and Chinese. "Mr LEUNG, are you sick? Are you ignorant of the law?" He added. Actually, he is the one who is sick. When we need to conduct a consultation exercise for the Ordinance, we have no reason to assume that they know our language; neither should we assume all the more that they are proficient in English and Chinese. This is a matter of one's mindset. I do not mean any disrespect for Mr TANG, but Members can give this conversation a thought. It is indeed very interesting. He even replied loudly that doing that was already adequate. Is he not being a little unreasonable?

Certainly, many people say that we, the opposition Members, are too demanding, and that it is impossible to find translators to translate each of these many languages. Our answer is that we have to try our best to do so. Members have to understand that the ethnic minorities who are able to receive tertiary education are extremely rare. President, you may find something extremely rare, but you may not be able to find these ethnic minority students at the university campus. Just imagine how they can climb up the social ladder if they are subject to such treatment under the present system, putting aside the issue of who is right and who is wrong. I met many ordinary Hong Kong people on the street who would come up to me and urge me not to give support the Pakistanis. They are actually insulting these people. I asked them not to treat them as non-Hong Kong people because of their different colour. They are Hong Kong people and their parents have contributed to Hong Kong. Why do I say so? My first job was silk printing and I saw two Pakistanis everyday at that time. They were a family of two — the father and the son. They worked two shifts in the silk printing factory and took up the jobs of security and fabric washing as well — President, you probably do not understand this. It means washing the silk fabric to make it shrink for the printing process. Of course, I made friends with them. They would occasionally invite me to eat curry chicken. They did not have curry chicken every meal except at major festivities, just like what our life used to be.

Have they contributed to society? I have not seen these two Pakistanis for a long time. I do not know whether they have returned to their home country or they are still living in Hong Kong. If they have contributed to Hong Kong's economic take-off and their children were born in Hong Kong, are they not Hong Kong people? I hold that they are genuine and honest-to-goodness Hong Kong people. As we are now addressing these issues, I wish to say from my heart that encouraging racial discrimination is a cardinal sin because it is likely to cause

tangible harm. Class discrimination involves asking you For example, President, I do not know whether you are rich. This is something we think is dangerous.

Hence, I think this Council should have an adjournment debate on the Uyghurs. We now watch news of bloodshed on television everyday. I sincerely hope that the Chinese Communist government can handle this issue properly. Xinjiang is a region expressly captured by invasion. It was acquired in one of the ten military expeditions in the Qing dynasty. The Uyghurs are our brothers because we are all human. At present, publicity in our country is one-sided, claiming that the Uyghurs are instigated by some people to riot. But what I saw was widows taking to the street, and my common sense tells me that their tears or women's tears are not meant to deceive. Hence, I hope that President HU Jintao who is now hurrying back to China, or he may have already arrived, will not handle the incident with an iron fist, like what he did with Tibet. I hope all Han Chinese would think again. The Uyghurs are only a minority race. How can they cause widespread killing of the Han Chinese? Even if some individuals have done so, we cannot conclude that the killings are instigated by third parties outside the country. Secondly, the matter should not be escalated into acts of racial hatred.

President, we have all gone through the colonial times. Your family member, Secretary TSANG Tak-sing was oppressed because of his protest against British colonial rule. I once commented that he is undoubtedly a true political prisoner. When I was under the rule of the English-speaking British, I did not understand English, and I naturally resisted their governance. But I was too young at that time and I did not have the chance to participate in any social movement. What is happening in Xinjiang today is exactly the same thing. I know that after I have spoken, I may be severely lashed, but I cannot help it. In front of the bloodshed, I hope the Uyghurs can have the right to decide their own destiny, just as the people of Taiwan can. I hold that in any modern society, the federal system is a thousand times better than the republican system in a large country. Thank you, President.

DR PRISCILLA LEUNG (in Cantonese): President, the discussion today is about the resolution moved under the Race Discrimination Ordinance (the Ordinance). Here, I wish to reiterate that the Ordinance was passed with defects years ago. Back then I was not yet a Member of this Council, but I provided considerable input pertaining to the Ordinance in my capacity as an academic in

law. And I have repeatedly stated that the choice of excluding new arrivals from the Mainland from the scope of protection of the Ordinance is discriminatory.

According to the existing definition laid down by the United Nations, racial discrimination or indirect discrimination may generally exist in people who are of the same race or nationality in terms of language, culture and religion. But the Ordinance was ultimately passed despite its having defects. I guess Members thought that it was better than nothing, so they passed the Ordinance. However, after the passage of the Ordinance, has the Government dealt with the problem? This is what I need to settle accounts with the Government now.

Today, the subject in discussion is the Code of Practice on Employment (Code of Practice). I remember when the Bill was being scrutinized, the Government openly explained that the issue of new arrivals from the Mainland should be handled as social discrimination. We repeatedly pointed out at the time that if such a special clarification was made, some new arrivals from the Mainland might encounter even more difficulties in law if they wished to seek the protection which they had enjoyed previously. In the past, the Race Relations Unit of the Home Affairs Bureau could handle cases of disputes possibly arisen from different backgrounds, upbringing or social circles. But now we truly do not know which department will handle these cases. The Government has not yet addressed this issue. It only said at that time that the issue should be addressed through education. After following up the matter for years, I find that education efforts were made sporadically. Every now and then we would hear news of murder on the radio. For instance, a recent murder case involved the killing of a family of four in a village house. Actually, the murders involved several illegal workers who were immigrants from the Mainland. They harboured hatred for not being accepted in society. These problems exist all along. I remember a case earlier involving a highly qualified intellectual — a master's degree student — who bit and wounded the finger of a passenger on the bus due to resentment. I think these people were not at their normal state and their actions were due to hatred harboured against society. Therefore, I need to settle accounts with the Government now. While we pass the Code of Practice today, I hope that the Government will continue to address these problems. I wish to tell the Government that we have not forgotten these scores.

Secondly, the recent riot in Xinjiang precisely shows that apart from political issues, racial issues are also very sensitive ones in a society. Regarding

the incident of the shooting of a Nepalese earlier, which we believe may not involve any racial issue, but if someone fans a racial element into the incident, it will become a racial issue. So we must be very careful when we handle disputes involving different racial backgrounds.

I wish to cite two examples here. One of the examples shows that language alone can cause serious conflict. I once participated in seminar on language in which all participants were Chinese. Among them were some Korean Chinese, not Xinjiang people. There were five highly educated female intellectuals and one of them was a Han Chinese who proposed to make Mandarin the only national language. Two female Korean Chinese, on hearing her proposal, immediately stood up and they almost started a fight. I was startled. From this we can see that the language of each race should be respected; if not, a seminar as rational as this one can trigger violent responses.

Problems of the ethnic minorities are indeed increasing in Hong Kong. My observation is that they lag far behind than the Indians or the Pakistanis in integrating into the society of Hong Kong. Moreover, they are basically from the lower stratum of society and they do not speak English well. I recently read about an example of great mockery from the newspaper. A young man deliberately took drugs in order to study at the Christian Zheng Sheng College in order to receive education. These examples show us that although ethnic minorities also have successful examples in Hong Kong, for instance, the Indians have many successful examples in Hong Kong, I often find other ethnic minorities, such as the Pakistanis or Nepalese, wandering on the street. I hold that after going through two major cases, such as the recent shooting case, we should take the initiative to care about them. In this connection, I hold that apart from hardware — which is the Code of Practice we are about to implement but I wonder how much is the effect of the Code on them — we must find people to send the message to them, telling them that Hong Kong society is concerned about them and wants to protect them. But they may still not be able to receive the message because, first of all, they lack the hardware to receive it; and secondly, the language problem may bar them from getting the message.

In Hong Kong, the people responsible for dealing with the ethnic minorities, such as social workers and outreach workers, are far from being sufficient. The ethnic minorities are now only handled by individuals or community organizations. The services given are piecemeal. Hence, the passage of the Code of Practice should be coupled with the provision of software

so that the message can truly reach them. The Internet cannot fully serve this purpose and we may need to use people to deliver the message to them on the streets. As to how we can achieve a better result, I hope the Government can formulate a comprehensive scheme.

Here, I cannot help but talk about the Equal Opportunities Commission (EOC). I have assisted different clients, including new arrivals from the Mainland and ethnic minorities to lodge complaints and I have gone to the EOC office for a number of times. I remember the first time can be dated back to 1998. I found the EOC office very extravagant and the rooms were all very large. I could not help but wonder how much workload they had every day.

I wish to say a few words to sum up today's speech and I hope Members will ponder about the expenditure of public organizations like EOC. Many voluntary organizations in Hong Kong do a lot of work with a small amount of funding and some organizations may even need to use their own money. Some charitable organizations or individuals also do a lot of work with a small amount of funding, and some of them even continue their work without any funding. The EOC, however, do very little with a lot of funding. It has done very little, so little that we may not even notice it. But everything in its office is very extravagant. This problem exists not only in this term. The hardware I saw there was very beautiful. I believe EOC only shows the tip of the iceberg. First of all, these public organizations have highly paid employees, and some of their salaries may even be higher than those in the Government. We should conduct a well-defined review of that and the Public Accounts Committee has already provided us with an excellent and detailed report. I hold that apart from reviewing big spenders like EOC, the Government should also conduct a series of reviews of the expenditure pattern of public organizations. Thank you, President.

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

(No Members indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Constitutional and Mainland Affairs to reply. This debate will come to a close after the Secretary has replied.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, first, I am very grateful to Members for expressing much concern over the work against racial discrimination, the implementation of the relevant legislation and the Code of Practice on Employment under the Race Discrimination Ordinance (the Code of Practice) in this meeting spanning two days. I wish to take this opportunity to give a reply to the main points advanced by some Members.

First, Dr Margaret NG has particularly reminded us that during the formulation of the Code of Practice, Members had advanced a number of concrete and necessary views in the discussions held by the relevant Subcommittee and those by this Council, thereby rendering the wording of the Code of Practice more detailed, comprehensive and pertinent. This is precisely the original objective that we wished to achieve by tabling the subsidiary legislation, the Ordinance and the Code of Practice in this Council for Members' discussions. In carrying out our legislative work and implementing the relevant policies, these enable us to pool our views, so as to ensure that the work we undertake can serve members of the public. Given that this is a new area of work to us, it is necessary and worthwhile for us to listen extensively to the views advanced by Members. For that reason, I hope Dr Margaret NG will not mind if we continue to seek wisdom from Members where necessary.

Second, as Dr Margaret NG and other Members have specifically highlighted the fact that during the initial stage of the public consultation exercise, the Equal Opportunities Commission (EOC) had only prepared the Chinese and English versions of the consultation paper. After being reminded by Members, not only did it prepare leaflets in ethnic minority languages, but also had the Code of Practice translated in full. The scope of our work can gradually be extended because of Members' support for our work and the reminder they gave to us. This is also an interactive process of a beneficial and constructive nature.

Dr Margaret NG has particularly spoken on the availability of opportunities for non-governmental organizations (NGOs) to participate in the implementation of our equal opportunities work and whether enough resources are provided. In yesterday's and today's meeting, several Members have specifically reminded us

of the importance of this area of work. I can tell Members that be it the Government or the EOC, we are more than willing to extend the coverage of our work. For that reason, on equal opportunities, we have put in place the Equal Opportunities (Race) Funding Scheme and at an earlier time, we submitted papers to the relevant Subcommittee, which set out that in the year of 2008-2009, some 20 organizations had submitted applications to us for resources and funding, so as to participate in the relevant work.

On the other hand, the setting up of the four Support Service Centres for Ethnic Minorities (SSCEMs) had also undergone open tender exercises. Members may note that the relevant NGOs, in submitting their applications for the establishment of these four SSCEMs, were well aware of the factors to be taken into account by the Government in these tender exercises. This highlights the fact that such tender exercises were conducted in an open and transparent manner.

Ms Miriam LAU has particularly referred to the concern expressed by chambers of commerce and small and medium enterprises over the Code of Practice. We clearly understand their concern and recognize the importance of the role played by Ms Miriam LAU as a bridge between the Government, this Council and the business sector. Given that this is a new area of work, as well as a new piece of legislation, in the actual implementation of the legislation, be it concerning the area of language or the course of recruiting other service providers, all of us will have to encounter the situation of how to properly conduct work in accordance with the law. Given our understanding of Members' worry about the future situation, the Government and the EOC will make the best endeavours to particularize the Code of Practice and render its contents more compatible with the views that need to be advanced in the light of the actual situation. The EOC has undertaken to sum up and review experiences within one year and, on the basis of the cases to be handled, further update the Code of Practice. In the course of undertaking this area of work, we need to solicit the continuous support of Ms Miriam LAU and other Members, so as to obtain concrete and valuable views.

Over the years, Ms Emily LAU has been greatly concerned about the promotion of human rights. I can tell her and every Member that the Third Term Government of the Hong Kong Special Administrative Region (SAR) is

determined to promote within its term of office the work of protecting members of ethnic minorities and that of ensuring equal opportunities in employment in Hong Kong. For that reason, with Members' support and through discussions, we formulated the Race Discrimination Ordinance (the Ordinance) last year. Subsequent to one year's hard work, we are able to implement the Code of Practice and other subsidiary legislation. That said, I have to emphasize again that the formulation of the subsidiary legislation and the Code of Practice prior to the end of this Legislative Session and the submission of the draft of the proposed administrative guidelines on the day before yesterday to the Panel on Constitutional Affairs (the Panel) of this Council is not attributable to our attendance at a meeting of the United Nations in the near future. We have undertaken such work because when formulating the Ordinance last year, we expressly indicated our intention to implement the legislation comprehensively within one year, that is, in mid-2009. For that reason, attending the meeting of the United Nations and implementing the relevant legislation cannot be lumped together because conducting the work relating to the latter is one of our original policy objectives.

Ms Emily LAU and other Members are also concerned about the members of ethnic minorities receiving education in Hong Kong. As members of the co-ordinating Policy Bureau, we have promoted the work relating to various policy areas in collaboration with other Policy Bureaux. When it comes to education, Members may have knowledge about our work. After listening to the views expressed by Members, we will, as far as practicable, relax the relevant arrangements to facilitate and encourage young people of ethnic minorities to receive education and further their studies. Therefore, with respect to the Chinese language, we now accept the levels of proficiency conferred by Britain's General Certificate of Secondary Education (that is, the GCSE) Examination. We consider the levels of proficiency awarded by this examination acceptable and it is easier for members of ethnic minorities to meet the standard. Moreover, we have established designated schools in various districts and the number of which will be increased to 25. The Education Bureau will allocate additional resources to these schools, so as to meet the needs of members of ethnic minorities.

Regarding the promotional work to be undertaken by the EOC relating to the implementation of the Code of Practice and the Ordinance, Ms Emily LAU

has spoken on this aspect. To this end, we have allocated resources to the EOC. The EOC will commence various kinds of publicity and public education programmes, including advertisements, Announcements of Public Interests on television and radio, leaflets, exhibitions and briefing sessions, and promote this new area of work through its Community Participation Funding Programme.

Yesterday, Ms Emily LAU specifically raised the question of why the recruitment arrangements for the succeeding Chairperson of the EOC had yet to be drawn up. Will the person be working in a full-time or part-time capacity? She also particularly referred to a letter sent to us by the Human Rights Monitor, which expressed therein its reservations about changing the position of the succeeding Chairperson to a part-time position. This view had been advanced in 2006, that is, when Members were engaged in a discussion held in this Council on this matter. At that time, Members had also expressed their reservations. In June, we again raised this matter in a meeting of the Panel and had listened to the views put forward by Members. Maybe Ms Emily LAU has been busily engaged in her work over the past few days and that is why she has not taken note of the fact that we sent a letter to the Legislative Council Secretariat several days ago, indicating our decision of maintaining the position of Chairperson as a full-time position, after listening to the views put forward by Members. On the other hand, in order to strengthen the internal governance of the EOC, we are willing to allocate additional resources for the purpose of setting up a new position of Chief Executive Officer, which will be pitched at a level equivalent to D3 of the Government (that is, Point three of the Directorate Pay Scale). We believe these arrangements will serve to benefit the EOC in the continuous promotion of its work. In the press release issued yesterday, we emphasized again our intention to do so. For that reason, our position on this matter is very clear. We will commence within a short period of time the open recruitment exercise of the succeeding Chairperson of the EOC, whose term of office will take effect in January 2010.

Ms Cyd HO has just spoken on several areas of work. Regarding her conjecture that we hurried to complete this set of work prior to the end of this Legislative Session on account of our attendance at the meeting of the United Nations, I have already given a reply. As to her specific question on the number of ethnic minority languages in which the consultation was conducted in the course of the consultation exercise on the Code of Practice, I have also made a reply earlier. Nevertheless, what I wish to say is that after listening to the views

put forward by Members, we have already had the entire draft of the Code of Practice translated into six ethnic minority languages, including Indonesian, Hindi, Nepali, Tagalog, Thai and another language. The EOC had also organized 10 public consultation sessions and provided simultaneous interpreting service for some of the participants. For that reason, be it the Government or the EOC, they all attach much weight to these areas of work.

Mr Frederick FUNG is not present in this Council at this juncture. The recent appointment of Mr Paul TSE and him into the EOC will serve to give the EOC a new mentality and they will join hands with other members of the EOC in serving the public. Mr Frederick FUNG has made particular reference to the work to be undertaken by the EOC in the future. After joining the EOC, he will put forward new ideas in the meetings of the EOC. All this is what we expect the newly appointed EOC members can achieve.

I wish to give a brief reply to what Mr Frederick FUNG has spoken on. He has expressed particular concern about the provision of training to members of ethnic minorities. The Employees Retraining Board (ERB) may commence tailor-made placement-tied training courses conducted in the English medium and foundation courses on workplace Cantonese specifically for members of ethnic minorities, in conjunction with the Employment Set Sail Training Courses offered in districts with a high concentration of ethnic minorities. At present, there is no need for the courses offered by the ERB to reach a particular enrolment rate for commencement and such courses are provided in a more flexible manner. Where necessary, translation services can be arranged for ethnic minority students. For that reason, within the scope of the present policy and subject to the resources currently available, the ERB hopes to deploy its resources on an ongoing basis, so as to better meet the needs of members of ethnic minorities.

Mr Frederick FUNG has particularly spoken on the provision of legal assistance by the EOC while pointing out that the EOC earmarks \$1.5 million annually for handling cases. An independent statutory body, the EOC in fact strives to settle the cases it receives by way of conciliation. Or, it will try to reach a settlement between the two parties to a case through other means of communication. The power to make such decisions rests with the EOC and the Government is actually in full support of the EOC to make a judgment about the necessity of bringing a case to Court in the light of the circumstances of each case. Everyone has respect for the rule of law in Hong Kong while the EOC has

its own statutory obligations in the legal sense. Where appropriate, the EOC may consider it worthwhile and necessary to bring a case to Court. On resources, the EOC has a reserve of \$18 million, which may be mobilized when necessary.

Dr Priscilla LEUNG and Mr LEUNG Kwok-hung have specifically raised the issue of new arrivals again. When dealing with the Race Discrimination Bill, we had held detailed discussions on this issue. At that time, it was decided that the Ordinance would not be extended to new arrivals. That said, the Home Affairs Department will continue to co-ordinate the services provided to new arrivals while the SAR Government also holds that this area of work is important.

President, let me make a conclusion. Whenever Members speak on the work relating to human rights, I will listen carefully to their views while acknowledging that Members eagerly count on the Government to do a better job, as well as undertaking more and comprehensive work, in promoting the protection of human rights. I fully agree with this overall objective. For that reason, since my Policy Bureau formally took over the handling of issues pertaining to human rights effective from 1 July 2007, the resources we give to the EOC and the Office of the Privacy Commissioner for Personal Data (PCO) have seen a continuous growth. The fundings received by the EOC for the year 2007-2008 and 2009-2010 respectively amount to \$73 million and some \$80 million while the latter has already included a reserve of \$4 million. Later, we will grant funding to the EOC. The PCO received a funding of about \$36 million for the year 2007-2008, which was increased to more than \$44 million for the year 2009-2010. The growth accounts for almost 20%. For that reason, we will, as far as practicable, provide available resources to these statutory bodies. The sole purpose of so doing is that we hope the work pertaining to the protection of human rights in Hong Kong can succeed in scaling new heights. Over the years, Hong Kong has been considered a civilized, open and free society in Asia and everyone supports and cherishes this. I call on Members to lend continuous support to the work undertaken by these statutory bodies and dedicate concerted efforts for a successful implementation of the relevant legislation.

President, I so submit. Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Constitutional and Mainland Affairs be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

PRESIDENT (in Cantonese): Proposed resolution under the Interpretation and General Clauses Ordinance to amend the Food Business (Amendment) Regulation 2009.

I now call upon the Secretary for Food and Health to speak and move his motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I move that the resolution as printed on the Agenda under my name be passed to amend the Food Business (Amendment) Regulation 2009 (the Amendment Regulation) to defer the commencement date of the Amendment Regulation for one year to 1 August 2010.

In 2003, there were a series of incidents in which *Vibrio cholerae* was found in the fish tank water of fish stalls in markets and chain supermarkets in Hong Kong. The Director of Food and Environmental Hygiene had to order the closure of the stalls involved and the quality of fish tank water became an issue of immense concern to this Council and the community at large. Members and the

public generally considered that the Government should amend the relevant legislation to exercise regulatory control over the quality of seawater for keeping live seafood and the delivery process of seawater. At that time, the Panel on Food Safety and Environmental Hygiene (the Panel) suggested that the Government should, through legislation, prohibit the extraction of seawater along the shoreline for keeping live seafood. Four years ago, that is, in 2005, the Government adopted the suggestion made by the Panel and formally proposed to introduce legislation against the extraction of seawater along the shoreline. Over the past four years, we have briefed the Panel on many occasions on our legislative exercise and other areas of work relating to monitoring the use of seawater for keeping live seafood. Members have generally been supportive of the Government's legislative proposals.

Besides, since 2004, the Fish Marketing Organization has been supplying clean seawater that has undergone filtration and disinfection to seafood traders in the fish wholesale market, as well as other seafood traders, for the purpose of keeping live seafood. Since 2006, the Government has also been implementing the Quality Seawater Assurance Scheme (QSAS) through the Hong Kong Productivity Council, so as to assist the trade in enhancing the quality of seawater supplied by seawater suppliers, thereby minimizing the risk of contamination, as well as helping the seafood trade through the QSAS to ensure more effectively that the quality of fish tank water complies with the legislative requirements.

Apart from legislation, the Government has also stepped up inspection and the taking of seawater samples for testing over the past years. Since 2004, the Food and Environmental Hygiene Department (FEHD) has been taking samples of fish tank water from food premises and market stalls selling live fish or shell fish for *Escherichia coli* (*E. coli*) testing once every eight weeks. In case the *E. coli* count exceeds 180 per 100 ml of fish tank water (that is, reaching the "action level"), the FEHD will provide hygiene advice to the operator on such matters as the proper maintenance of facilities installed for the filtration and disinfection of fish tank water. Subsequently, further samples of fish tank water will be taken for testing until the quality of the fish tank water becomes satisfactory again. This mechanism provides an early alert to enable timely remedial actions to be taken by operators before the quality of fish tank water deteriorates below the statutory standard.

In addition, given the highly infectious nature of pathogenic *Vibrio cholerae* and its immediate threat to public health if found in fish tank water of

food premises, the FEHD has stepped up surveillance in this regard in recent years and takes samples of fish tank water for *Vibrio cholerae* testing. At least one separate sample of fish tank water is taken from each premises for *Vibrio cholerae* testing between May and September every year. In case *Vibrio cholerae* is detected in a water sample, the Director of Food and Environmental Hygiene may exercise his power under the law to close the premises concerned, so as to remove an immediate health hazard to the public.

Despite the Administration's efforts to enhance the protection of the quality of fish tank water through law enforcement and publicity, as well as assisting the trade in developing new quality water sources, over the past few years, fish tank water has been found from time to time to contain an *E. coli* count exceeding the statutory limit (that is, containing an *E. coli* count equal to or exceeding 610 per 100 ml of fish tank water) or even the highly infectious *Vibrio cholerae*. The breaches may be attributable to the failure on the part of operators to maintain filtration and disinfection facilities in good working order or the use of seawater from sources of a substandard quality. To strengthen regulatory control, as well as enhancing the entire set of legislation for monitoring the quality of fish tank water, we need to exercise source management for a better protection of food safety and public health. This is the aim of introducing the Amendment Regulation.

Through legislative amendments, we propose to prohibit the extraction of seawater from certain prohibited areas with substandard water quality, including the Victoria Harbour, 14 typhoon shelters, areas along the shoreline of Hong Kong Island (including Ap Lei Chau) and areas along the western shoreline of the New Territories (including Tsing Yi), for keeping live seafood intended for sale for human consumption.

On legislative consultation, apart from listening to the views advanced by Members, we have actively conducted at least eight rounds of extensive public consultation and meetings on the legislative proposal concerning the seafood trade since 2006. Members of the 18 District Councils were also invited to participate. Through intensive consultation and communication over an extended period of time, we have obtained the support of a majority of trade representatives and members of the community. In a recent meeting of the

Panel held in January 2009, Members of the Panel were generally supportive of the Administration's move to table the Amendment Regulation in this Council.

However, in the meetings of the Subcommittee on Food Business (Amendment) Regulation 2009 (the Subcommittee) to scrutinize the Amendment Regulation, Members from different political parties unanimously urged the Government to defer the commencement date of the Amendment Regulation for one year and held the view that the trade needed time to adjust to the new requirements and there were already other effective measures in place to monitor the quality of fish tank water. The Subcommittee cited the difficulties faced by seafood restaurants in Lei Yue Mun to illustrate the situation.

As I have just pointed out, the Government started to amend the relevant legislation to regulate the source of fish tank water as early as in 2005 at the Panel's suggestion and the legislative proposal has all along obtained the general support of the Panel. In fact, as lately as in January this year, the Panel was still in support of the submission of the Amendment Regulation to this Council for scrutiny.

However, during the scrutiny of the Amendment Regulation, Members unanimously requested the Government to defer the commencement date of the Amendment Regulation for one year. The request had obtained cross-party support in this Council.

After assessment, we are of the view that while the deferment of the commencement date of the Amendment Regulation for one year is undesirable, so doing is not likely to increase the existing food safety risk. To provide further protection, the FEHD will step up inspection and the taking of samples of fish tank seawater for testing in the coming year, particularly given that over the past few years, the E. coli count of more samples of fish tank water has exceeded the "action level". It will also step up the inspection of prosecuted stalls engaging in the sale of live seafood and enforce the law stringently by instituting prosecutions against non-compliance.

Thank you, President.

The Secretary for Food and Health moved the following motion:

"RESOLVED that the Food Business (Amendment) Regulation 2009, published in the Gazette as Legal Notice No. 93 of 2009 and laid on the table of the Legislative Council on 13 May 2009, be amended, in section 1, by repealing "1 August 2009" and substituting "1 August 2010"."

MR TOMMY CHEUNG (in Cantonese): President, in my capacity as Chairman of the Subcommittee on Food Business (Amendment) Regulation 2009 (the Subcommittee), I report the main deliberations of the Subcommittee.

The Food Business (Amendment) Regulation 2009 (the Amendment Regulation) seeks to prohibit the extraction of seawater from specified prohibited areas for keeping live fish and live shell fish intended for sale for human consumption.

The Subcommittee supports the initiative of the Government in strengthening the existing regulatory regime of keeping live fish and live shell fish intended for human consumption, so as to control the source of fish tank water, with a view to strengthening the protection for public health.

In response to seafood traders in Lei Yue Mun who claimed that the water quality of the coastal strip of waters immediately outside the Sam Ka Tsuen Typhoon Shelter where they usually obtained seawater for keeping their seafood was satisfactory and should therefore be excluded from the proposed prohibited areas, members of the Subcommittee paid a site visit to the Lei Yue Mun seafood bazaar to understand the operation of the seafood traders.

Members of the Subcommittee are of the view that public health is already ensured by the existing regulatory regime of keeping live fish and live shell fish intended for human consumption. Furthermore, according to the records of the Food and Environmental Hygiene Department (FEHD), only two and one prosecutions were taken against the licensed food business premises in Lei Yue Mun for failing to meet the statutory standard of "E. coli less than 610 per 100 ml" in 2006 and 2007 respectively, and in order to preserve the Lei Yue Mun seafood bazaar as one of the major tourist attractions in Hong Kong, most members of the Subcommittee support postponing the implementation of

the Amendment Regulation to 1 August 2010, so as to allow more time for Lei Yue Mun seafood traders to construct a seawater extraction facility to obtain seawater immediately outside the proposed prohibited area in Lei Yue Mun.

President, now I would like to express my personal views on the Amendment Regulation. I have all along believed that the Amendment Regulation will be able to further protect public health, and this is why I have given it my support over the years.

However, I would like to point out that the food safety policy of the Administration has always resorted to take the easy way out. Wielding the axe at the restaurants only, the Administration knows only to arrest the persons-in-charge and order the closure of these food premises whenever problems arise. I agree that we have to protect public health. If problems are found in restaurants, they certainly should be held responsible. However, I very much object to the practice of making restaurants a scapegoat.

I have all along believed that there are only three reasons for the *E. coli* or *Vibrio cholerae* counts to exceed the statutory limit for fish tank water. First, it is related to the problem of personal hygiene of restaurant staff. The Secretary has said just now that incompliance might be due to improper maintenance of the filtration systems in restaurants. If this is the case, the restaurants deserve to be sanctioned. This is only obvious. President, it may be attributable to the second reason, that is, the problem may originate from the seawater itself. The third possible reason is that the delivered goods, which contain fish with water, are contaminated. On mixing into the fish tanks of restaurants, they, in turn, contaminate the fish tank water. If FEHD officers happen to come to the restaurants to take fish tank water samples for testing, and the disinfection systems have not started to work properly, the restaurants will be sanctioned by suspension of license. Whatever the reason is, once contamination is found in the fish tank water, only the restaurants are to be held responsible. The restaurants are made to suffer by sheer misfortune.

As a matter of fact, seafood in restaurants is cooked well before it is served to diners for consumption. Both *Vibrio cholerae* and *E. coli* are unable to survive under high temperature. Thus, risks involving restaurants are not very high. However, the Administration has always shifted all the gatekeeping responsibility onto restaurants alone, which I think is unfair.

Now, the Administration has accepted my views. By amending the Regulation, the Administration has limited the areas where seawater can be extracted for keeping live fish, thereby eliminating the contamination of seawater at source. I certainly agree with this proposal. However, President, this is not enough. In respect of the transporters that deliver seafood or seawater to seafood traders, should the Administration consider how seawater samples can be taken from their trucks for testing? If these samples are found to be contaminated, they should also be sanctioned. I hope that the Administration will seriously consider this proposal. As a matter of fact, the number of transporters is limited, and the number of seafood traders is also limited. The Administration absolutely has the capacity to further expand the scope of monitoring.

President, I have other views on the Amendment Regulation. I have told the Government over the years that the only problem concerning the Amendment Regulation is the special operational circumstances of Lei Yue Mun seafood traders, because difficulties might arise if they are prohibited from extracting seawater from the Victoria Harbour. I have urged the Administration to handle the matter cautiously.

It was regrettable that the Food and Health Bureau in charge of the matter had not accepted my view. It neglected the need to take actions to balance the interests of those involved, and consultation and negotiation had also not been properly conducted. During the meetings of the Subcommittee, members had repeatedly asked the Administration to handle the Lei Yue Mun case seriously by giving room for "manoeuvring" for seafood traders. However, the Administration had not responded positively in this regard. Members of the Subcommittee and I were not satisfied with the hard-line position of the Administration. It was only when we finally decided to unanimously demand the postponement of the implementation of the Regulation for one year that the Administration made concession.

I have often said that it is imperative to strike a balance between food safety and business environment. There are already stringent regulations regulating fish tank water of seafood traders. As mentioned earlier, section 10A of the Food Business Regulation (Cap. 132 sub. leg. X) stipulates the specified standard of fish tank water used for keeping live fish and shell fish intended for human consumption, which is "E. coli less than 610 per 100 ml and absence of pathogenic organisms". Anyone in breach of the provision is liable to a maximum fine of \$10,000 and imprisonment for three months upon conviction.

In case pathogenic *Vibrio cholerae* is detected in water samples, the Administration may exercise power under section 128 of the Public Health and Municipal Services Ordinance (Cap. 132) to close the premises on the grounds of removing the health hazard to the public. Thus, the protection provided by a number of regulations has already put in place an effective safety net.

President, over the years, the Lei Yue Mun seafood traders have been using pumps that go through a disinfection cycle to deliver seawater extracted along the shoreline of the Victoria Harbour together with oxygen to fish tanks of the traders, which is in compliance with the health standard of "fresh seawater". Members of the Subcommittee and I had inspected their disinfection procedure. I myself have much confidence in this regard.

According to the data of the Administration, during the five-year period from 2004 to 2008, only five general licensed restaurants in Lei Yue Mun were involved in food-borne disease investigations. And just as I have said before, only two and one prosecutions were taken against the licensed food business premises in Lei Yue Mun for failing to meet the statutory standard of *E. coli* for fish tank water in 2006 and 2007 respectively. The number of prosecutions in Lei Yue Mun is similar to that of other districts.

As a matter of fact, there are a few dozens of traders in Lei Yue Mun. Each of them holds a license for restaurant operation. When contamination is found in fish tank water, traders cannot shirk their responsibilities. In addition, seafood kept in water with high *E. coli* count is unable to stay alive for a long time. The majority of these traders are selling high-end fish and seafood. As business turnover is most important to traders, they will certainly implement hygiene measures properly to ensure the cleanliness of fish tank water.

Overall speaking, I cannot see an immediate health hazard to the public posed by the practice of the Lei Yue Mun seafood traders extracting seawater from the shoreline of the Victoria Harbour. Instead, the method of Lei Yue Mun traders in extracting seawater will be completely changed under the Amendment Regulation, which will produce far-reaching effects on them. Traders may be forced to risk extracting seawater illegally from the prohibited areas before adequate complementary facilities are put in place, which may produce disastrous results. The last thing we wish to see is any adverse impacts on the reputation of Lei Yue Mun, which we have taken great pains to build as our tourist landmark over the past several decades.

President, in fact, the Lei Yue Mun seafood traders have been proactively studying how they can complement the new measures to be implemented by the Government. They have planned to extract seawater from outside the proposed prohibited areas, but this will involve complicated conversion works. As a representative of the trade for years, according to my experience, restaurants have to obtain approval from a number of government departments before alteration works can commence, the whole procedure of which takes at least a year. Thus, given that the existing laws in Hong Kong are sufficient to safeguard the safety of seafood for public consumption, it is acceptable even if the implementation of the Amendment Regulation is deferred for one year.

In the future, if huge amounts of money are needed by the Lei Yue Mun seafood traders for making alterations to their facilities, I hope that interest-free loan will be provided by the Government so that these traders will be able to meet the substantial costs, particularly the initial construction costs, and I hope that they can be allowed to repay the loan by interest-free instalments. I also hope that the FEHD will co-ordinate with other departments and draw up the necessary measures to cope with the changes as soon as possible, so as to help the Lei Yue Mun traders to be equipped with all ancillary facilities in time before the implementation of the Amendment Regulation.

President, I so submit.

MR CHAN KAM-LAM (in Cantonese): President, the problem of water pollution of the Victoria Harbour has a very long history. Not only are fishermen directly affected to the extent that they can no longer operate in the Victoria Harbour, seafood stalls and restaurants in the territory are also victimized. In order to exercise more effective control over the problem of *Vibrio cholerae* count exceeding the statutory limit in fish tank water for keeping live seafood, the Government intends to prohibit seafood stalls from extracting seawater from specified areas found to be highly contaminated, with a view to eliminating the frequent problem of test results indicating *Vibrio cholerae* or *E. coli* count in seawater exceeding statutory limit. Basically we endorse the Government's initiative to impose regulatory control in this regard, with a view to safeguarding public health.

However, the Lei Yue Mun seafood stalls that extract seawater at the nearby coastal strip of waters for keeping their seafood will not be able to extract seawater along the shoreline any more in the future. This, in a way, will increase the cost and time for purchasing seawater. We have to understand that to seafood stalls, seawater is a very important resource for business operation. As the Amendment Regulation will cause sudden changes to their long-established practices, the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) is of the view that when the tourism and catering industries are operating under difficult business environment, it is particularly necessary for the Government to handle this matter in a prudent manner.

During the scrutiny of the Resolution, government officials indicated that consultations on the proposal of prohibiting the extraction of seawater from the Victoria Harbour already commenced many years ago and so, they did not understand why the Lei Yue Mun seafood traders reacted so strongly to the issue. It is true that the Government had explained to the traders some cardinal principles of prohibiting the extraction of seawater from the Victoria Harbour at the early stage, however, it has not explored ways to help them face the difficulties. All it has done is to advise them to accept the reality, and to "purchase water"!

The traders have complained that the Government does not understand their operational difficulties. As a matter of fact, they have been extracting seawater from outside Lei Yue Mun for many years. This practice has not given rise to any major health problems. Though there have been warnings and prosecutions, such cases are few and far between. Nevertheless, the Lei Yue Mun traders have endeavoured to put in place a number of disinfection measures, so that seawater in fish tanks will be able to comply with the safety standard as far as possible.

President, I am deeply impressed by the unity shown by the traders in making concerted efforts to solve the problem. I also appreciate the traders' understanding of the policy intent of the Administration. During the scrutiny of the Resolution, Dr LAU Chi-wang, a member of Wong Tai Sin District Council, who is an engineer by profession, and I went to Lei Yue Mun to discuss with more than 20 traders on how the technical problem of extracting seawater could be solved. After a lot of efforts, the traders eventually reached a preliminary consensus. They proposed to adopt the present practice of the seafood traders in Lau Fau Shan and Castle Peak Bay, and proactively consider extracting seawater

by means of well sinking in the district. This is a method which can make use of non-contaminated seawater and at the same time save costs. On the following day, representatives of the traders led a delegation to Castle Peak Bay to learn from the experience of local traders. The traders tackle the problem in a proactive manner. Given that they need more time to explore the feasibility of implementing the proposal, it is necessary for the Government to allow sufficient time for them to do so.

The original plan of the Government is to implement the Amendment Regulation from 1 August this year. However, a number of members of the Subcommittee on Food Business (Amendment) Regulation 2009 have agreed to defer the commencement of the Regulation concerned for one year to allow sufficient time for Lei Yue Mun seafood traders to construct the seawater extraction facility. Since there are other existing measures available for the Administration to monitor seawater for keeping live seafood, the deferment of the implementation for one year should not affect public health.

In deferring the commencement date, the Government can indeed strike a balance between the interests of the public and the Lei Yue Mun traders, thus avoiding conflicts over the issue of people's livelihood. This is an initiative of keeping tabs on the public pulse and heeding the community's wish. We hope that the Government will continue to be concerned about the Lei Yue Mun traders in the future, so that in formulating a new method of extracting seawater, the Government will provide support on various fronts to ensure the sustainable development of the world-renowned Lei Yue Mun seafood bazaar.

The DAB supports the amendment proposed in this resolution. President, I so submit. Thank you.

MRS REGINA IP (in Cantonese): President, the Secretary has already explained the importance of ensuring food safety in his speech just now. This is particularly so when it comes to the frightening cholera. Since the Government has conducted many consultations over the years, why has the implementation of this Amendment Regulation still encountered difficulties this time around? Many colleagues have mentioned just now that this is due to the problem of Lei Yue Mun which has remained unsolved. As I have also received complaints

from the Lei Yue Mun traders, I am very concerned about this resolution. That was why I joined the Subcommittee. I am very grateful to the Secretary and Under Secretary not only for accompanying us on our visit to Lei Yue Mun, but also for listening to our views during the meetings of the Subcommittee in its scrutiny of the Amendment Regulation, and for eventually heeding good advice. I believe the Secretary understands that Members from cross parties have agreed to defer the implementation of the Amendment Regulation for one year. The Secretary also thinks that there is no other better option than this.

However, the handling of seawater extraction by the Lei Yue Mun seafood stalls this time around has highlighted a phenomenon, that is, the inherent problem of co-ordination among Policy Bureaux in the SAR Government. Why am I so concerned about the case of the Lei Yue Mun traders? It is because, undoubtedly, Lei Yue Mun is a tourist attraction of Hong Kong. Am I right, Mr TSE? Apart from its long history, Lei Yue Mun is famous for delicious food. Recently I paid a visit there, and found that there are a lot of new-style restaurants. Some restaurants are equipped with floor-to-ceiling windows with a modernized outlook, which is undoubtedly very attractive. Although food hygiene is very important, at the time of economic downturn, and particularly when our restaurants are currently affected by the H1N1 influenza, if the Administration forcibly implements measures before seawater extraction arrangements of traders are able to comply with the statutory standards, traders may find themselves facing the crisis of closure. In any case, it is difficult for Members to support such measures.

During the deliberation of this resolution, we also noticed the rigid stance of some government departments. I am of the view that the survival of the Lei Yue Mun restaurants is also an issue of the tourism industry. But strangely enough, just when we arrived for our site visit, the officials responsible for tourism told us loudly that this had nothing to do with them because the problem was caused by an ordinance which comes under the food and health policy area. They also made it very clear that the allocation of funding to help the traders had nothing to do with them. But meanwhile, we have also noticed that the Government has spent \$200 million on building a pier in Lei Yue Mun for pleasure vessels to facilitate the accessibility of tourists to the seafood restaurants there. I do not know whether the officials responsible for tourism have thought about how they are going to explain to tourists if there are no more restaurants in

Lei Yue Mun on completion of the pier. Fortunately the Government has finally heeded our views. I think the deferment of the implementation of the Amendment Regulation for one year is a compromise. I also agree with Secretary Dr CHOW's proposal of stepping up the taking of fish tank seawater samples for testing, as all of us hope that the seafood we eat is safe for human consumption. I also hope that within the coming year, traders will improve the arrangement for obtaining seawater by all means, and consider whether the use of pumps, well drilling or other methods will be able to resolve the problem.

I hope that the Government will consider which senior official is to be made responsible for co-ordinating, and whether the costs will be borne by the Hong Kong Tourism Board or the Food and Health Bureau since no department is willing to take up the responsibility. As Tommy CHEUNG has suggested just now, we have to identify ways of helping the traders, and look into whether the cost will be shared out or met by other means. I hope that the issue of extracting seawater can be expeditiously resolved within one year.

With these remarks, President, I support today's resolution.

MR ALAN LEONG (in Cantonese): President, as a matter of fact, Mr Tommy CHEUNG, the Chairman of the Subcommittee, has already given a full and clear account of the circumstances surrounding the issue just now. It is not necessary for me to repeat the details. In fact, the Food Business (Amendment) Regulation 2009 seeks only to provide an additional protection on top of the existing regulatory mechanism. President, we all know that according to the existing ordinance, seawater samples from fish tank water for keeping live seafood are taken for testing in catering establishments and restaurants in places such as Sai Kung and Lei Yue Mun where seafood is served. When Mr Tommy CHEUNG mentioned just now that the past record of Lei Yue Mun was very good, he was referring to these tests. This Amendment Regulation is only part of the two-pronged approach adopted with the aim of providing a further safeguard on top of the original protection. Of course, all Members and parties of this Council do not have objection to this.

What we object to is only the execution of the policy. It seems that the Government is not sensitive to the effects of the Regulation on Lei Yue Mun. As Mrs Regina IP has mentioned just now, we have become more concerned when we find that government departments seem to be working in their own way separately. Given that this is part of a two-pronged approach, it is certainly desirable if this measure can be implemented. However, it will be perfect if the operation of the Lei Yue Mun traders can also be taken care of. Despite the fact that things do not have a good start, I am glad to see a good outcome. At the outset, the Government suggested that the Lei Yue Mun stall owners should purchase seawater extracted from other areas or use aquarium salt. However, if Members have seen the geographical environment of Lei Yue Mun, they will understand that there is no way for seawater to be transported by boats to the shore of Lei Yue Mun. If vehicles are used to transport seawater, they can only reach the Lei Yue Mun Municipal Services Building at the most. From there onwards, carts have to be used to transport seawater to the restaurants. President, if water is transported by carts in the narrow passageways of Lei Yue Mun, at least one third to half of the water will be lost before it is delivered to the seafood stalls.

Using aquarium salt entails substantial costs and the effect may not necessarily be stable. According to what the traders told me, it is not feasible mainly because of the high cost. If the Administration had been more sensitive in taking into account the concerns of the Lei Yue Mun traders and stall owners prior to the introduction of the Amendment Regulation, it would not have been necessary for members of the Subcommittee to pay a site visit there, and to propose the deferment of the implementation for one year before the Government heeded good advice. However, it is "better late than never". As the Administration has eventually accepted good advice, the Civic Party welcomes this move. I hope that the Lei Yue Mun seafood stall owners will be able to design water supplying a fresh seawater system for keeping live seafood within the coming year, so that the relevant government departments can step up efforts accordingly to help them complete the task. After all, there is still one year to the commencement date.

Moreover, it will be all the more desirable if the Hong Kong Tourism Board or the relevant Policy Bureau — I believe it is the Bureau under Secretary Rita LAU — is able to help stall owners with their financing arrangements with greater flexibility and mobility.

President, the Civic Party will support this resolution today. Thank you, President.

MR WONG KWOK-HING (in Cantonese): President, as a former Urban Councillor, I feel strongly about the legislation introduced by the Government today. During the year from 1998 to 1999, officials of the health authorities back then had already indicated that the Government would legislate on the regulation of seawater supply and strengthen law enforcement in this regard. Members may remember seeing on television people utilizing seawater used for toilet flushing and extracting seawater directly from the Victoria Harbour for keeping live seafood. As a result, seafood was susceptible to *Vibrio cholerae* infection. Seafood is one of the most favourite kinds of food of Hong Kong people. When we eat contaminated seafood, we will also take *Vibrio cholerae* into our body. Hence, the public had strongly urged the Urban Council and the health authorities back then to address the problem of food safety and hygiene by all means.

President, it has been over 10 years since that time. From the then Director of Urban Services to the present Director of Food and Environmental Hygiene, there have been five different terms of office, and legislation is introduced only now. Even if the legislation is passed today, a compromised option is attached, as the implementation has to be deferred for one year. So it will be well over 10 years. Recently there is a famous line in a popular television drama: "How many 10 years are there in one's life?" The SAR Government has actually spent over 10 years on making a piece of legislation. This is really something! This illustrates the very low administrative efficiency of the Government, which, in fact, is not something glorious at all. We have been eating seafood kept in seawater that has not been closely regulated for over 10 years. Fortunately there have not been major incidents over the past 10 years or so, but still, the problem has to be resolved.

President, the deferment of the implementation of this legislation will certainly be approved today. Apart from the problem of administrative efficiency that I would like to point out, we should also consider why a piece of legislation concerning public safety of Hong Kong has to be delayed for such a long time. I wish to point out that the Administration has not addressed the

problem of water sources properly, and has been unwilling to allocate additional resources to cleanse seawater so as to provide seawater in compliance with the hygiene standards. This is the crux of the problem.

As a matter of fact, the problem was raised as early as in the times of the Urban Council. At that time the Government indicated that it had conducted a lot of studies, and told us seawater from only one place throughout the territory could meet the standard of seawater extraction and that was the strip of waters outside Clear Water Bay First and Second Beaches. We responded by asking the Government to build facilities there for the trade to extract seawater and then transport the seawater to all restaurants or seafood stalls. But the Government was not willing to do so. Consequently, the problem dragged on for 10 years. The Panel raised the issue for discussion in 2005. However, the Government was still unwilling to do anything. As a result, this issue was put off for 10 years. How many 10 years are there in one's life?

Even if the legislation is passed today, the problem of water sources is still unresolved. The Government has only shifted the responsibility to the stall owners that operate seafood business. They have to solve the problem by themselves. If they cannot solve the problem, they have to give up selling seafood. This is what the Government has meant to say. The legislation has to be enforced, but the trade has to figure out by itself how to extract seawater that complies with the standard. Why do the stall owners that operate seafood business in Lei Yue Mun object to this legislation? The crux of the problem is that while the Government understands clearly that there is such a need, it has refused to allocate resources for the construction of basic facilities for supplying seawater. Thus, despite the enactment of legislation, the problem is still unresolved. This is regrettable. I wonder how many 10 years we still have to wait before the Government resolves the problem. Probably we have to wait until operators cannot overcome the operational difficulties and stalls keep closing down one after another, or there are many major food safety incidents, before the Government is willing to allocate resources for the construction of the facilities.

I have raised this issue today because I wish to draw attention again to the basic reason why the problem has dragged on for 10 years and has still remained unresolved. Even if the legislation is passed today, it does not mean that

everything will go on smoothly. Thus, I urge the Government to consider whether it should resolve to allocate resources to construct a supply point of seawater sources that can comply with safety and health standards. If the Government puts forward this proposal, we will certainly give our full support to it.

Moreover, I also wish to point out that apart from the supply of seawater, insofar as the Government's technical support to the trade is concerned, there has not been much progress over the past 10 years. Regarding the use of chemical methods to help the trade provide seawater for keeping live seafood, what actually has the Government done in respect of technological research and development over the past 10 years? In fact, it has done nothing at all. The trade has been left to struggle for survival, and to find ways and means to resolve the problem by itself. Ten years have passed; yet no improvement or reduction of cost has taken place at all in this regard. That is why the trade is so resistant to the implementation of the legislation. In this connection, I think it is really the Government that should be held responsible.

President, last of all, I very much hope that prior to the implementation of this legislation, on the premise of protecting public health, the Government will step up the taking of seawater samples for testing to clamp down on irresponsible operators, so as to eliminate their practice of using flushing water or seawater directly extracted from the Victoria Harbour that has not been treated by any filtration facility for keeping live seafood. There should be no slackening in efforts against such practices. In respect of vehicles that transport seawater, the Government should put in place a system for conducting inspections, and step up unannounced spot checks. As the vehicle that supplies seawater is a carrier, we are worried about the source from which it has extracted seawater. Although the Government has demarcated a very extensive area — apart from the areas from which extraction of seawater is prohibited as mentioned by the Secretary just now — will the trade extract seawater from areas that genuinely comply with the health standard prescribed by the Government? As there is no monitoring, we have no idea at all. Thus, we can only rely on frequent checks and tests of seawater transported by vehicles used for the delivery of seawater to ensure that the seawater complies with health standards. I hope the Government will step up efforts in conducting sample testing, with a view to ensuring public health.

Finally, I would like to point out that this legislation can be said as a belated spring. But the problem has not been solved fundamentally. The amendment introduced by the Government, if passed by the Council today, is only a product of a compromise. However, public health and health assurance of seafood for human consumption should not be compromised.

President, I so submit. These are my views.

MR FRED LI (in Cantonese): President, the Panel on Food Safety and Environmental Hygiene started to discuss the issue of seawater five or six years ago. The subject is still under discussion to date. So I think I have a clear idea of the entire development. As a matter of fact, we support this amendment. We had said the same many years ago.

During the Government's consultation, apart from the Lei Yue Mun seafood stalls which raised strong objection, there were no other voices. In the course of deliberations of the subsidiary legislation by the Subcommittee, of which I am one of the members, with the exception of the Lei Yue Mun seafood traders, no objections or views from other traders or wholesalers had been received. Eventually, the Subcommittee had to pay a site visit to Lei Yue Mun.

After going over the speech of the Secretary, I found that the issue of Lei Yue Mun has, in fact, not been seriously addressed. I have proposed in the Subcommittee that the legislation should take effect on 1 August in accordance with the original schedule in all areas with the exception of Lei Yue Mun, that is, the legislation will come into operation on 1 August this year while Lei Yue Mun will be subject to exceptional treatment.

Why are Lei Yue Mun traders so strongly resistant to the legislation? It is because their operation is unique. Over the past several decades, the restaurants of Lei Yue Mun have been directly extracting seawater through pipes laid in the sea adjacent to Lei Yue Mun, which will flow back into the sea after filtration and disinfection. This is a fresh seawater re-circulating operation. In Hong Kong, within the area of the Victoria Harbour, there are no other seafood shops equipped with this kind of operation. Thus, the case of Lei Yue Mun is unique. Unfortunately, over the past few years, the Government has been hoping to legislate on this. In the course of consultation, the Government had heard the

voices of objection from Lei Yue Mun. But the Government only responded by telling the traders to prepare their own chemical salt water or acquire seawater from the Fish Marketing Organization.

However, those who have visited Lei Yue Mun will know that the passageways are very narrow. The so-called "Lei Yue Mun Avenue" is, in fact, just as wide as this place here. To the 30 seafood stalls in the area, is this not some sort of a joke if barrels of water are pushed into the seafood stalls for keeping live fish? As a matter of fact, these proposals reflect that the Government is well-intentioned. However, when a problem arises, the Government has ignored it and instead, it has adopted a primitive method in addressing the problem, making traders in Lei Yue Mun strictly follow others in purchasing water or preparing chemical salt water. This is all it has done, and no objection can be raised. This is how the problem has emerged.

I think the deferment of the implementation has put the Secretary in a difficult position, and the Government is also not happy with it. Why must it be deferred for one year? After all, there is only the problem of Lei Yue Mun, but the Government has failed to solve the problem concerning Lei Yue Mun, and this makes me unhappy as I have been sandwiched between them.

I hope that within the coming year, the Secretary will strive to help Lei Yue Mun because this has been their *modus operandi* for the past several decades. Once the legislation is passed, the restaurants of Lei Yue Mun will be completely changed, including the need to replace the fish tanks in all restaurants. Their fresh seawater re-circulating operation does not require very big fish tanks. Those restaurants with huge fish tanks — I am not going to mention the names of these restaurants; Members can go and have a look — since they are filled with stagnant water, and the fishes have to be kept for several days without changing the water, they need huge fish tanks for storing water and keeping live fish.

However, the situation of Lei Yue Mun is different. Despite the fact that the traders use small fish tanks, since they adopt the mode of fresh seawater re-circulating operation, the fish that they keep is live and well. If they are required to replace all the pumps, filtration facilities and fish tanks, who is going to pay for the cost? It will be the traders themselves. The Government has not taken them into consideration, so they have to fix it at their own expense.

Previously the Government had not seriously taken into account these additional capital investment and daily extra recurrent expenditure. It is only now that the Government has started to take these into account. I am very grateful to the Under Secretary for starting a dialogue with us, and asking for a site visit.

The present business environment is not good. Due to the financial tsunami, all high-end goods as the seafood of Lei Yue Mun is in the higher end, business is not good at Lei Yue Mun. Against this backdrop, if the Government is adamant that the regulation should be implemented, it will certainly encounter strong objection. Sometimes the Government satirizes me, alleging that I fight for the seafood traders in order to entice votes from them. As a matter of fact, there are not many votes in Lei Yue Mun. Secretary, the total number of votes is under 100, far less than the number of votes from one single building block in public housing estates. Hence, I am absolutely not enticing votes from Lei Yue Mun traders. Instead, I am genuinely considering from their business environment and commercial viability. Despite the fact that they have been operating like this for the past several decades, it seems that the Government has not taken this into account seriously.

I hope that within this year, the Government and the Hong Kong Productivity Council, or other technical professionals, will join hands in conducting researches to explore how the fresh seawater re-circulating operation can undergo genuine changes. This is a tradition of several decades. It takes time and requires assistance, including loans and funding, to help them restructure and develop a mode of operation that complies with the requirements of this Regulation.

One year is not a very long time. I hope the Government has started working on this. At the district level, four Members of Kowloon East have joined the Subcommittee. All of us fully support the Government in undertaking this task, and we have started to persuade those if we need to change the tradition, we will have to face all these. Secretary, they have a wishful thinking. Why? It is because the area within the boundary of Victoria Harbour is demarcated as a prohibited area for extraction of seawater. Lei Yue Mun is just within of the boundary of Victoria Harbour according to the Government's demarcation. They have a wishful thinking, and that is, if the boundary line can be slightly shifted, the area where they extract seawater will

not be included. They have this wishful thinking all these years. However, this wishful thinking is shattered by the legislation scrutinized by the Subcommittee. I do not think the Subcommittee will agree to the re-demarcation of the boundary.

The present problem is how to convince the 30 seafood stalls to accept the legislation? Many of them have been operating there for several decades. They are also local-born residents, who have inherited the rural tradition and do not have a high level of education. Hence, they need great support and assistance from the Government. I wish to tell the Secretary that we all support the legislation. But the problem of Lei Yue Mun will take concerted efforts from all of us to resolve and to ensure compliance with the regulation. I hope that the problem can be resolved in one year's time. If so, the contribution of the Secretary and the efforts of the Government will be commended by us.

I so submit.

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

MR PAUL TSE (in Cantonese): President, I would like to explore the issue from four aspects. First, subsequent to the speech of Mr Fred LI, I would also like to talk about some special circumstances inherent in Lei Yue Mun. Of course, Lei Yue Mun is not my constituency. Although it may indirectly help the tourism industry, basically it has nothing to do with votes. It is mainly about reasonableness.

It is certainly imperative to safeguard food safety for Hong Kong people. With regard to this piece of legislation, while we can see that there is indeed serious water pollution in Victoria Harbour in recent years, the most important thing is that if there is an arbitrary (or subjective) demarcation of the boundary of an area where water can be extracted, insofar as Victoria Harbour is concerned, and just as Mr Fred LI has mentioned, those traders have a wishful thinking as the area where water can be extracted and the prohibited area are just several hundred metres apart. But considering that the water keeps on flowing, I really do not understand why a boundary line has to be so rigidly demarcated. I wonder why

we cannot take into account the real situation, such as changes in water quality, instead of setting a boundary line once and for all. I really cannot figure this out.

Just now several Members have mentioned the difference between using fresh seawater and the so-called synthetic seawater. Apart from the geographical environment of Lei Yue Mun which would mean a more expensive operating cost, according to my understanding based on the explanation of some fishermen, fresh seawater is always better for keeping live fish, and the quality of the fish meat texture is better. On the contrary, even if salt water is injected into a huge fish tank, the effect is less satisfactory. Of course, we should listen to their views in this regard.

However, more importantly, and it comes to my second question, has the Government met the public demand and acceded to their request? Mr WONG Kwok-hing lamented just now that after so many years, or as many as 10 years why the legislation had not been made properly. If we handle the problem purely from the perspective of the law, and not from the problems faced by the recipients or parties affected by the legislation, so as to guide them and help them solve the problems, the scenario that we are facing now will eventually emerge.

Under the existing difficult business environment, in considering the people's livelihood, should we also strike a right balance between the pros and cons? This is particularly so when a mechanism is already in place. A lot of efforts have been devoted to the mechanism of seafood supply and sample testing. Has Lei Yue Mun become a breeding ground with frequent problems of poisonous fish? On the contrary, we have often heard that fishes imported from afar, and even marine fishes from some theoretically unpolluted places, are involved with ciguatera poisoning and all kinds of problems.

Thus, the problem faced by us is not a problem of sources, but one of fish or water quality. If there can be a solution to ensure that the water is uncontaminated, why should there be a strict demarcation of boundary of the seawater source? This is debatable.

President, on one hand, I certainly appreciate, welcome and support this move of the Government in heeding good advice by deferring the deadline for

one year. However, while some are happy, some are sad. The same rationale can be applied to the implementation of a smoking ban. In respect of smoking in certain places during the night-time, I think the deadline can be handled in a flexible manner. This is particularly so when our tourism industry is experiencing difficult times during the current economic downturn.

President, building a tourist attraction is no easy task. The Government has to take into consideration many aspects regarding investment, and provision of funding is necessary for many works, including the funding of \$200 million to improve and beautify the tourist facilities in the vicinity of Lei Yue Mun, as mentioned by Mrs Regina IP just now.

But what is the point of doing that? Even if the place is equipped with excellent facilities, the major attraction and the spirit of Lei Yue Mun are still marine products, seafood and seafood restaurants. If these are no longer found there, are we going to use the Lei Yue Mun Park to attract tourists? Are we going to use a huge sculpture of a carp to attract tourists to come here to take photographs? Can that be considered a tourist attraction? This precisely echoes the issue raised by Mrs Regina IP just now, that is, there is a great co-ordination problem among government departments. This also reflects what I have been stressing all along — what Hong Kong needs now is a tourism policy bureau of a higher level to co-ordinate various matters. This need is not only highlighted in this case of Lei Yue Mun, but is also demonstrated in two recent incidents.

The first is the H1N1 swine influenza. On one hand, public health is an important consideration, but on the other hand, steps are taken to stifle all the interests of the tourism industry across the board. This has illustrated the inadequacy in striking a balance. There is not a fatal case in Hong Kong to date, but the whole world knows that Hong Kong is the place where the most severe measures are taken against the virus. Tourists coming to Hong Kong may find themselves being quarantined and isolated for seven days at any time. Of course, this policy is now cancelled. However, at that time, the SAR Government was the first to adopt such a practice and make an announcement to the rest of the world in a high profile. This so-called "blemish" has not been wiped out. Although the SAR Government has started to explain about the cancellation of this isolation policy and emphasized that travelling to Hong Kong is safe, its efforts are still insufficient in explaining the change in the policy to all

countries and major source of tourists. This, I think, has again highlighted a great problem in co-ordination among government departments.

The second is about guest houses. Recently a fire broke out in an unlicensed guesthouse which caused casualties. This has also revealed that the operation of guesthouses is under the purview of the Home Affairs Bureau, not by a tourism bureau. Of course, this is not related to this subject. But I wish to raise a point that complete co-ordination is lacking with regard to tourism policies. And the incident of Lei Yue Mun this time around has taken place precisely as a result of a lack of co-ordination. I believe that the Government should really make an effort to improve this. If we genuinely attach great importance to the tourism industry of Hong Kong, and regard it as one of the four economic pillars, we have to devote more efforts to it, instead of just paying lip service only.

President, as I have mentioned just now, building a tourist attraction, a place which even tourists in transit have heard of, is absolutely not an easy task. Lei Yue Mun has been built from many years of efforts and evolution. I hope that this deferment does not entail just a postponement of the measure for one year, but various departments — not only the health department under the purview of the Secretary, but also the departments responsible for tourism and economic development — will capitalize on this period of one year to properly solve the problem, and thoroughly identify the facilities required and address the difficulties faced by Lei Yue Mun as a tourist attraction, with a view to preserving its long years of tradition.

There is no need for us to spend some \$20 billion on a West Kowloon Cultural District, the effectiveness of which is still unknown, while the doubt of it being a white elephant is looming. We had talked about the Fisherman's Wharf in Aberdeen for 10 years, but the project has fallen through and eventually disappeared into obscurity.

With respect to the existing facility, we should treasure and preserve it properly, instead of purely targeting at technical issues, and setting the boundary line of the Victoria Harbour to include that strip of water rigidly, thus stifling its survival. I am of the view that the Government should indeed conduct a review of such a practice. On one hand, we are like a spendthrift, craving for

achievement, and proposing some "white elephant" projects or ideas. On the other hand, we probably need only to spend a small amount of money and arrange for an adequate channel or facility, or just provide a small sum of subsidies, and we will be able to help the trade identify sufficient or suitable water source, which can in turn solve and address the problem. So why do we not consider tackling the problem first before giving effect to the legislation?

I would like to emphasize once again that I welcome and support the Government's deferment in implementing the legislation. Moreover, I wish to point out, and hope that the Government will take into account the current difficulties faced by the tourism industry, particularly the night-time entertainment premises which are facing many problems. Competition is fierce, as the areas north of the Shenzhen River do not enforce any smoking ban. After being impacted by various factors over the years, our night-time entertainment premises actually exist in name only. Even if the boundary will not be amended now, should the Government consider being more flexible in prosecution, so as not to deal a blow to our tourism industry and the economy across the board in this difficult time, which could otherwise cause the unemployment rate to surge?

I hope that the Government will face squarely this issue and meet the public demand. As the saying goes, "No fish is found in clear water", and there is another saying that "No compassion is found in harsh law". I hope that the Government will meet the public demand and accede to their request under the current circumstances, and this can be a very good example. Apart from this, with regard to other aspects, I hope that the Government will also be sensitive to the circumstances of the tourism industry, the economy of Hong Kong, and the aspirations of the public, so that more measures truly to the benefit of people's well-being will be adopted.

Thank you, President.

MR WONG YUNG-KAN (in Cantonese): President, first of all, I welcome the Food and Health Bureau's move to amend this legislation, and its acceptance of the proposal of the Subcommittee in deferring the commencement date for one year. In fact, I hope that the Government will make use of this year to reach a better consensus with seafood wholesalers, in particular, the Lei Yue Mun traders

and restaurants. I know that Mr CHAN Kam-lam has been discussing with the Lei Yue Mun traders during this period of time to consider how to negotiate with the Government, so as to identify a satisfactory solution.

In fact, this legislation has been implemented for some years, and has all along been supported by the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB). Why? Since *Vibrio cholerae* was detected in seawater extracted from typhoon shelters, the public has been concerned about the importance of seawater cleanliness. However, regarding places where live fish is kept now, I believe there are places that must be supplied with seawater; if there is no supply of seawater of course, at that time the Government proposed to try other methods such as using marine salt. However, during the scrutiny of the legislation, we realized that if marine salt is not properly treated, *E. coli* will also be produced in water. Thus, the Government is willing to listen to the view of the Subcommittee and defer the implementation of the legislation.

Given the deferred implementation of the legislation, irrespective of whether it is Aberdeen or other places, they are now using at that time the Government used the pretext that as the seafood trade in Aberdeen was also adopting the method of water supply, so how could it allow the Lei Yue Mun traders to extract seawater? However, the geographical environment of Lei Yue Mun is different from that of Aberdeen. In addition to that, the method adopted by the Lei Yue Mun operators in keeping live fish is also different from that of the Aberdeen traders. The Aberdeen traders use the method of "pumping oxygen" into fish tanks, while the Lei Yue Mun traders are using the flow of fresh water to keep live fish. So, I am of the view that it is an improved practice of the Government this time around in sincerely accepting the views of Members.

Moreover, I think at present the Government should one of the greater difficulties we are facing of course, the Government may consider developing the shell fish mariculture industry, as many members of the public like eating shell fish. But talking about shell fish, we all know that *Vibrio cholerae* was detected in clams 18 years ago. The Government has increased the intensity of sample testing in this regard since then. The majority types of shell fish need to be kept live by seawater. For many times, I had spoken on behalf of the DAB and proposed that the Government should put in place a

decontamination treatment facility for the import, processing, and keeping of shell fish. Hong Kong is not the only place which needs to consider doing this, Dalian of Shandong in the Mainland has also started to adopt decontamination treatment in its export of shell fish, using many decontamination methods to treat sea urchins, scallops and abalone, so that shell fish products will comply with the requirements of the European Union and other countries. Therefore, I think the Government should introduce methods to treat shell fish.

This is exactly what we have been talking about today. If seawater is improperly treated, and we put seafood into it, there will be contamination just the same. The trade also understands this. During our discussion with the trade, they often indicate that they do not have the know-how in many aspects. They need to rely on the technical support or improvement facilities provided by the Government before they know what to do. In scrutinizing this legislation, we should consider how to help the trade comply with the relevant requirements, so that they will not breach the law easily. Thus, I believe that the practice of the Government this time around will allow Lei Yue Mun to continue giving full play to its role in the tourism industry. We all know that Lei Yue Mun does not appear all of a sudden. It has taken a long time for its popularity to be established. The Government has, indeed, listened to views in this regard.

Moreover, I hope that the Government, in its discussion with the trade, will be able to give more consideration to the options put forward by the trade. For instance, the trade has proposed to lengthen the pipes for extracting water, or adopt other methods to improve the operation, and even consider following the example of Lau Fau Shan in adopting the method of drilling wells. I think all these methods are worth exploring. I hope that the Government will give full play to its professional knowledge in this regard and co-operate with the trade, with a view to achieving further development.

Apart from this, I think better results can be achieved if we can make some improvements to the streets of Lei Yue Mun. We all know that the streets of Lei Yue Mun are very narrow. Improvements made to the street environment of Lei Yue Mun will attract more tourists, foster the growth of Hong Kong's tourism industry, as well as facilitate a better development of the seafood trade in Hong Kong. An obvious example is the live fish market in Aberdeen. Since the operation of the market, a lot of local and overseas seafood have been assembled

here for wholesale. A good development in this regard will, at least, be conducive to monitoring food sources or origins more effectively. Otherwise, if the origin is in a state of pandemonium, how will the Government be able to manage this?

I hope that the Government will give more considerations to this. The live fish market in Aberdeen is too shabby and crude. Will the Government consider improving the place Mr Paul TSE mentioned just now that the Government has aborted the Fisherman's Wharf in Aberdeen. During my recent discussion with some fishermen in Aberdeen, they have vehemently put forward some options. I hope the Government will consider and support these views in the future. They raised the question of why such a nice and popular place where people frequently go to buy seafood is not complemented by outstanding restaurants. Of course, one can say that currently the best place there is the Jumbo Floating Restaurant, or there are other large-scale seafood restaurants. In fact, the operation does not necessarily have to be like this. I have visited Taiwan and their leisure fishing facilities in recent years. In their fish markets, there are at least some places where traders are allowed to operate small food stalls, or provide space where visitors can enjoy the seafood instantly supplied by the seafood market. I think this is the right direction for our long-term development. Thus, apart from ensuring food safety, it is more important for the Government to adopt a broader perspective and look farther ahead. During our earlier discussion at a meeting of the Tai Po District Council, I had expressed the view that the Government must not ignore and fail to capitalize on the very good geographical and marine environment of Hong Kong.

In fact, this is a good opportunity to develop tourism now. The previous outbreak of avian flu and the current H1N1 influenza have given an incentive for members of the public to spend time outdoors. They like to go to parks or the remote areas for sightseeing, food and fresh air. There are still a lot of places in Hong Kong that are not yet developed. I hope that the Commissioner for Tourism and the Administration will step up effort in this regard, so that restaurants can follow the operating mode of Lei Yue Mun and achieve better development in the district. It is obvious that upon the commissioning of the Western Corridor, the restaurant business in Lau Fau Shan has become more prosperous, which clearly demonstrates the development potentials. Thus, I

again urge the Government to, apart from ensuring food safety — the Secretary of Department is here — adopt complementary measures in other aspects, so as to propel Hong Kong's economic development.

I so submit.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, I now call upon the Secretary for Food and Health to reply. This debate will come to a close after the Secretary has replied.

SECRETARY FOR FOOD AND HEALTH (in Cantonese): President, I am very grateful to Members for advancing various views on this issue and lending support to our current practice.

I wish to give Members a brief explanation first. The new provisions proposed to be introduced to the Food Business Regulation are not targeted solely on food establishments because we have also proposed to prohibit the extraction, use, supply or delivery of seawater with consistently unsatisfactory water quality by anyone, including seawater suppliers, transporters, in particular, retail outlets and restaurants engaging in the sale of seafood. All of them are to shoulder identical responsibility.

Members have mentioned various areas of work, in particular, the work undertaken by us in the past decade or recent years. I also wish to give Members a brief account of what we have achieved in this area of work. Since 2004, the authorities have particularly conducted the relevant work at three levels. First, officers from the Food and Environmental Hygiene Department (FEHD) will carry out inspections at premises engaging in the sale of seafood and take seawater samples. In case it is found that the *Escherichia coli* (*E. coli*) count in a seawater sample exceeds the actionable level, that is, the *E. coli* count amounts to 180 per 100 ml of seawater, we will take actions. We will not wait until the *E. coli* count equals 610, which is a level constituting a breach of the law, prior to

taking actions. This has enabled seafood sellers and restaurants in Hong Kong to avoid many major food safety problems over the past few years.

Second, through the Fish Marketing Organization (FMO), we provide clean seawater that has undergone filtration and disinfection to retail outlets and food establishments. At the same time, the Hong Kong Productivity Council has also established an assurance scheme, which has attracted a wide participation from retail outlets and food establishments.

In early 2009, we conducted a survey and interviewed 285 operators of seafood stalls in the territory and found that 222 of them, that is, more than 70%, had already started to use synthetic seawater. The remaining 63 operators would use natural and clean seawater, or synthetic seawater in conjunction with natural seawater. The prevailing situation indicates that a majority of the 1 800-odd retail outlets or food establishments engaging in the retail sale of seafood in Hong Kong have already been able to comply with the statutory requirements. For that reason, we hold that the Amendment Regulation can indeed be implemented at any time. However, it is because of the special request made by operators in Lei Yue Mun that we have reviewed the commencement date of the Amendment Regulation.

I also wish to speak on the situation in Lei Yue Mun. There are some 30 retail outlets or restaurants engaging in the sale of seafood in Lei Yue Mun, compared to a total of 1 800 in the territory. From 2006 to 2008, 350 of the 26 763 seawater samples tested by the FEHD were found to contain an *E. coli* count exceeding the action level while seven premises were prosecuted for failing to meet the statutory standard set for fish tank water. Three of the seven premises that were prosecuted involved two premises located in Lei Yue Mun, and the licence of the fresh provision shop concerned was subsequently suspended. In Hong Kong, last year alone witnessed 166 cases in which the *E. coli* count exceeded the action level. Of these cases, 16 involved seafood establishments situated in Lei Yue Mun, accounting for some 10% of the total number of cases. This highlights their dire need to resolve the matter of seawater sources.

Just now, some Members referred to various seawater treatment methods. Of course, we will adopt an open-minded attitude towards this. If operators hold

that they have better treatment methods to ensure a continuous and safe supply of seawater while meeting the needs in respect of the operating costs, we can certainly allow them to adopt such methods.

As I said just now, at present, a majority of retail outlets or food establishments engaging in the supply of seafood have been using clean seawater or synthetic seawater from various sources. This incurs monthly expenses of some \$3,000 in their business operation. The operational expenses on using synthetic seawater are even lower than those on purchasing clean seawater. Given that the clean seawater supplied by the FMO only costs \$27 per ton, the expenses involved will not be too high. Operators engaging in the seafood business should be able to calculate the proportion of investment in seawater to the total operating costs. Generally speaking, such expenses should be affordable to them.

That said, we are in full agreement with the suggestion of engaging members of the trade from Lei Yue Mun in discussions on any decision made by them in any regard and their needs for any technical or policy support.

I wish to take this opportunity to thank some Members for actively rendering assistance to members of the trade over the past few weeks. I am particularly grateful to them for their efforts in this regard.

I have broadly explained our reasons for proposing the amendment and the current stage of development. The Government and Members basically concur with the proposal of controlling fish tank water at source through legislation, just that we hold different views on the pace of implementation. We believe that a deferment of the commencement date of the Amendment Regulation will not cause additional risks to the existing food safety standard in the interim. Moreover, in view of the support rendered by Members from various political parties and groupings on the deferment, the Government has accepted the suggestion made by the Subcommittee and proposed the deferment of the commencement date of the Amendment Regulation for one year.

Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Food and Health be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

PRESIDENT (in Cantonese): Proposed resolution under the Interpretation and General Clauses Ordinance.

I now call upon the Secretary for Commerce and Economic Development to speak and move her motion.

PROPOSED RESOLUTION UNDER THE INTERPRETATION AND GENERAL CLAUSES ORDINANCE

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, I move that the resolution proposed under section 54A of the Interpretation and General Clauses Ordinance (Cap. 1) as set out on the Agenda, be passed. The objective of the resolution is, with effect from 17 July 2009, to effect transfer of statutory functions pursuant to the establishment of Create Hong Kong (CreateHK), a dedicated office set up to drive the development of creative industries.

Having obtained the approval from the Finance Committee of the Legislative Council on 22 May 2009, we established CreateHK on 1 June 2009 through the integration of resources scattered around different government departments. CreateHK will enable us to respond to the industries' demands more effectively and better serve the different sectors through provision of a one-stop service.

Establishment of CreateHK included, among others, the redeployment of the Special Effects Licensing Unit (the Unit) from the Office of the Television and Entertainment Licensing Authority to CreateHK. The Unit is responsible for regulating the use of special effects materials used in the production of entertainment special effects in films, television programmes and theatrical performances. In accordance with section 3 of the Entertainment Special Effects Ordinance (Cap. 560) (the Ordinance), the Commissioner for Television and Entertainment Licensing (CTEL) is the Entertainment Special Effects Licensing Authority.

With the establishment of CreateHK, it is necessary to transfer the statutory functions of the CTEL under the Ordinance to CreateHK. Legislative amendments are required to confer the same legal effect to the statutory functions of Head of CreateHK after the transfer.

The transfer of statutory functions is to be effected by way of a resolution made under section 54A of the Interpretation and General Clauses Ordinance. The proposed resolution provides that the statutory functions currently exercised by the CTEL by virtue of the Ordinance be transferred to the Head of CreateHK. The resolution will not involve any amendments to the statutory functions (including powers and duties) provided for in the Ordinance. The resolution will provide for the simple substitution of the CTEL by the Head of CreateHK with effect from 17 July 2009.

After the passage of the proposed resolution, the Head of CreateHK will exercise the functions under the Ordinance with effect from 17 July 2009 to regulate the use of special effects materials for producing entertainment special effects in films, television programmes and theatrical performances. To ensure the appropriate supervision over the use of such special effects materials, the CTEL will remain as the Entertainment Special Effects Licensing Authority in the interim, until the transfer is effected with the passage of the resolution.

The establishment of CreateHK has the general support from the Legislative Council as well as the different sectors of the industry. I appeal to Members to vote in favour of the Government's resolution.

Thank you, President.

The Secretary for Commerce and Economic Development moved the following motion:

"RESOLVED that with effect from 17 July 2009 –

- (1) the functions exercisable by the Commissioner for Television and Entertainment Licensing by virtue of the Entertainment Special Effects Ordinance (Cap. 560) be transferred to the Head of Create Hong Kong and, for the purpose of giving full effect to this transfer, that Ordinance be amended in section 3 by repealing "Commissioner for Television and Entertainment Licensing" and substituting "Head of Create Hong Kong";
- (2) in addition to and without limiting section 23 of the Interpretation and General Clauses Ordinance (Cap. 1) –
 - (a) anything lawfully done before 17 July 2009 by or in relation to the Commissioner for Television and Entertainment Licensing pursuant to or in connection with any function transferred under this Resolution is on and from that date to be regarded, in so far as is necessary for the purpose of or in consequence of that transfer, as done by or in relation to the Head of Create Hong Kong;
 - (b) anything that, immediately before 17 July 2009, may be done and is in the process of being done by or in relation to the Commissioner for Television and Entertainment Licensing pursuant to or in connection with any function transferred under this Resolution may on and from that date be continued by or in relation to the Head of Create Hong Kong;
 - (c) anything that, immediately before 17 July 2009, is required to be done and is in the process of being done by or in relation to the Commissioner for Television and Entertainment Licensing pursuant to or in connection with any function transferred under this

Resolution is on and from that date to be continued by or in relation to the Head of Create Hong Kong;

- (d) without limiting subparagraphs (a), (b) and (c) –
- (i) any document, agreement or arrangement creating or giving rise to legal rights or obligations that –

(A) refers to the Commissioner for Television and Entertainment Licensing, or was prepared, made or entered into by the Commissioner for Television and Entertainment Licensing on behalf of the Government; and

(B) is in force immediately before, or is to come into force on or after, 17 July 2009,

is on and from that date to be construed, in so far as is necessary for the purpose of or in consequence of the transfer of functions under this Resolution, as if the references to the Commissioner for Television and Entertainment Licensing included the Head of Create Hong Kong;

- (ii) in any legal proceedings –

(A) in which the Commissioner for Television and Entertainment Licensing is a party; and

(B) that are subsisting immediately before 17 July 2009,

the Head of Create Hong Kong is on and from that date substituted for the Commissioner for Television and Entertainment Licensing as that party, in so far as is necessary for the purpose of

or in consequence of the transfer of functions under this Resolution;

(iii) any –

(A) right of appeal against a decision of the Commissioner for Television and Entertainment Licensing; or

(B) right to have a decision of the Commissioner for Television and Entertainment Licensing reviewed,

that is subsisting immediately before 17 July 2009 may on and from that date be exercised as if the decision were a decision of the Head of Create Hong Kong, in so far as is necessary for the purpose of or in consequence of the transfer of functions under this Resolution;

(iv) any form that is specified or prescribed before 17 July 2009 for use in connection with any function of the Commissioner for Television and Entertainment Licensing transferred under this Resolution may on and from that date be used despite the fact that it contains references to the Commissioner for Television and Entertainment Licensing, and those references are to be construed as references to the Head of Create Hong Kong."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Commerce and Economic Development be passed.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Commerce and Economic Development be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Two motions with no legislative effect. I have accepted the recommendations of the House Committee: that is, the movers of these motions each may speak, including reply, for up to 15 minutes, and have another five minutes to speak on the amendments; the movers of amendments each may speak for up to 10 minutes; and other Members each may speak for up to seven minutes. I am obliged to direct any Member speaking in excess of the specified time to discontinue.

PRESIDENT (in Cantonese): First motion: Facing up to the aspirations of the people participating in the march on 1 July.

Members who wish to speak in the debate on the motion will please press the "Request to speak" button.

I now call upon Mr James TO to speak and move his motion.

FACING UP TO THE ASPIRATIONS OF THE PEOPLE PARTICIPATING IN THE MARCH ON 1 JULY

MR JAMES TO (in Cantonese): President, in the past two decades, many people used different means to express their demand for democracy. But in the colonial era of the past century or so, there was no democracy. While Hong Kong people seem to have become the master of their own house since 1997 under the rule of the SAR Government, there is no democracy all the same. In the past 20-odd years, we held signature campaigns which collected a million signatures; we organized marches with participation by 500 000-people, and we staged silent sit-in, hunger strikes, candlelight vigils and even jumped into the sea to fight for universal suffrage. People are willing to sacrifice their precious youthful years to vigorously voice these aspirations. In return, however, they have to wait for over two decades. I can deeply feel the grievances of the people in the march just held on 1 July. Such grievances are generated from incessant waiting and from the quandary in which they cannot find a way out.

The aspirations voiced in this year's 1 July march are wide-ranging, but at the centre there is one aspiration combining various aspirations for democracy and livelihood. The demands of the people are simple. They simply hope that the Government can expeditiously implement dual universal suffrage in 2012 as a means to improve their livelihood. The policies of a Chief Executive returned not by universal suffrage cannot win public acceptance; a legislature returned not by universal suffrage cannot full perform the responsibility of monitoring the Government, and the executive and the legislature cannot exercise checks and balances on each other.

However, when the public voice these aspirations, the Central Authorities keep stalling them off, and the Chief Executive has not done its part to relay public aspiration for implementing universal suffrage in 2012 to the Central Government. And our accountability officials are happy to act as "human tape-recorder" and repeat time and again in this Council the decision of the Central Authorities to the neglect of the people of Hong Kong.

The public had expectations of Donald TSANG when he took office from TUNG CHEE-hwa who had been spurned by the people. But their expectations turned into disappointment, then their disappointment turned into desperation, and finally their desperation turned into anger. Storms are looming. That public sentiments have taken a turn and become radical in these few years is completely traceable. The march on 1 July this year is very different from those in the past. People's grievances are now much stronger.

In 2003, the marchers called for the downfall of TUNG Chee-hwa. Six years later, the same scenario occurred again. When someone shouted the name of Donald TSANG along the way, many people then shouted "Step Down" or some vulgar words which are inappropriate for me to say here. Placards of "Donald TSANG doesn't represent me" could be seen everywhere and slogan of "Don't be Donald the Slave" was chanted all over the street. These are all from the heart of the people. The public gradually equate TUNG Chee-hwa with Donald TSANG. Has Donald TSANG's leg become more and more aching? Is the position of Donald TSANG getting more and more precarious?

When I checked the opinion poll on Mr Donald TSANG conducted by the Public Opinion Programme of the University of Hong Kong, I noted that Mr TSANG's popularity rating has dropped from the peak of 72 when he took office to just over 50 in December last year, and his latest rating is 55 only. To Mr TSANG, his popularity rating in the past year is not like the floating cloud. His rating is on the low side and has long been so. President, popularity is like flowing water which can carry a ship or overthrow it. Is Donald TSANG's team aware of the need to feel concerned about a shipwreck?

Public grievances shown in the 1 July march were against Donald TSANG and his administration. Perhaps Mr TSANG does regard his popularity rating as the floating cloud and is not concerned about his reputation or his gains and losses at one time, but public anger is the largest alarm sounded to the Government and Mr TSANG, which also undermines the creditability of the Government.

In the past few years, the Government has indeed made efforts to save its popularity but in the final analysis, the problem lies in the system.

Since Mr TSANG took office, the Government has tried every possible means to gain public support. It has handed out "candies" for a number of times, spending a lot of money on them. Apart from expanding the scope of the Individual Visit Scheme, the Government has further implemented the CEPA agreement and proposed the 10 major infrastructure projects. None of these policies, however, seems to be able to put the Chief Executive's popularity rating back to the rising track.

Government policies, however well-intentioned they may be, have been frequently taken to task by the public and aroused widespread criticisms. Sole

reliance on spin-doctors to make piecemeal touch-ups cannot help a weak government to solve its core problems.

Good governance may not be able to boost the Government's popularity. Any incident with negative social impact will further undermine public confidence in the Government. Without a fundamental reform of the political system, the Government will end up in a quandary or a pool of stagnant water.

The Lehman Brothers incident is a very good example. Although the financial tsunami has sent shockwaves across the globe, the Lehman Brothers incident seems to have evolved into a particularly big problem in Hong Kong. This shows that in times of trouble, the Government simply does not have sufficient creditability to convince Hong Kong people that it can overcome the problem. The incident may likely reflect serious drawbacks in the financial monitoring system of Hong Kong. High-risk financial products have been casually sold by retail banks to small investors who cannot afford to bear high risk. Since November last year, victims of the Lehman Brothers incident have launched one petition after another; they persistently besieged banks and they just staged a protest at the Government House a few days ago. These actions will seriously jeopardize the international reputation of Hong Kong in the long run. Outsiders will think that the system behind Hong Kong's international financial centre is in fact subject to no regulation, thus rendering no protection to small investors. Hence, the people took to the street on 1 July because the Government's administration could not give them confidence.

In the wake of the financial tsunami, statistics indicate that the unemployment rate in Hong Kong has continued to rise, increasing from 3.3% one and a half years ago to 4.1% in last December and further rising to 5.3% last month. It goes without saying that rising unemployment rate will inflate social grievances. The most frightening thing, however, is not the rising unemployment figure, but the people's distrust of the Government's ability to solve the unemployment problem.

The Hong Kong Institute of Asia-Pacific Studies of the Chinese University of Hong Kong conducted a telephone survey before this year's march on 1 July to find out the interviewees' main reason for taking part in the march if they are going to do so. The survey finds that about 20% of the interviewees will march for democracy; over 30% will take part in the march to voice discontent with social and economic conditions or the serious unemployment problem; and those who wish to express their discontent with government policies accounts for 22%.

After the march, however, we find that the overwhelming majority or over half of the people who turned up at the march apparently asked for democracy and a political reform.

Some people said that the march on 1 July this year lacked a theme, but unemployment, poor government administration and the fight for democracy are themes which have remained unchanged over the past few years. These are subjects which the Government does not have the ability and courage to deal with. People who took to the street precisely wanted to vent their anger through the march because they found the Government not trustworthy. The real theme of the march is public distrust of Donald TSANG and their insistence on not being a slave. "TSANG the Slave", "Don't be a slave". Can you hear the cry of the people?

In the face of the nerve-racking social problems, if the Chief Executive is elected by the people, his governance may still have a certain degree of public acceptance, and the public will still look to the Government to overcome the problems. Even if the Government cannot solve the problems or most of the problems in the end, the public, despite having discontent, can still wait for the transfer of government and pin hopes on the next leader to be returned by the people. However, when Mr TUNG stepped down, there came Mr TSANG; and their successors, be they Mr TANG, Mr LEUNG, another Mr TSANG, or some other persons, will not be returned by 99.9% of the Hong Kong people. If government policies do not have the blessing of the people, "Hong Kong will only be yours and I can have no universal suffrage".

Although Mr TSANG attempted to find a way out of the present quandary other than universal suffrage, such as strengthening accountability by further expanding his political team and adding the posts of Under Secretaries and Political Assistants, is his attempt successful? How do members of the public think about them? They are just a group of senior officials enjoying generous remunerations rather than the Chief Executive's right-hand men who fight for the well-being of the people. This is obviously because Mr TSANG is not elected by us, and Mr TSANG's team is not accepted by us. Why should the voters believe that they are capable and committed to their service?

We have entered the fourth quarter, and if the Government does not renege on its promise, it will roll out the political reform package for consultation. When we ask for dual universal suffrage for the Chief Executive and Legislative Council elections in 2012, I believe Secretary LAM will later demonstrate his

skill as a "human tape-recorder" again and repeat that the Standing Committee of the National People's Congress already made the decision in December 2007; and that the decision has ruled out universal suffrage in 2012 but allowed the amendment of the two electoral systems under the principle of gradual and orderly progress. I want to laugh when I say this now because this standard reply is long, stinky and all too familiar. The Chief Executive already made this reply the day before in the Question and Answer Session and so, Secretary LAM does not need to repeat it.

If the Chief Executive does have a sense of commitment and if Secretary LAM is willing to make commitments, they should understand that so long as the Government lacks public acceptance and so long as this knot is not untied, the Government cannot have good governance and the public cannot cast their vote of confidence. If the Chief Executive cannot be returned by universal suffrage until 2017 and Members of the Legislative Council cannot be returned by universal suffrage until the term thereafter, the Government will continue to wither in these eight years and handing out more candies will make no difference. Moreover, frankly speaking, will the elections by universal suffrage in 2017 and 2020 be genuine democratic elections as defined by international convention? We very much doubt it. Considering especially the fact that the Chief Executive dodged from answering this question during the Question and Answer Session the day before, we are even more worried that such so-called universal suffrage is nothing but counterfeit universal suffrage. Moreover, if the Government, in the absence of universal suffrage, continues to introduce controversial legislation in these few years, such as re-introducing the legislation on Article 23 and national security before the implementation of universal suffrage, it will only trigger more people to take to the street.

The day before yesterday the Chief Executive said that he would care for the people and regard people's wish as his wish. But if the Government does not even dare to or is unwilling to ask the Central Government to reconsider the issue of constitutional system in 2012, how is he going to regard people's wish as his wish? It is only empty talks. Chief Executive TSANG simply does not plan to achieve long-term political stability and he does not sincerely wish to get the job done. Instead, he just wishes to sail smoothly through his remaining term in the next few years and leave the remaining political mess to the next Chief Executive and the Central Government to handle.

President, the aspirations in today's motion are simple and specific. It seeks to urge the Government to face up to the aspirations of the people participating in the march on 1 July. While I hope that Chief Executive Donald

TSANG will not be a climate fugitive, I also hope that he will not continue to be a democracy fugitive.

President, with these remarks, I move the motion.

Mr James TO moved the following motion: (Translation)

"That it is anticipated that on 1 July this year, a large number of people will take part in the march to express their dissatisfaction at the Government's lack of sincerity to implement dual universal suffrage for the Chief Executive and the Legislative Council elections in 2012 as well as its various blunders in the implementation of policies, including the failure to put in place an effective system to regulate the sale of financial products and the persistently high unemployment rate, etc, this Council urges the Government to face up to the aspirations of the people participating in the march."

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

PRESIDENT (in Cantonese): Two Members intend to move amendments to this motion. This Council will now proceed to a joint debate on the motion and the two amendments.

I will call upon Ms Emily LAU to speak first, to be followed by Ms Audrey EU; but no amendments are to be moved at this stage.

MS EMILY LAU (in Cantonese): President, in regard to Mr James TO's amendment, I wish to put forward several amendments relating to the turnout, the disparity between the rich and the poor, and the year 2012.

President, when the Chief Executive spoke to this Council the day before yesterday, he himself mentioned the march on 1 July, telling us that they had also conducted an analysis of some sort. President, what kind of analysis have they conducted? He remarked that many people, perhaps several dozen thousand, took part in the march. He simply did not bother to argue over the turnout with

us. President, honestly, it is pointless to argue over the turnout. Some put the figure at 70 000, and some said that it was 30 000 or 20 000. Others assert that there might have been more. Why do they think that there were more, President? I do not know what your estimation is, President. But I am certain that you did not take part. The main point is that large numbers of people actually joined the march en route. Many people did not assemble at Victoria Park because they were told over the phone that it was very hot and stuffy inside the park, so they should not go there. About 100 people, some of whom were Democratic Party members, fainted in Victoria Park. How about those people who did not go into the park? They first had coffee or ate at Chinese restaurants around Wan Chai and Causeway Bay. Gosh, many people joined the march en route, at different times. So, I must ask the two universities how they counted the number of participants. I even think that it may be necessary for us to defer the starting time of the march next year because it is usually much too hot around 3 pm. It may be necessary to defer the starting time to 4 pm or 5 pm.

President, there were many participants. The Chief Executive told us that they had conducted an analysis, and that the Government must be all ears. Speaking of "being all ears", President, I must tell you that some Members have actually suggested to give each government official a pair of these ears. It is such a waste to put the ears here. They should be given to government officials, so that they can use them for listening to people's views. Let us see what they come up with after listening to all views. President, as indicated by their analysis, two major categories of demands were voiced during the march. The first category covered various specific demands such as universal suffrage, relieving people's plight, Lehman Brothers minibonds, unemployment, a minimum wage level, environmental protection and transport. The demands in the other category were about upholding the core values of civil society, including human rights, the rule of law, liberties, democracy and good governance. Gee, there are so many different demands, President. If the Government had been doing a good job in all these areas, would so many people still take to the streets to voice their grievances under the scorching sun, when the temperature was higher than 30°C? The two Secretaries of Department and four Directors of Bureau present at this meeting are going to give their replies. The Secretary for Justice should really say something about the rule of law. The point is that so many problems have surfaced, and large numbers of people take to the streets year after year, so I just wonder whether the authorities have really heard their aspirations.

President, one of the issues I want to discuss is the disparity between the rich and the poor. We have already discussed this problem in this legislature many times before. But we must still bring it up for discussions from time to time. President, we may take a look at a document entitled *State of the World's Cities* published by the United Nations in 2008. In this report, Gini Coefficient levels (from 0 to 1) are used for the first time to measure the distribution of wealth at the city level. A lower Gini Coefficient indicates a more equal distribution of wealth, with 0.4 being the alert line. The disparity between the rich and the poor is deemed to be present in a city with a Gini Coefficient of higher than the alert line. How about the case of Hong Kong, President? You may well remember that in 1991, when Hong Kong was still under British rule, its Gini Coefficient was 0.476 (which was, frankly, also above the alert line). Ten years later, in 2001, our Gini Coefficient rose to 0.525. And, in 2006, the coefficient even climbed to 0.533. This actually means that the disparity between the rich and the poor in Hong Kong has turned very serious.

President, according to a statistical analysis of the Hong Kong Council of Social Service In early 2008, they conducted an analysis on the basis of the statistics compiled by the Government, and they found out that in the case of 1.34 million people in Hong Kong, the income was lower than half of the median wage, that is, lower than \$5,000. There were totally 1.34 million people, President. Based on the definition of poverty, we can say that all these people were all living in deprivation. The total population of Hong Kong is 7 million, and we often claim that our per capita income is among the highest in the whole world. But at the time, it was found that more than a million people had to live in appalling conditions. In the debate yesterday, we talked about Internet charges and all sorts of fees. The need for talking about these fees and charges actually implies that many students are even deprived of some basic necessities. President, in order to extricate oneself from poverty, one must, most importantly, receive education. But the authorities have even refused to entertain our request for fully subsidized kindergarten education. We also request the Government to allocate more resources, so that teacher quality can be upgraded, and more activities can be held to develop students' interests, thus preventing them from drug abuse. But the authorities have done a very poor job in these respects.

President, most importantly, we must realize that the disparity between the rich and the poor has been caused mainly by a policy which is always biased towards property developers and large consortia since the colonial days. Many

people grumble that in a way, they must work very hard for several decades for a few major property developers. Large property developers have already extended their scope of business beyond the property market. They have come to dominate the markets relating to other important aspects of our life — clothing, food, accommodation and transportation, President. There is insufficient competition, but a fair competition law has not yet been rolled out after such a long time. The Secretaries of Department and many Bureau Directors are all here now. Can they hear the voices of the people?

The implementation of dual universal suffrage in 2012 is a very firm demand of the entire democratic camp. Unlike what has been said in media reports, no one in the democratic camp is softer in stance and more susceptible to changes in positions. There is only one democratic camp, the one that unequivocally demands the expeditious implementation of dual universal suffrage in 2012. Therefore, please do not try to split up the democratic camp. But, President, what is the reply of the Chief Executive?

On Tuesday, he asserted that there would be no room for negotiations because the National People's Congress (NPC) had made its decision. He added that nothing more could be done and the decision could not be overruled. He went on to say that any continued struggle would neither be realistic nor constructive. Is he aware that 200 000 people attended the candlelight vigil on 4 June this year? To him, this is probably also unrealistic. Can't we see that the Central Authorities have already classified the 4 June incident as a counter-revolutionary riot? Why did so many people attend the candlelight vigil? Their participation was nothing simple because under the heat of the night, all of them were pouring with sweat. President, 1 July was not the only day of sweating. The night of 4 June was also very sultry. President, members of the public donated huge amounts of money that night. My estimation may be wrong, but I guess that people donated as much as \$3 million to \$4 million in matter of just hours that very night. This is what Hong Kong people are like. They will not forget, nor will they forgive.

The authorities claim that they can represent all Hong Kong people, and that as long as there is economic progress, it is not necessary to do anything. President, it is indeed true that in some cases, the Central Government may have made a decision. But if the Central Government's decision is wrong, we must speak up as the people's representatives. We will not remain silent when faced

with a government preordained by a coterie election. We will always fight for what we want. Mr LEE Cheuk-yan was right in his description of the authorities: when questioned, the authorities will reply that there should be no further discussions because all has been decided; but when people say that they want to go to Beijing for discussions, they will ask people to stay behind and discuss with them. They simply argue both ways, so what can we do? Hong Kong should be discussing this issue now. There should have been a sharper focus in the march on 1 July. But the authorities have chosen to remain silent, deliberately deferring the consultation exercise until the end of this year. President, people are now worried that even by the end of this year, they may still continue to backtrack and will not be brave enough to face the people all the same.

The authorities must appreciate the people's anxieties, their discontent with the disparity in wealth and their indignation at the immense plight suffered by so many grass-roots people. As their representatives, we are duty-bound to voice their grievances. But why must the people suffer so immensely, President? All is due to the unfair political system. If the political system is fair enough, then it will not matter who want to run in elections. Henry TANG, Jasper TSANG and the Democratic Alliance for the Betterment and Progress of Hong Kong can all run in elections as long as they are capable. Anyone can be elected to govern Hong Kong. There will not be any problems, right? But why must they choose to distort the whole political system, making it impossible for the people to air their views and giving all the say to the Central Authorities and a handful of plutocrats?

President, many people are discontented. But we will not behave like the people in Xinjiang. So far, we have been voicing our opinions in peaceful, rational and non-violent ways. I hope that the authorities will not bully us beyond the limits. Hong Kong people are law-abiding and docile, to quote the words of some people from the Xinhua News Agency in the past. I hope that the authorities and Beijing will not ignore Hong Kong people totally simply because they are law-abiding, docile and peaceful.

President, the motion and amendments put forward by us may not yield any positive outcomes at all. But I must still say that while we are the minority in the legislature, we are the majority in the wider community.

MS AUDREY EU (in Cantonese): Regardless of the actual turnout, participants in the 1 July march this year must all feel unusually hot, because on 1 July this year, the police adopted a special tactic of impeding the flows of participants and marooning large numbers of people in Victoria Park for long periods. After leaving the park, participants were not allowed to proceed even when it was obviously possible for them to do so. Besides, the number of participants this year has been the highest since turnout records were first kept. I hear that there were 34 participating organizations this year. No matter what the actual number of participants was, it must have been the largest since Donald TSANG's assumption of office. I have heard that according to a survey conducted by the Hong Kong Baptist University, 50 000 participants in Hong Kong will mean some 2 million participants in the United States. We can therefore say that Hong Kong has always outdone any other places in the world in terms of actual turnouts in such activities. But Hong Kong people are all the time very peaceful.

Speaking of 1 July this year, the Civic Party is most outraged by Donald TSANG's award of a Gold Bauhinia Star Medal to Secretary Stephen LAM. He is our Secretary for Constitutional and Mainland Affairs, but he has turned in a "blank answer sheet" in respect of constitutional reform; not only this, he has even I heard how Mrs Regina IP commended Secretary Stephen LAM, explaining that he had only been doing his job. I suppose he always thinks that provocation is his duty. He is forever at loggerheads with the democratic camp over the issue of constitutional reform, rather than attempting to reach a consensus with us or make any progress. I must say that by awarding a Gold Bauhinia Star Medal to Secretary Stephen LAM on 1 July, the Government of the Special Administrative Region (SAR) actually gave two big slaps in the face to all those people who took to the streets on 1 July to ask for universal suffrage. I think the award of a Gold Bauhinia Star Medal to Secretary Stephen LAM is indicative of the SAR Government's attitude towards the participants in the 1 July march who demanded the implementation of universal suffrage.

I am not going to repeat the views expressed by Ms Emily LAU and Mr James TO. I will speak on my amendment only. On the bench before me, I have put a "wanted" placard made by Greenpeace about "Climate Fugitive Donald TSANG". If Members look at the average warming rate in Hong Kong for the past 10 years, they will know that the rate is double the rate 100 years ago. February this year is the hottest February according to the records kept by the

Hong Kong Observatory. A study conducted by The Chinese University of Hong Kong also indicates that the fatality risk will increase by more than 1% whenever there is a temperature rise of 1°C above 28.3°C. There were also some actual cases in June in which some residents in Tsuen Wan died of sunstroke. And, since the weather in Hong Kong is so hot, many outdoor workers have demanded legislative protection.

The day before yesterday, that is, during the Chief Executive's Question and Answer Session, many Members also put up placards like the one I am holding. The Chief Executive was delighted at seeing this because he expected Members to ask questions on climate change, and he was well prepared. In their coverage of how the Chief Executive refuted Mr LEE Wing-tat's accusation, some pro-government newspapers even reported that the latter was ridiculed, suggesting that the Chief Executive was well prepared. Today, I would like to point out the fallacies in the Chief Executive's reply one by one.

First, he gave a huge array of figures, explaining that the per capita emission of carbon dioxide in Hong Kong is only six tons. He remarked that this is a very low level when compared with the emission levels in many other places. But I must first point out that the six tons of carbon dioxide he mentioned is just the volume of per capita emission, which does not take account of the emission by aviation flights. I remember that when Mr Bernard CHAN was a Member, he once reckoned his emission of carbon dioxide at 60 tons. Why? The reason is that he travelled by plane very often. The six tons mentioned by the Chief Executive does not take account of the emission by aviation flights. Another point is that since Hong Kong is a very tiny place with practically no industries and many people rely on the public transport system, our emission level should basically be low.

I must make it a point to say that the whole world, especially the United Nations, is asking all countries, particularly developed places, to shoulder their responsibility and reduce their levels of emission. As Members are aware, many other places have already made efforts in this direction. For example, Japan now plans to reduce its emission of greenhouse gases by 8% against the level in 1990 by the year 2020. The United States has enacted a law on the implementation of a series of emission reduction targets. Australia is considering the idea of reducing its level of emission by 5% to 15% against the level in 2000. Two weeks ago, Scotland also decided to reduce its emission by

42% in 2020. This is even more ambitious than the target of 34% set by Britain. It can thus be seen that many other places have already set down their respective reduction targets.

The second fallacy in the Chief Executive's reply is about his claim that Hong Kong has also set down a target — the target of achieving at least a 25% reduction of energy intensity by 2030. This is simply a lie, something intended to deceive the public. He was talking about energy intensity. What is energy intensity? It is expressed as units of energy per unit of Hong Kong's Gross Domestic Product (GDP). It follows that when Hong Kong's GDP rises, the total emission will also rise. According to government statistics, in 1990, our total emission stood at 34.2 million tons. But in 2005, it rose to 44.8 million tons. This means that the total emission in 2005 showed an increase of 10 million tons against the volume recorded in 1990. And, since 2001, our total annual emission has also been rising all the time. Expressed in terms of percentage, the increase should be 14%. But the Government simply plays tricks with figures, arguing that the actual situation is not like this. It argues that we should be talking about per capita emission — dividing the total emission by the number of people. In that case, it argues, as our population increases, the total emission will necessarily rise, but when the total emission is divided by the number of people to obtain the volume of per capita emission, there is a decrease of 6% instead. As for energy intensity, the rate of decrease is even greater, as high as 41%. This is how the Government usually behaves. It simply plays with figures and withholds all unpleasant information, telling the public that the situation in Hong Kong is just fine and our emission level has been going down all the time. But I must tell Members that our level of emission has instead been rising.

There is also the third fallacy. In response to the Greenpeace's demand that he should attend the meeting at Copenhagen, the Chief Executive told Members delightedly that the meeting is not open to all, and only sovereign powers can attend, so even if Hong Kong wants to take part, it will not be allowed to do so. But Members should remember that Financial Secretary John TSANG once attended such summits as a member of the Chinese delegation. Besides, Joseph YAM and even AU King-chi also attended a summit in Washington D.C. as members of the Chinese delegation. If the Chief Executive really wants to attend the meeting, how can anything stop him? He only needs to discuss with China. How can he say that he cannot attend the meeting? Of course, it will

be a different story if he wants to be a "Climate Fugitive" and intends to stay away from the meeting. If he really regards global warming as an important problem, he will surely come up with some arrangements to enable him to attend the meeting.

The Kyoto Protocol will expire in 2012, so it is necessary to hold a meeting in Copenhagen. Since Hong Kong is a part of China and therefore regarded as a developing area, we can conveniently evade any responsibility under the Kyoto Protocol. But honestly, we often tell others that Hong Kong is a metropolis and world city. Hong Kong is obviously a developed city, which is why it should uphold the same targets as other developed places. If we are really prepared to discharge our obligation, we must first and foremost formulate a target for reducing our total emission, rather than resorting to the trick of formulating any energy intensity targets. I can foretell that when he gives his reply later on, Secretary Edward YAU will surely reel out a litany of voluntary schemes, funds, energy audits, and so on. President, I am not saying that the Government has made no efforts. But I must emphasize that the most important thing must be the formulation of a target for reducing the total emission. We must adhere to the international trends and requirements — a 50% emission reduction for the whole world, and an 80% reduction for developed places such as Hong Kong. If we still evade our responsibility and refuse to formulate a target for reducing the total emission, we will fail to discharge our obligation.

I hereby call upon the Chief Executive not to allow himself to become a "Climate Fugitive". I call upon him to attend the Copenhagen meeting and formulate a long-term strategy on coping with climate warming as soon as possible. China has already formulated many such strategies. Many provinces and cities there have been making efforts. As a Special Administrative Region, Hong Kong should also discharge its responsibility. Thank you, President.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): President, as the first session of this Legislative Council is drawing to a close, we would like to take the opportunity presented by this motion to give a brief account of all the efforts made by the Government in the past half year or so. It is naturally impossible for us to cover all policy areas in the debate on one single motion. Consequently, the Financial Secretary, the Directors of Bureau concerned and I will only focus on the areas mentioned in the motion and the amendments.

To begin with, I note that the march on 1 July is mentioned in both the motion and the amendments. I must stress that regardless of the turnout and themes of the march, the Government will always seek to uphold people's freedom of assembly and procession. We respect the people's freedom of expressing their opinions in peaceful and lawful ways, and we do attach very great importance to their aspirations. As rightly pointed out by the Chief Executive on Tuesday, we will listen to all the aspirations voiced by the public, analyse them carefully and seriously consider how we should respond.

For a good part of this year, the global financial crisis has battered the Hong Kong economy very severely, bringing forth many unprecedented challenges. And, the outbreak of human swine flu, which began around April and May this year, has sprayed salt on the wounds of the local tourism industry and consumption market.

All along, responding to the financial crisis has remained the most important emphasis of the Special Administrative Region Government's policies. We have repeatedly implemented various timely measures to "stabilize the financial system, support enterprises and maintain employment". The effects of these measures are beginning to be felt, thus stabilizing the Hong Kong economy.

In regard to stabilizing the financial system, it must be pointed out that despite the turbulence of the external environment as well as the bankruptcy and financial difficulties of international financial institutions, Hong Kong's financial system has basically managed to withstand all the impacts, and our financial market has remained relatively stable, thus preventing any further blows to the real economy.

At the same time, we have also put in place various measures to support enterprises and relieve people's plight, with a view to assisting enterprises in tiding over their difficulties and easing people's financial pressure.

Maintaining employment, in particular, is our major policy objective. By implementing various measures to support enterprises, we have managed to maintain large numbers of jobs. After a period of continuous rises, the unemployment rate has started to show signs of stabilization.

In the time to come, we will strive to create more employment opportunities by implementing various feasible measures, including the promotion of infrastructure projects, the enhancement and consolidation of existing employment assistance schemes and the launching of internship schemes for university graduates.

While trying to cope with the financial crisis, the Government also strives to achieve some major policy objectives that can ensure Hong Kong's sustainable development, upgrade our competitiveness and create a just society. I can cite a number of examples here.

- The construction works under different infrastructure projects are in full swing as scheduled;
- We will grasp the opportunity presented by the Outline of the Plan for the Reform and Development of the Pearl River Delta, with a view to fostering comprehensive co-operation between Guangdong and Hong Kong and opening up a new economic hinterland;
- In a bid to reform our economic structure, we will promote the development of six economic areas where we enjoy clear advantages as the new areas of our economic growth;
- We will put the Minimum Wage Bill before the Legislative Council as scheduled, so as to enhance the protection for grass-roots employees;
- We will adhere to the schedules of implementing all those measures generally supported by society, such as the plastic bag levy and total smoking ban;
- Faced with the onslaught of human swine flu, we have remained calm and formulated various strategies to cope with the unique needs at different stages; and
- In view of the insidious impacts of drugs on young people, we have decided to launch a territory-wide campaign against drug addiction.

These are only some examples. The underlying theme of all these measures is that all policies of the Government of the Special Administrative Region (SAR) must be people-based and firmly rooted on public support. The objective and emphasis of all policies must be the greatest interest of society.

President, in the following part of my speech, I wish to give an initial reply to the major proposals mentioned in the motion today.

First, I wish to discuss the issue of regulating the sale of financial products. Hong Kong's regulatory regime for the sale of financial products is basically similar to the regimes adopted in other international financial centres. The aim is to protect the interests of investors while providing them with choices and convenience.

The minibond issue resulting from the bankruptcy of the Lehman Brothers has brought our attention to certain arrangements under the existing system. On the basis of the reports published by the Hong Kong Monetary Authority and the Securities and Futures Commission, we have worked out some 30 recommendations and formulated a concrete action plan. The recommendations of these reports are being phased in, with a view to perfecting our regulatory regime.

The Government and the various regulatory bodies will, from time to time, put forward improvement measures to cope with ever-changing international trends and market operation practices, and to address the concerns of stakeholders, with a view to ensuring that our regulatory regime can keep abreast of the times.

Ms Emily LAU's amendment mentions the disparity between the rich and the poor. This is also a concern of the SAR Government. We do attach very great importance to assisting low-income earners. The ultimate solution to this problem should be the provision of training programmes to help middle-aged people and the grassroots to add to their own values by upgrading their skills. We should seek to eliminate cross-generational poverty by making investments in education and children development. We should also strive to upgrade our social capital by fostering the development of social enterprises.

In regard to the last line of protection in the safety net, there is the Comprehensive Social Security Assistance, and in addition to this, we have launched a short-term food assistance programme that can benefit some 50 000 people in this very extraordinary period. Besides, the Government has also implemented a number of measures to relieve the financial pressure of low-income families.

Ms Audrey EU's amendment touches upon the reduction of greenhouse gas emission. As a matter of fact, the Government has always been very concerned about this issue.

In the 2008-2009 Policy Address, the Chief Executive points out that in view of the challenges posed by climate change, Hong Kong must enhance its energy efficiency. He says that we must turn to clean energy sources and reduce our dependence on fossil fuels, and that we must promote a low-carbon economy based on low energy consumption and low pollution.

The Secretary for the Environment will, in a moment, give a detailed account of the specific measures we have put in place. The only point I want to emphasize is that the Government has already set down a target for emission reduction. Under the Kyoto Protocol, Hong Kong is not obligated to set down any target for reducing the emission of greenhouse gases. But as a responsible member of the international community, Hong Kong has still joined the Asia-Pacific Economic Co-operation in formulating a common emission reduction target. Hong Kong has undertaken to reduce its energy intensity by 25% between 2005 and 2030. In other words, computed on the basis of the energy cost per GDP unit, Hong Kong's energy efficiency will be enhanced by at least 25%. We have both the determination and confidence to achieve this target.

As for constitutional development, the SAR Government has been promoting democracy with a pragmatic attitude, trying to identify common grounds while tolerating differences, with a view to achieving the ultimate goal of implementing universal suffrage under the Basic Law.

In December 2007, the Standing Committee of the National People's Congress (NPCSC) made a clear decision on this issue: universal suffrage can be implemented for the Chief Executive Election in 2017 and the Legislative

Council Election in 2020. The decision also makes it clear that universal suffrage shall not be implemented for these elections in 2012, but changes can be made to the two electoral systems according to the principle of gradual and orderly progress.

The formulation of this timetable marks the first significant step towards the eventual implementation of universal suffrage. According to the surveys conducted by universities, roughly 70% of Hong Kong people accept the decision of the NPCSC.

The SAR Government has the constitutional duty to promote the development of Hong Kong's political system in the direction of universal suffrage. But while doing so, it also has the constitutional duty to uphold the decision made by the NPCSC in December 2007. Therefore, we will launch a public consultation exercise on the electoral arrangements for 2012 in the fourth quarter of this year, but we will not make any proposal on implementing universal suffrage for electing the Chief Executive and Legislative Council Members in 2012, because this is not in accordance with the decision of the NPCSC.

The SAR Government will actively promote social discussions on how we can introduce more democratic elements to the arrangements for the two elections in 2012. With our utmost efforts and sincerity, we hope that society can forge a consensus on amending the two electoral methods in 2012. That way, we will be able to bring the electoral system of Hong Kong to a midway point, thus paving the way for the implementation of universal suffrage in 2017 and 2020.

The attainment of this goal must need the joint efforts and common commitment of the SAR Government and the Legislative Council. Politics are the art of the possible. We hope that the Legislative Council can stand with us and society as a whole under the spirit of seeking common grounds and tolerating differences, so as to make 2012 a midway point.

President, the SAR Government has been striving to achieve the objective of "people-based governance". It has been striving to enhance its standards of governance, develop the economy, create employment opportunities, improve the people's livelihood and promote the cause of democracy. We will continue to enhance our communications with the Legislative Council and society. We will

also continue to listen humbly to the views of the public, so that we can fully grasp their opinions and respond effectively to their aspirations.

President, with these remarks, I call upon Members to vote against Mr James TO's motion and the respective amendments put forward by Ms Emily LAU and Ms Audrey EU.

PRESIDENT (in Cantonese): Financial Secretary, do you wish to speak?

(The Financial Secretary shook his head to indicate that he did not wish to speak)

PRESIDENT (in Cantonese): Secretary for Constitutional and Mainland Affairs, do you wish to speak?

(The Secretary for Constitutional and Mainland Affairs shook his head to indicate that he did not wish to speak)

PRESIDENT (in Cantonese): Do any other Secretaries wish to speak?

(The Secretary for Financial Services and the Treasury, the Secretary for Labour and Welfare and the Secretary for the Environment all shook their heads to indicate that they did not wish to speak)

MR CHAN HAK-KAN (in Cantonese): President, I will speak on the amendment proposed by Ms Audrey EU. Participants in the 1 July march all have different aspirations. For those who took to the streets to show their concern over the climate issue, I do not have an accurate figure on their number. But I believe, in recent years, many people have already experienced the impact of climate warming on them as well as on their living environment. The February this year is the hottest February in the records of the Hong Kong Observatory. Besides, a chronic patient found dead at home last month was suspected to have died from heat due to the extremely hot weather. All these, whether figures or real-life examples, show that climate warming has directly affected our life.

At the last meeting of the Task Force on Economic Challenges, the Government announced the implementation of some measures to foster the development of the six economic areas, including the environmental protection industry. It hoped that while promoting environmental protection, this would also facilitate the industry to run its business. As for the concrete measures, they include the Government's initiative to stop using incandescent light bulbs.

The announcement of these measures did not win much applause, but on the contrary, aroused many comments. Since many citizens have made effort to protect the environment and save the energy by replacing incandescent light bulbs with energy-saving light bulbs at home or in the office in recent years, the Government, with so many offices which need to use so many light bulbs, has been too slow in phasing out incandescent light bulbs. When we take a look at other countries in the world, we will see that Canada, Australia and India have completely phased out incandescent light bulbs through legislation. An environmental protection group, with reference to Hong Kong's data in 2007, has estimated that if there is legislation on the complete phasing out of incandescent light bulbs, we will be able to reduce the emission of carbon dioxide by 480 000 tons a year, which means that \$600 million can be saved from electricity bills.

President, to cope with the impact of climate change on Hong Kong effectively, we cannot only rely on the phasing out of incandescent light bulbs, of which the effectiveness is limited. We need to put in place a comprehensive policy in order to tackle the problem at root. This year is the right time for Hong Kong to review its policy on climate change as in the coming December, the United Nations (UN) will hold a climate change summit in Copenhagen, where the world leaders will discuss the pace of emission reduction before 2020 with a view to reaching a consensus.

We all know that an environmental protection group hung a big banner at the Government Headquarters to request the Chief Executive to look at the problem squarely. Though I do not quite agree with their way of expression and the words they used, I do agree that the Government's efforts in coping with climate warming are not enough. Hong Kong is not a member of the UN so that we can only attend the meeting as a member of the Chinese delegation. But I think this meeting is very important to Hong Kong regardless of in what capacity Hong Kong will attend the meeting. It is because through participating in this meeting, Hong Kong can gain access to more technological knowledge,

information and data, which will help us formulate more appropriate and more focused policies in the coming few years. At the same time, we can also take this opportunity to strengthen our communication and co-operation with the Central Government as well as other provinces and cities in the area of environmental protection and emission reduction.

President, apart from formulating policies, setting an objective and convincing target is also a way to show the Government's determination and efforts in coping with climate change to the public. In the past few years, the fact that energy intensity has all along been the main target of the Government has aroused criticism from environmental groups. Energy intensity is the greenhouse gas emissions per unit of GDP. The drop in energy intensity may really be due to the reduction of greenhouse gas emissions, but it can also be the result of persistent economic growth.

President, the figures I am going to quote here may be different from those mentioned by Ms Audrey EU, but both of us have noticed that while there has been a decline in energy intensity, the greenhouse gas emissions have increased. According to the data for the 10 years between 1995 and 2005, indeed Hong Kong's energy intensity has dropped by 13%, but since 1999, there has been an ongoing increase in greenhouse gas emissions.

In the coming few years, more measures will be introduced in Hong Kong to reduce greenhouse gas emissions, including the implementation of the mandatory energy efficiency labelling scheme, the promotion of electric cars and the development of renewable energy. It is not only the responsibility of Mr Edward YAU, the Secretary for the Environment, to put the above measures into effect, the collaboration of relevant Policy Bureaux as well as the determination of the Chief Executive and all Secretaries of Department, together with the participation of the public, are also needed for addressing the issue of climate change. President, I so submit.

MR CHEUNG KWOK-CHE (in Cantonese): President, same as the previous years, the participants in the 1 July march this year have many different kinds of aspirations. That day I saw various banners, from those requesting the Government to improve governance, to some demanding the view of a building not to be blocked. Among the aspirations of the tens of thousands of marchers,

the major one without doubt is the aspiration for democracy in the form of dual universal suffrage in 2012. Their demand for an early implementation of universal suffrage for the Chief Executive and all Members of the Legislative Council is clear. Besides, there are also issues concerning people's livelihood. The wealth gap in our society is so wide that the life of the disadvantaged has become even more difficult. Before there is a significant decrease in the prices of various kinds of commodities, the wages have been cut. Even though you have a job now, you still worry about the possibility of being laid off. It is all these factors forcing the grassroots to take to the streets in the hot summer.

In fact, not only the grassroots are living in dire straits. We can see the victims of the Lehman Brothers Minibonds incident, filled with ill feelings towards the Government, were so emotional in their rallies. One of the victims even committed suicide for failing to withstand the pressure. Because of this incident, some victims took more drastic actions outside the Government House two days ago. Faced with so many demands, the Government should not continue to stand by and watch. On 1 July, I met some disabled people and listened to their demands for government actions, which include the provision of residential care homes, transport services, especially the half-fare concession for bus services, and an employment quota system for people with disabilities, as well as the provision of 12-year free education for children with specific learning difficulties. We have all along been asking for such policies, which I believe all of us have heard so many times, but the Government has either given no response or responded too slowly. We therefore have to take to the streets on 1 July, year after year, to express our aspirations.

What makes us angry is that the Government has not suggested any solutions, nor has it ever been committed to making any improvement. In fact, the voices of those with disabilities as well as other disadvantaged people have all along been neglected. I hope the Chief Executive will fully respond to the aspirations of the marchers in his policy address in the coming October. Now there are only three months left before the announcement of the policy address. Indeed the time is too short for finding solutions to the long-lasting problem of wealth gap. However, if the Government has the determination to take the first step to set out the direction for improvement, at least those who have taken to the streets would know that the Administration is resolved to respond to our aspirations.

Compared to the previous years, there are more grievances among the participants in the 1 July march this year. The core reason for their discontent is the lack of a fair universal suffrage system. Therefore, the constitutional reform package to be introduced at the end of this year will be a key factor. If the Chief Executive ignores the public grievances and throws out a conservative constitutional reform package, I believe, just like the package being voted down in 2005, it will only evoke a backlash from the people and result in a larger march for dual universal suffrage. Now the aspiration for dual universal suffrage in 2012 is now a consensus in society. Judging from Hong Kong people's understanding and awareness of democracy today, I firmly believe that we are capable of electing our Chief Executive and all Legislative Council seats. As long as the Chief Executive and the Central Government have confidence in Hong Kong people and the determination to achieve the goal, I believe universal suffrage can absolutely be implemented in 2012. As 2012 is getting near, demands for universal suffrage will only keep on growing. The Chief Executive must reflect our views to the Central Authorities and do his utmost to fight for our rights. President, I so submit.

MR LEUNG YIU-CHUNG (in Cantonese): President, I think there is really no need for the Government to make such a great fuss to assign the accountability officials, including two Secretaries of Department and four Directors of Bureau, to sit in the Chamber to respond to this debate today because what Chief Executive Donald TSANG said in his introduction in the Question and Answer Session, I believe, has already reflected the Government's reaction. Although Donald TSANG has responded to the 1 July march, obviously his reply is still pointless, empty, hypocritical or weak in will and power. I think it is just an empty talk and in the end there will not be any specific follow-up actions.

Anyhow, President, when TUNG Chee-hwa, the former Chief Executive, was faced with the citizens' strong grievances against his governance in the last one or two years of his tenure, what did he often say? He used to say that he would "think what the people think and sense the urgency of the people". We have often heard such slogans. But what was the point for him to say that? The point was that he hoped to narrow down the gap between the public concerns and his perspectives so as to avoid giving people an impression that he never listened to them. However, President, it is useless to just throw out slogans. We all know that in the end, TUNG Chee-hwa had to step down due to leg pain.

Recently, facing lots of protests from the Hong Kong people, Mr Donald TSANG, the Chief Executive, stressed in the Question and Answer Session that he cared for the people. President, I remember "Care for the people" is a big title in the Chief Executive's policy address last year. It shows that even Donald TSANG has been aware that Hong Kong citizens have become less confident in his ability to truly reflect the public views and concerns. To be fair, President, there is no doubt that Chief Executive Donald TSANG has made a good progress by taking the initiative to mention the aspirations of the participants in the 1 July march in the Question and Answer Session this time. If you still remember, hundreds of thousands of Hong Kong citizens took part in the 1 July march in 2003 to specifically protest against the legislation on Article 23 of the Basic Law, and TUNG Chee-hwa, the then Chief Executive, just kept on saying "good morning, good morning" to the journalists in order to avoid the issue. But Donald TSANG is different. He has done a better job by taking the initiative to mention the issue this time. After all, President, if the Government wants to take the aspirations of the participants in the 1 July march seriously, I believe, it has to change its thoughtless, frivolous attitude, and at the same time, face the reality and the core problems squarely so as to ensure a full response to the demands of the citizens.

First of all, in the seven years since 2003, every year there were tens to hundreds of thousands of Hong Kong citizens taking to the streets to join the march for a few hours under the hot weather. People's commitment to the march represents their power and determination, which makes every one of us feel proud. I think the Government, which should be ashamed, has to attach importance to the issue and respond to the aspirations of the citizens in a fully responsible manner.

I think the Government can no longer deny the citizens' aspirations, which have been strongly reflected in the 1 July march over the past few years. Their major demand is for democracy and the early implementation of universal suffrage. Facing the insistence of the Hong Kong people, especially on the implementation of dual universal suffrage in 2012, Chief Executive Donald TSANG, I think, should not have used the same old excuse, saying that "the NPCSC has already made its decision" as a shield. I think this kind of shield is meaningless. Why? If this kind of shield had its meaning, President, at least, there would not have been tens of thousands of people taking to the streets in the past one or two years. In fact, this is not the first time the Government has said

this. It has been repeated for so many times. However, the public has refused to listen and they keep on taking to the streets. It means what the Government has said reflects neither the views nor the concerns of the public. Instead of using such an excuse as a shield, the right way to face people's views and concerns is to respond to public aspirations with concrete and effective solutions.

Apart from that, I think when handling the issue of dual universal suffrage, we cannot, and should never, sow division among the ranks of the pro-democracy camp again. Now, many people in the media say that there are moderate and radical members in our pro-democracy camp. As Ms Emily LAU has just said, we actually have only one aspiration, that is, the early implementation of dual universal suffrage, which is what we have all along been asking for. Therefore, it is useless to make so many speculations and use the so-called isolation and division tactics. I hope the Government will take the situation and public aspirations seriously because this is the only appropriate means to deal with the matter.

Furthermore, Chief Executive Donald TSANG had outstanding performance in the Question and Answer Session this time. He divided the aspirations of the participants in the 1 July march into two major categories. One is concerned with democracy and people's livelihood, and another one is related to Hong Kong values, including human rights and the rule of law. However, whether intentionally or not, he missed one point. In recent years, especially this year, one of the aspirations of the citizens is the stepping down of Donald TSANG. It is so pathetic that he has not considered this point. I do not know if he resorted to ostrichism when responding to this aspiration. If he really wants to face the reality, he should try to find out why more and more people demand him to step down. This actually reflects that his governance has already deviated from public sentiments and lost public support. In particular, we have found several serious problems. For example, the accountability system, as we all know, is indeed a regrettable system. Besides, regarding the recent issue on the successor of Joseph YAM, the Government has put up a show featuring three candidates, one of whom will be assigned to the post. We all know who will finally take up the post. So what is the point for putting up such a "fake show"? Therefore, it is hoped that he will take stock of the aspirations of the participants in the 1 July march.

MR LEE WING-TAT (in Cantonese): President, for those who have participated in the 1 July march, they all know that this year many people shouted a slogan, which is: "Not Donald". There were also some people shouting "勿當奴", which sounds like "McDonald", and this of course does not mean that they were asking the citizens to buy hamburgers. "Not Donald" means "Not to be slaves" and "勿當奴" also means just the same as the Chinese word "勿" means "No". Why did the people express such strong views? I hope the Chief Executive has to think about it.

Hong Kong citizens think that with regard to the very important issue on the political system, our Chief Executive has become a lackey and a slave who only follows the orders of Beijing. President, in respect of the debates on the political system, is it as the Chief Executive replied to Mr LEE Cheuk-yan on Tuesday that it is all over and we do not have to argue any more but just wait for the blossoms and fruit? What blossoms and what fruit? I do not think this is the time for blossoming and fruiting, though he might use the wrong words.

He thinks that there is already a timetable so that we should not argue any more. However, we have to ask a question: Even though the NPCSC has mentioned the 2017 timetable, would there be real universal suffrage? Up till today, the Chief Executive has not given an answer. Would there be universal suffrage for the Chief Executive election without a screening process? Would there be universal suffrage for an election with different political views? Or would it be a so-called election by universal suffrage with only Chief Secretary Henry TANG and the recently very active Mr LEUNG Chun-ying as the candidates? Even if they are not the candidates, would there be two other candidates preordained by the Beijing Government putting up a show for us to vote? If that is our so-called election by universal suffrage, then there would not be blossoms and fruit because the fruit of democracy, as we have said, should be an election on a regular and unscreened basis, and with different political views and freedom of choice. The Chief Executive did not mention this point that day. I think he was too quick to make a conclusion when he said that a timetable had been drawn up and therefore we should not argue again.

Secondly, why did I criticize him for being a lackey? Dr Joseph LEE has asked him why we cannot further discuss the possibility of implementing dual universal suffrage in 2012. In fact, when someone has expressed such views, the Chief Executive should at least take one more step to go to Beijing to convey

the message to the Central Authorities. According to a public opinion poll, Hong Kong citizens still strongly request the implementation of dual universal suffrage in 2012. Then should the NPCSC reconsider the matter? Had he conveyed this message, even if Beijing said it would not consider Hong Kong citizens' views, he would not be blamed. However, he dares not do this. So this is the best example of being a slave and a lackey. Hence, people shouted the slogan "Not Donald" actually aimed at teaching their children and the next generation not to be a slave or a lackey like Donald TSANG. He even dares not request our national leaders to reconsider the implementation of dual universal suffrage in 2012 by conveying our message to them. So what is he if not a lackey?

Thirdly, when we talk about the implementation of universal suffrage in 2017 and 2020, our Government no, it is our lackey Donald TSANG he said that his term of office would end in 2012, and everything after that had nothing to do with him. Is that so? Who gave him this order? Did the NPCSC say this to him? I hope the youngsters will not follow the example of Donald TSANG to be lackeys and slaves who dare not ask their masters one question. He said that his term of office would end in 2012 and therefore matters concerning 2017 were not his business. Regarding the arrangements for 2017, would there be a real election by universal suffrage on an unscreened basis? As for 2020, would the functional constituencies, instead of being modified into another kind of everlasting constituencies like someone suggested, be completely eliminated as we have called for? He said that all these were not his business and he could not do anything about it.

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

Why did so many people take to the streets and shout the slogans "Not Donald" and "勿當奴" on 1 July? The reason is that they did not want to follow the example of Donald TSANG to be the lackeys and slaves of the master in Beijing. He even does not have the guts to ask a question. So isn't he a lackey or a slave? As the public so strongly demands the implementation of universal suffrage in 2012, why does he not ask for one more time? Have we gone back to the feudal society where people dare not say a word about their masters'

decisions? Will our Secretaries of Department and Directors of Bureau take the same attitude and remain indifferent even when there is a strong public outcry in future?

Deputy President, with regard to the implementation of universal suffrage in 2012 or the possibility of a good package, which will be put forth by the end of this year according to Chief Executive Donald TSANG, I feel pessimistic because I know he is not willing to reflect the views of most of the citizens. If the opinions of the majority are not heeded, most of the directly-elected Members from the democratic camp will probably not support the constitutional reform package. Thank you, Deputy President.

MR CHIM PUI-CHUNG (in Cantonese): Deputy President, in the past when I heard 1 July, I had an impression that it should be a memorial day of the Chinese Communist Party. Now when the Hong Kong people hear 1 July, they realize that it is the anniversary of Hong Kong's reunification with China. In recent years, indeed the Government's inadequacies in governance have been seen in various areas. Therefore, now 1 July should be the day for some people from different sectors of the community to express their views on the Government's inadequacies. Of course, in the morning of every 1 July, some Hong Kong people do participate in some celebration activities. That is why it can also be regarded as a celebration day. Hence, the SAR Government should pay special attention to 1 July. Without this date, the SAR Government could not possibly be the master of its own house.

In respect of the 1 July issue, the Chief Executive divided the main content into different categories in the Legislative Council Question and Answer Session two days ago. Regarding some citizens' demand for dual universal suffrage, I maintain that the SAR Government has not fully reflected people's views. I do not have much interest in listening to other Members' comments on who is right and who is wrong. It is certainly a good thing that there are heated debates or even ferocious arguments among the Legislative Council Members. However, in any discussion, there cannot be any decision or resolution. You express your views while I voice out mine. As for who is right and who is wrong, you can say what you think is right and I will absolutely not criticize others for being wrong. This is the real meaning of debates in a representative assembly, though

there may not be any conclusion. For a debate, of course, finally a vote will be taken, but it is just a means to reach a result.

With regard to the constitutional system, I maintain that the constitutional reform is the most important issue and the SAR Government should take courage to speak out all the truth. As the Chief Executive, having accepted the appointment by the People's Republic of China, he absolutely has the responsibility and obligation to let Hong Kong people fully understand all important policies and decisions of our nation. Of course, I also firmly believe that Hong Kong people are knowledgeable enough to understand these matters. However, if there is a lack of promotion, then the SAR Government should be held responsible. The Government must keep on delivering the information available to it and even has the responsibility to convey public opinion to the Central Government. It should know its scope of power. As for the comments of the public who have the right to criticize the Government, they should be fully and clearly explained. The Government must do this and there is no other option.

Deputy President, we understand that after 12 years of development and transition, Hong Kong is now faced with countless arguments and different stances. This is a historical issue to be reviewed. We understand that Hong Kong was a British colony 12 years ago. According to the colonial system, all policies formulated by the United Kingdom will be put forward to the Governor of Hong Kong for implementation. The Governor was under the supervision of the British Foreign Office. It was the responsibility of an Under Secretary in the Foreign Office instead of the Foreign Secretary to perform the supervision task. In other words, all the responsibilities of the Governor were correspondingly under the jurisdiction of the United Kingdom.

After 12 years of transition, today Hong Kong is not an independent country but a special administrative region in China. Therefore, the Chief Executive has sufficient power to perform the multiple tasks of planning, implementation and review. Of course, under such pressure and circumstances, as the leader of the SAR Government, he will hesitate in making decisions if he is not determined and brave enough. We have seen the Chief Executive talking about "strong governance" previously. What is "strong governance"? He was so confident in his own governing team, including himself, that he thought they were the best. However, it is like playing soccer that when you fail to score a goal after a series of attacks, you will become hesitant. When there is hesitation,

a review on the system and all related matters is needed. His biggest problem is lacking the courage to face the reality, especially the Legislative Council.

Personally, I think the separation of powers among the executive, legislature and judiciary is still effective. Some people do not agree with it, but this is true. In view of this, when communicating with the Legislative Council, the Chief Executive has to be really humble and he should build a bridge to facilitate communication with Members and to encourage Members to express their views. As for the Government, it should bravely face its mistakes and carry out reforms. I firmly believe that the Government does not want to be accused by the public. But if the demands are too harsh and too difficult to meet, then we should give encouragement to the Government. Revolutions should be launched with the joint efforts of the Government and its people. Nevertheless, I firmly believe that our Government is unable to do this and we should not harbour any wishful thinking or fantasy. Of course, it is doubtful if the public also have the same mentality as well as the same wish and intention. Personally, I firmly believe that they do not think this way.

As for the wealth gap in society, it is now beyond remedy because this is not only a historical issue but also a problem caused by various factors. We hope those wise participants in the modern industrial and business sector, after using the resources of society, can pay back to society. Of course, they must do it on their own initiative. If these people had no desire and motivation, or if the social activists or capitalists stopped making investment, it would not bring any benefits to society. In this regard, as a Hong Kong citizen, I firmly believe that the SAR Government should give them inspirations (*The buzzer sounded*). Let us move forward.

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

MR PAUL TSE (in Cantonese): Deputy President, today's discussion is on the 1 July march. Regarding the march, I would like to say that as early as on 23 June or even one to two weeks earlier, the tourism sector launched a march. This is the first time for years that the sector has been forced to take to the streets.

I would like to take this opportunity to talk about aspirations as today's topic is the aspirations derived from the public's discontent with the Government's governance. First of all, I would like to mention some background information. In early 2008, there was the snowstorm, which was followed by the Sichuan earthquake and then the Olympic Games. To a certain extent, these were man-made disasters for the tourism sector because many policies just put the sector in a very difficult position. In 2009, as we all know, we have had the financial tsunami, and shortly after that, the human swine flu, and now we are facing the riots in Urumqi. There are more and more crises in the world and it is getting more and more difficult to run a tourism business.

Deputy President, I want to point out that though the Government has responded to the difficulties of the sector by introducing various policies and measures, including loans for small and medium enterprises, only less than 2% of the loans have benefited the tourism sector. Moreover, regarding the waiving of license fees, it is undoubtedly a benevolent policy. But looking at the total amount of \$670 million allocated by the Financial Secretary as provisions for the waiving of license fees, we have found that only about \$17.5 million, which is a very small amount, really goes to the tourism sector such as travel agencies and hotels. It is true that the Government has established a Mega Events Fund and provided each of the 18 districts with an allowance of \$10 million to promote tourism. But in terms of figures, the benefits are far from enough. In the long run, though the Government has been putting much emphasis on the development of a cruise terminal and the West Kowloon Cultural District, these are in fact far-off plans that cannot meet the immediate needs.

Deputy President, I would also like to talk about the Government's policy blunders. There is no doubt that Hong Kong's hygiene is a very important issue which is worth our attention. But I want to stress one point that as at 6 July, there are 973 confirmed cases of human swine flu in Hong Kong but no death case has been reported. Of course, this is not the latest figure. In some countries, the situation is more serious. For example, in Canada, there are 7 983 confirmed cases, of which 25 are death cases. In the United States, there are 33 902 confirmed cases and the death toll has reached 170. In the United Kingdom, there are 7 447 confirmed cases and the number of death is 3. Same as Hong Kong, no death case has been reported in Japan, but the number of confirmed cases there has reached 1 446. By mentioning these figures, I want to bring out one point, that is, even though other countries in the world are facing a

more serious situation, none of them has adopted the seven-day segregation policy implemented in Hong Kong. The implementation of this policy may have been due to the psychological factors brought by the sequelae of SARS in 2003. In fact, once bitten, twice shy. It is absolutely not a benevolent policy for a government to overreact in the formulation of policies. I mentioned this point because I want the Government to know that in terms of figures and the scale of measures taken in the world as a whole, Hong Kong has probably overreacted in countering the epidemic this time. Under these circumstances, the interests of the tourism sector have been sacrificed.

When the avian flu broke out, the entire poultry sector was hard hit by the mandatory chicken cull. At that time, the business operators involved were adequately compensated and fully protected. Unfortunately, this time the victims are not chickens but all the tour guides, and the entire sector has not been provided with adequate compensation and protection. Although the Government has taken several measures as I have just mentioned, compared to the measures for saving the tourism industry in neighbouring countries, ours are absolutely inadequate. For instance, Macao, our neighbour, has offered the tourism sector many concessions, including hotel booking and even some rebates. In Singapore, there have been some cash concessions, while in Taiwan, those affected by the segregation policy can have a guaranteed compensation to cover their losses. In fact, the Hong Kong Government could have done a lot in this aspect. So far, the Government, having delivered the message of no more segregation policy at this time though, has not provided any data on the number of people who have recovered and the seriousness of the epidemic, nor has it informed the world that Hong Kong is no longer an infected area and it is absolutely safe to travel here. Besides, regarding loans, the Government has not followed the examples of the SARS outbreak in 2003 to offer loans to meet the needs of the sector. Previously I have also mentioned the reduction of the airport tax or airport charges to help the sector reduce its administration cost, as well as the purpose of the Compensation Fund. Especially now, faced with the Xinjiang issue and the usual problems on refunds and warnings related to natural or man-made disasters, the tourism sector is expecting some solutions.

Deputy President, it seems that I have gone a bit too far. However, if the Government does not face up to the aspirations of every sector, every group and every citizen to alleviate their worries and grievances, on every 1 July or at any time, probably there would still be a large number of Hong Kong people taking to

the streets to voice out their demands. As I have just mentioned, the tourism sector took to the streets for the very first time to fight for their interests in June this year. I hope we do not have to do this again in future.

Thank you, Deputy President.

MISS TANYA CHAN (in Cantonese): Deputy President, every year, the 1 July march is not only an activity to demand democracy but also an avenue for the public to express their grievances. If you take a look at those slogans or some creative slogan boards and demonstration kits, you will get my point. From "Donald TSANG is not my representative" to "Support RTHK", and from the concerns over the planning of the Hopewell Centre II Project to the demands of individual trade unions for better remuneration, all these have reflected what the Government has done in the past year, and why the citizens have become angry and resorted to taking to the streets under the hot weather.

It has become a common practice to take to the streets on 1 July, and this is the seventh year we have held this march. Over the past seven years, the role played by the young generation in the march has become more and more important. I still remember in 2003 when I took to the streets for the first time, I found most of the marchers were the middle-class people or perhaps those in their thirties. We joined the march under the heat of the sun. However, the 1 July march this year was rather like the candlelight vigil in commemoration of the 4 June incident and we saw a lot of young people there. This time the organizer let the youngsters walk in the front row, and we saw many young faces in the procession of 76 000 marchers.

Deputy President, as I have just said, the participants in the 1 July march are those who have their own discontent with the existing political and social situation. When we have found that more and more young people take to the streets, it means that there is growing dissatisfaction among our youngsters with the present situation. As the masters of our society in the future, however, they are so discontented with society. This is an issue that we need to face squarely.

What bothers the young people most is the uncertainty about their future. As there are no additional publicly-funded university places, many students are excluded from the universities. These students, whether to join the workforce or

to take an associate degree course, are unable to make any long-term plans. For those who are lucky enough to enter a university, some of them have to borrow money to make ends meet and thus bear a heavy debt burden after graduation. It seems that the life goals of getting married and purchasing properties have become so far away from them. As for those who are working, most of them hope to have reasonable remuneration. But now it seems so difficult to climb up the social ladder as the competitiveness of Hong Kong in the world market is also a major factor in determining your achievement. Though all the youngsters wish to be successful, it seems that the opportunities to success are diminishing.

The young people hope to make changes to the *status quo* and society. They want a social environment that is more favourable to the youngsters, which allows them to chase their dreams, whatever they are. Unfortunately, there is little, and even less and less that they can do because the power is in the hands of a small group of people. Our society is dominated by small circles that the young people are utterly unable to achieve their goals.

To change our society, the first thing is to change the existing distribution of political power by making it more justifiable. It means that every Hong Kong people, regardless of their status, should have at least one ballot paper in their hands. As long as we do not have a democratic government, the Government will only skew towards the vested interests and the grievances of the young people will keep on accumulating without alleviation.

Deputy President, both Chief Executives enjoyed a very high degree of support when they assumed office, but after that, there was a gradual decline in their popularity. I wonder if this is actually a curse. In fact, is there something wrong with the system or with the people? When I saw the youngsters take to the streets on 1 July to voice out their opinions on various issues and to fight for social justice, I was definitely delighted. At the same time, I also hope that the young generation, apart from actively expressing their grievances, will also enhance their knowledge of society so as to strengthen their understanding of various kinds of social issues. In this case, they will be able to take the lead to reform our society, or even to organize local groups in their own districts as a means to exert their influence and build up their own platforms.

I so submit. Thank you, Deputy President.

MR PAUL CHAN (in Cantonese): Deputy President, in recent years, the citizens and various organizations all took to the streets on 1 July to express their views on the issues of their own concerns. They hoped that our society and the Administration would listen to their voices and accept their advice so as to improve Hong Kong's economy and the people's livelihood. Even if there were not any 1 July march, the authorities would have to listen to people's voices and consider their advice carefully. Otherwise, these voices and advice, having accumulated, may transform into grievances.

The motion moved by Mr James TO has mentioned about the Government's blunders in the implementation of policies, including the lack of an effective system to regulate the sale of financial products. After the outbreak of the financial tsunami in September last year, Lehman Brothers collapsed, which led to the minibonds disaster and eventually huge losses suffered by a large number of investors in Hong Kong. I launched a press conference then to request the Government to be determined in dealing with this issue, with a view to safeguarding the order of the financial market and reviving the confidence of the investors.

At that time, I suggested that the Government should offer assistance to investors with lower risk-taking capacity. These investors had actually no intention to make high-risk investments but were misled by the sales malpractices. Obviously these victims did not have the adequate experience, knowledge and analytical ability in investment to understand those complicated derivatives. I suggested that the authorities might make reference to the settlement agreed by Towry Law (Asia) HK Limited and the Securities and Futures Commission (SFC) with a view to finding a solution to the Lehman Brothers Minibonds incident as soon as possible.

It is regrettable that only the clients of two securities firms have received timely compensation, while most of the clients of the banks have yet to be compensated. But the Government and the Hong Kong Monetary Authority (HKMA), unable to find the key to the problem, still lack the determination to push the banks to address the issue. Of course, the SFC is also held responsible. The victims of the Lehman Brothers Minibonds incident were so emotional in the 1 July march, but their worries and feeling of being on the edge of despair are understandable. Although recently we have seen rays of hope for a solution, the

final result and the possibility of reasonable compensation for the victims are still unpredictable.

Deputy President, in fact, the financial tsunami has also had an adverse impact on the insurance sector. Last year, AIG in the United States ran into financial difficulties that even AIA in Hong Kong was affected. The incident triggered off a wave of insurance policy redemptions due to the serious worries of the insured. If AIG collapsed, its impact would possibly be stronger than that of the Lehman Brothers Minibonds incident. Though the problem has been solved, the Administration, having learnt a lesson from this incident, should take timely precautions and prompt actions to foster the establishment of insurance policyholders' protection funds.

To safeguard the order of the financial market in Hong Kong, the proper implementation of monitoring and supporting work is of our highest priority. However, regarding several major issues such as the Companies Ordinance (the Ordinance) and the Companies (Corporate Rescue) Bill (the Bill) which have been discussed for years, it is a pity that the authorities have not taken any action.

The Ordinance, with more than 600 provisions and 20 schedules, is one of the most detailed and complicated laws in Hong Kong. But it is really unbelievable that the last time we had a large-scale review of the Ordinance was already 25 years ago. In 2000, the Standing Committee on Company Law Reform published the Report of the Standing Committee on Company Law Reform on the Recommendations of a Consultancy Report of the Review of the Hong Kong Companies Ordinance. The authorities also pointed out that it was necessary to rewrite and reframe the Ordinance in order to enhance the competitiveness and attraction of Hong Kong as a major international centre of commerce, trade and finance. Nevertheless, the authorities have postponed the review for nine years on the ground that the company law needs to be modernized. Though the Government planned to publish a White Bill on Phase I provisions of the rewrite exercise for public consultation in the middle of the year, it is estimated that the consultation has to be postponed to the fourth quarter and there will not be a new Companies Bill for submission to the Legislative Council until the third quarter of next year. With such a delay, Hong Kong's status as an international financial centre will certainly be put into doubt. For such an important ordinance, its rewrite exercise, however, has been postponed for a quarter of a century. It reflects nothing but Hong Kong's inability to progress with the times.

Moreover, since the scrutiny of the Bill was snarled up in the second term of the Legislative Council, it seems that the Government has put the Bill aside without taking any follow-up action. It was until the coming of the financial tsunami that the authorities began to be awakened as I proposed to the Chief Executive early this year that the formulation of the Bill should be reconsidered as soon as possible. In the second quarter of this year, the authorities said that they would proactively reconsider the proposal on the formulation of the Bill. Prof K C CHAN, the Secretary for Financial Services and the Treasury, earlier also said that a consultation on the concept of the relevant plans was expected to be carried out within this year. I hope prompt actions will be taken in this respect so as to avoid repeated postponements.

Finally, as the Deputy Chairman of the Public Accounts Committee (PAC), I have participated in the deliberations on two Director of Audit's reports. It is really sad to know that the reports have reviewed the problem of corporate governance and the waste of public funds. At yesterday's press conference, the conclusion of the PAC was made public. If the Government does not take the initiative to seek improvement, more and more of such messy accounts of the public organizations will be disclosed, which will only result in growing public discontent and mistrust.

Deputy President, I so submit.

DR MARGARET NG (in Cantonese): Deputy President, one of the most notable aspects of the recently published research report of Professor Michael E. DeGOLYER of the Hong Kong Transition Project, is that Hong Kong people are generally most worried about Hong Kong's decreasing competitiveness. In fact, the earlier speech of Mr Paul CHAN has also echoed this point. Why has our competitiveness decreased? Our competitiveness is actually directly related to our Government's ability of governance, including its effectiveness in the implementation of policies, ability to deal with changes, whether it is able to introduce reforms and formulate policies in a timely manner, its decision-making abilities, and whether it has any long-term strategies and visions. Competitiveness is actually a reflection of a government's ability of governance. And, the numerous demands made at the July 1 march reflected that the general public was of the opinion that the Government has failed in various aspects of its policy implementation.

Why do the public have doubts about the competency of the SAR Government in governance and why is everyone more and more convinced that the Donald TSANG's Government is unable to cope with our problems? The reasons can be divided into two broad categories. First of all, the Government does not have the support of the people. A very clear indicator is that the near-vertex high popularity rate enjoyed by Donald TSANG when he first took office, has now dropped to the freezing point. From this, we can see that the people are completely disappointed with the Chief Executive and his Government because they have failed to respond to public sentiments and aspirations.

Secondly, people feel that the SAR Government is not its own master. Big consortiums, developers, the "Western District" and Beijing have the power of influencing the decisions of the SAR Government and have even planted "pawns" in the Legislative Council. The SAR Government is subject to constraints in all aspects, both in the open and behind the scenes. Not only has it failed to win an argument with the Civil Service, but the police also planned to take to the streets. And, how did the storm eventually calm? It was through the efforts of the Commissioner of Police who played the role of union leader in negotiating with the Government. Many critics pointed out that this is a significant change and a great blow to the whole system of the SAR and a proof that our system has started to collapse.

As such, on the surface it would seem that the functional constituency seats of the Legislative Council have guaranteed that government motions would definitely be passed with a majority vote, while new ideas against the Government or those reflecting public demands would definitely not be agreed by a majority of the two groups of Members. As such, functional constituencies must, therefore, be very beneficial to the governance of the Government. However, the existence of functional constituencies actually restrains the Government, manipulates the Government, immobilizes the Government, and prevents public opinions from playing a role in forcing the Government to respond. Under such circumstances, functional constituencies are not a warranty for you, but rather the Achilles heel. As Hong Kong people have a very tenacious and strong self-help spirit, when the Legislative Council can no longer perform checks and balances on the actions of the Government, the people would mobilize their own forces of checks and balances. Taking to the streets on July 1 has become a force of the people for checking and balancing the actions of the Government and this force will only grow stronger and stronger.

Deputy President, the march on 1 July is an alarm, and as many Members have already talked about various policy areas, there is no need for me to go over them one by one. I only want the Government to understand that the 1 July march is a life-saving bell, which tells you the blunders in your governance and the extent of such blunders. It is a pity that the spirit of "Ah Q" of our SAR Government is even stronger than the self-help spirit of Hong Kong people, and it is very good at deceiving itself. First, it shifted the focus onto the numbers. People say that the several tens of thousands of people who joined the march, in spite of the extremely hot weather and having to stand for so long, is a very significant number, but the Government said the number of participants was less than what it had anticipated. And, though the number of participants this year was the highest since Donald TSANG took office, it was still less than that of 2003. In 2003, the Government said that not all the people asked for democracy; some took to the streets because of SARS, others for economic reasons, and still many others who had not joined the march. In 2004, we deliberately adopted a single theme — democratic elections by universal suffrage. And, how did the Government explain its way out of this? It said the number of protestors was less than the year before. As such, everything that the Government said was just to deceive itself as well as others, and it was a waste of effort to talk to the Government about numbers, for it always adopted a bureaucratic tone after talking about the numbers and continued reading from the same script as if thinking that everything would then be settled.

Deputy President, who can the Government deceive by doing so? Is the removal of an alarm a good thing or a bad thing? Is it good or bad to you in not taking a look at the red light? Deputy President, I hope that the Government can really think twice, so as to avoid facing some truly unmanageable situations.

MS CYD HO (in Cantonese): Deputy President, a lot of demands were made on the day of the 1 July march, and such demands are actually far beyond the scope of the policy areas of Bureau Directors present today. Participants of the march included villagers of Choi Yuen Tsuen which has to be cleared for the railway works, parents who fight for the right of abode of their children, students who are against mandatory hair-cutting for drug tests and supporters of RTHK with the aim of promoting public service broadcasting. However, they all have a common reason, and that is, they joined the march because public opinions cannot be manifested.

The public asked for a fair and reasonable channel, so that they can influence government policies, but we do not have such a channel at the moment, and no democratic election system under which public aspirations can be met. Though policy decisions made under a democratic political system may not satisfy all the people, such decisions would, at least, convince the vast majority of the people. As such, Hong Kong people will persist with our demand at the 1 July march for "dual universal suffrage" until the day dual universal suffrage is realized.

The Chief Executive said that he would "play it hard" when he ran for his election and that he would deal with the issue of political reforms during his current term of office. However, up to now, we cannot see any concrete progress, only that his spin-doctoring techniques are indeed better than those of the former Chief Executive, and he has acquired the power of speech for creating illusions. Thus, I find it necessary to "dispel" several of those illusions.

Firstly, the Chief Executive indicated at the Question and Answer Session the day before yesterday that his Government has achieved an unprecedented breakthrough by laying down a timetable for implementing the "one person, one vote" system for the Chief Executive election in 2017 and it is anticipated that the Legislative Council can be returned through universal suffrage in 2020. Please do not deceive the people! In fact, dual universal suffrage should have been in place by 2007 and 2008. Now, the Government and the Central Government have brazenly pushed behind the timetable for universal suffrage by 10 years, and our Chief Executive has the nerve to "boast" of it. Not only has there been no breakthrough in the process of democratization, but there is actually a retrogression and delay. If we were to describe such acts, that would be purely "hypocritical and misleading" and tantamount to "calling a stag a horse", "confusing right and wrong" and "confusing black and white". I would like to urge the Government not to use its spin-doctoring techniques to try to change the facts and deceive the people.

Secondly, the Chief Executive said that what was decided by the National People's Congress could not be changed. In fact, it is only because the officials of our Hong Kong Government and the Chief Executive do not have the courage to tell the Central Government the people's aspirations and have thus failed to perform their duties. Let me quote the most recent example to show that even a piece of legislation which the Central Government itself had said to be mandatory

could still be changed. I am talking about the online spy ware "Green Dam Youth Escort", and here, I would like to give a brief explanation on this. It is a program developed by a Chinese software company for monitoring whether computer users have incited subversive activities and promoted such views online. The Central Authorities have originally said that mandatory installation of the spy ware would be in force with effect from 1 July. But eventually, it announced on the night of 30 June that the effective date of the legislation would be postponed.

Since even legislation enacted by the Central Government itself could be subject to changes if someone would tell it that such action is not feasible, then, why has the SAR Government refused to inform the Central Government when it also finds blunders in the policy? The design of the software is actually very stupid for it was originally intended for cracking down on pornographic websites, thus all red and yellow colours, that is, the skin colour of the yellow race, are filtered, but as a result, even the mug shots of HU Jintao were banned for it is only natural that a mug shot should have a lot of skin colours. From this, we can see that apart from banning things which the Government wishes to ban, such a stupid software will also ban things which the Government wishes to promote. While the term "Youth Escort" may sound appealing, it was actually used to crack down on freedoms. As such, it is actually similar to an act of delaying the democratization process. While it is assumed that oppositions would be banned, but it has also delayed the progress of the State in effect. So, what does "Youth Escort" do? As the computer will stop working when the numbers of "six and four" are detected, the computer will stop if the term "June 4 massacre" is detected. Under such circumstances, many members of the business sector do not know what to do when they need to include the figures of "six and four" in their quotations such as in RMB164 yuan or RMB64.71 yuan. Thus, apart from strong oppositions from an intellect, AI Weiwei, the chambers of commerce have also taken the unusual move of writing to the Central Government to voice their oppositions, for the software has not only impeded the flow of information but also impeded stability, prosperity and business operations.

I asked the Chief Executive the day before yesterday whether he has pointed out this blind spot to the Central Authorities, and we actually wished to ask him whether he is aware that even the mandatory installation of the "Green Dam Youth Escort" software can be postponed. In fact, even the Central

Government will not be able to avoid such issues if some of us have the courage to point out the facts. The Chief Executive has actually failed to perform his duties by not stating the facts on various excuses.

The third fallacy I have to point out is that some people have spread the rumour that the pan-democrats have taken an uncompromising stance, and adopting a bundling approach which leaves no room for negotiation, and that we are not willing to discuss the issue again if universal suffrage cannot be achieved in 2012. This is actually another illusion.

Deputy President, is it true that though we had voiced our opposition to a number of government legislation, including the legislation on surveillance and tapping, before they came into effect in the course of the consultation exercise, the Government has still submitted the legislation to the Legislative Council? We in the democratic camp have still worked very hard and participated in the work of scrutiny. Regardless of whether it is on policy or technical amendments, or wordings of the legislation, we have still worked very hard to scrutinize the legislation, so that things will not look too bad.

Similarly, Members of the Liberal Party and those of the business sector were against a number of environmental legislation, but the Government has still submitted them to the Legislative Council and would even tried its best to reach some compromises by communicating with Members beforehand, in order to come up with a plan which is acceptable to all sides. However, the rumour is that since the democratic camp failed to do the right thing in 2005 and had impeded the progress of democratization, the Government will not negotiate with us this time around. In fact, the reason behind is that the Government has tried to avoid reasoning with the community, fearing that the people will wisely point out that the new round of political reforms may be another retrogression in democracy. This is why it has made these speeches in advance to stimulate discussions in society and avoid challenges from the democratic camp.

Deputy President, this is actually a case of "he who offends is always the first to complain". In fact, apart from being accountable to the Central Authorities, the Chief Executive should also be accountable to Hong Kong people, and he has to perform his duties and respond to the demand of Hong Kong people for dual universal suffrage in 2012 and formulate a plan which is

acceptable to all Hong Kong people. This is a responsibility which history has imposed on this generation of ours and one which we can neither avoid nor shirk.

MR FREDERICK FUNG (in Cantonese): Deputy President, what day is 1 July? The first of July is a day for marches. And what day is 1 July of this year? The first of July of this year is a day of many marches. Why were there a particularly large number of marches on 1 July this year? It is because a particularly large number of groups have come out to march.

According to my understanding, there were at least four to five marches on 1 July this year and this could be said to have broken all previous records, and there were three marches in which a larger number of people had participated. One of the marches, comprised of government officials and led by Chief Executive Donald TSANG, started in the morning. It was a march to celebrate the anniversary of reunification, a colourful march featuring the usual activities of beating gongs and drums, and also dragon and lion dances, like three-dimensional images displayed on a curved wide screen.

The second march was the march of victims of the Lehman Brothers incident which started at 2.30 pm in the afternoon. Since it was known as the march of victims of the Lehman Brothers incident, it is naturally related to the dispute over the Lehman Brothers minibonds. Though this is their only theme, I found that the victims had expressed their plights and targeted their complaints at banks and the Government in their own different way, in the hope of getting back their hard-earned money.

The third march was organized by the Civil Human Rights Front (CHRF) and supported by the pan-democracy camp which started at 3.30 pm with the slogan of "Shi Bu Dang Nu" (誓不當奴) ("Shi Bu" means "vow not to" and "Dang Nu" can mean "Donald" or "become slaves"). It can be said that the march was diversified, and by diversified, I mean that since the march in 2003, participants have used the issue which they consider most important to create their own slogans and banners, despite the fact that the organizer, the CHRF, has already set a theme for the march. The slogan "Shi Bu Dang Nu" put forward by the pan-democracy camp has many meanings. Some people interpreted "Shi Bu Dang Nu" as "vowing not to be Donald" for "Donald" was elected by a small group of people and we are calling for universal suffrage. "Shi Bu Dang Nu"

could also be interpreted as targeting the social evils and I will talk about what kind of social evils I am referring to later on.

Anyway, the 1 July march can be said to be serving different purposes for different people. Please allow me to say a few words on the history of the 1 July march. It started in 2003 and the 1 July march has been established as the norm ever since. This is the seventh year of the march. A special characteristic of the 1 July march is that though the CHRF has already set a theme, as I said earlier, participants would still march with their own themes. Take the 1 July march in 2003 as an example, though it was mainly directed at Article 23 of the Basic Law, some people targeted at the issues of negative equity assets in relation to the policy of "8 500 housing units", SARS and the fight for "dual universal suffrage". This year, apart from directing at "Donald" who was elected by a small group of people, as mentioned earlier, some people said that the "Shi Bu Dang Nu" slogan put forward by the pan-democracy camp this year could mean "vow not to work a whole lifetime for making mortgage payments and for the developers". The Government should step in by building public housing, especially by resuming the Home Ownership Scheme, so that our housing system could be more complete.

Furthermore, "Shi Bu Dang Nu" can also mean that we vow not to be the slave of illness. The Government should establish a good medical and health care system, so as to ensure that patients receive effective treatment, especially medications that are more expensive and have less side-effects. The Government should not ask patients to choose medications which are cheaper but have more side-effects.

"Shi Bu Dang Nu" can also mean that we do not want our young people just to sit there and do nothing but collect CSSA payments from the Government each month. The Government and our society should create more job types and employment opportunities so that persons with the ability to work would have jobs and be self-reliant, instead of being slaves of "hand-outs".

"Shi Bu Dang Nu" can express the wish of our elderly who have served the community in their whole lives. Though they might have worked for themselves, they have still contributed to society, but when they grow old, they have to wait for as long as 42 months for a place at the Home for the Aged. A quarter of the elderly on the waiting list died while waiting for a place. It turned out that people who have spent all their lifetime working would not be able to

receive any assistance from the Government in getting a place at the Home for the Aged, meaning that the elderly would still be enslaved by the waiting queues. We propose that the Government should offer universal retirement protection under a tripartite contribution scheme, so that the elderly could really have a sense of security, sense of reliance and sense of worthiness.

"Shi Bu Dang Nu" can also mean that our students should not pursue places at prestigious primary and secondary schools since they attend kindergarten, and our education system should not be subject to continuous changes, thus forcing our students to follow the changes and become at a loss over what to do. Small class teaching would allow teachers to teach smaller groups of students so that they could have more capacity to take care of our younger generation and our younger generation would not "become slaves".

If we were to go down the list, it would take a day, a month or even a year to finish it. However, what makes us most distressed is that despite the fact that we have listed the problems every year, we still need to continue to do so. I think that the most fundamental problem lies in the political aspect, in that our "Donald", that is our Chief Executive, is elected by a small group of people and so, he has to be accountable to, most concerned about and to be subservient to the source of his votes, and that is, this small group of electors.

In order to change this situation, I believe that the only way is to allow everyone to have the right to vote for the Chief Executive, and this is the only way to make those in power face each of the aforesaid problems seriously, directly and sincerely. Without this change, I do not believe that our system will make the Chief Executive disregard the minority and look at the majority. In order to make the Chief Executive look at the majority, there must be universal suffrage. Thank you, Deputy President.

DR RAYMOND HO (in Cantonese): Deputy President, since the anniversary of reunification in 2003, members of the public have taken to the streets every year on 1 July, with varying number of participants and demands each year. The number of this year's participants has even become a focal point for discussion in society before the 1 July march of this year. According to the joint survey conducted by the University of Hong Kong and the Chinese University of Hong Kong, the number of participants in the 1 July march of this year was between

29 000 and 33 000, far below the expectation of some members of the community. Participants of the march include individuals and groups expressing various opinions and aspirations, from concerns over disparity between the rich and the poor, the governance ability of the Government and elderly retirement protection to requests for improvement of the people's livelihood, fights for labour rights, and support of environmental policies and so on. It could be said that the demands were numerous and wide-ranging.

The future constitutional reform of Hong Kong was also one of the many demands put forward by the people at the 1 July march of this year and a focal point of public discussion. Though the Standing Committee of the National People's Congress (NPCSC) made a decision on 29 December 2007 and laid down a clear timetable for future political developments of Hong Kong, some members of the community have still chosen to disregard the reality and the actual and objective conditions by insisting on fighting for dual universal suffrage in 2012. They have also disregarded the wishes of other participants of the 1 July march, and sought to link the number of participants with the extent of public support for the implementation of dual universal suffrage in 2012. In the end, their judgment was a far cry from the actual situation and the total number of participants was far below their expectation. Of the 30 000 or so people who participated in the march, many had taken to the streets to express other aspirations, not for dual universal suffrage in 2012.

What is worth mentioning is that according to the decision made by the NPCSC, Hong Kong can have universal suffrage for the Chief Executive election in 2017, and after that, all Members of the Legislative Council can also be returned through universal suffrage. That is, after the Chief Executive is returned through universal suffrage in 2017, all Legislative Council Members can be returned through universal suffrage in 2020 the earliest. In order to achieve the target of universal suffrage, we should follow the timetable and make the best use of our time by holding active discussions and forging a consensus in regard to the specific details of implementation, so as to kick start the relevant legislative procedures.

The Government should also attach importance to certain demands made at the 1 July march in relation to the people's livelihood, the most worrying of which is the problem of disparity between the rich and the poor. Over the past 10 years, as a result of the failure in the various attempts of economic restructuring in Hong Kong, the number of low-income people has been ever-increasing; and

the unemployment rate of Hong Kong has again been on the increase under the impact of the global financial tsunami, thus further worsening the situation. If the problem of disparity between the rich and the poor cannot be resolved in time, it would have a negative impact on the stable development of Hong Kong. It is necessary for the Government to introduce more measures on stimulating the economy as soon as possible, so as to improve the situation of unemployment and increase the income of low-income people, in the hope of improving the situation of disparity between the rich and the poor.

Regardless of whether you approve of the expression of demands by way of marches, I believe that you have to agree that the 1 July march can precisely reflect that Hong Kong is a free and open society, and at the same time demonstrate the successful implementation of "one country, two systems" in Hong Kong. In fact, joining marches is one of the ways for the people to express their aspirations to the Government. The Government and the relevant authorities should attach great importance to the views expressed by the people in the marches, and they should meet the demands of the people as soon as possible by formulating policies in future, so as to alleviate public grievances. There is no doubt that the marches should be held in a peaceful and orderly manner. The irrational and drastic acts of certain individuals, such as jostling with the police in certain cases, are only the choice of a small number of protestors and do not have the support of the majority of the people.

Deputy President, I so submit.

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

DR PRISCILLA LEUNG (in Cantonese): Deputy President, the first theme stressed by the Government at the Chief Executive's Question and Answer Session held the day before yesterday was how to help young people to quit drugs, and I think that this theme is worth the attention of the whole Hong Kong community. In fact, we really have to thank the Zheng Sheng College and Mui Wo residents, though both parties have been under great pressure and subject to various criticisms from members of the community. However, the drug abuse problem of school children which has existed for many years has obtained the full

support of the public, the Legislative Council and government officials precisely because of this incident. On that day, I also heard the Chief Executive say that he would personally supervise and co-ordinate the efforts of various departments in order to face this problem squarely and I think that this is a correct approach.

However, of the various policies mentioned at the Question and Answer Session, I found that the Government has only stressed the hardware. Take the Zheng Sheng College as an example. The Government has only explored ways to provide it with a school campus, build more counseling centres and allocate more resources. While resources are definitely very important, what is more important is that apart from identifying young drug abusers, we must consider what should be done after they are identified. In fact, it is even more essential for the Government to employ a group of people, such as social workers specialized in drug rehabilitation work, who are experienced in helping ex-drug addicts to rejoin society. It should consider what supporting measures should be in place for assisting teachers and schools (including some prestigious schools) when they suddenly have to deal with students in their schools who abuse drugs. For students who may have already dropped out of schools in Secondary Three or Four, what should be done to help them to find the direction and meaning of their lives after we discover that they have abused drugs? I think that this is a "warm policy" which the Government has overlooked.

By referring to the example of the Zheng Sheng College, we can see that it has only used very little resources, but why have the students been able to regain a positive outlook on life? I think that the relevant policy should not only be focused on providing hardware or counting the number of drug addicts and identifying them immediately. The current problem is what should be done after they have been identified, for many parents and schools are now at a loss as to what to do. As such, this is only an example to show that apart from hardware, the Government should also consider software when it looks into how many of Hong Kong's major problems should be solved.

In the wake of the financial tsunami, we often said that the ranks of the unemployed have substantially increased. Of the young people among the ranks of the unemployed, many are new graduates and some have written on their banners that "our graduation ceremony has turned into an unemployment ceremony", and there are also many new members, in particular the middle-class,

among the ranks of the unemployed. This group of middle-class people is waiting for the Government to show them and let them feel that it really cares about them and recognizes their past contributions to Hong Kong. They have always shouldered the responsibility of paying tax, but have never enjoyed any benefits. It is a pity that among the additional relief measures, \$1.2 billion were allocated to the Continuing Education Fund. I do not object to allocating funds to the Continuing Education Fund, but to the newcomers among the unemployed, the policy is really inadequate. In fact, the real problem cannot be solved by giving them \$10,000. The real solution is not to give them \$10,000 for taking some interest courses, or courses which are neither here nor there. The real solution is that they need to switch to other trades.

As regards switching to other trades, the Government has proposed six economic areas, but people can only look at these six economic areas and wonder what these economic areas have to do with them. As such, the Government must help this group of capable people who might have worked in trades which were very popular in the past but have now become outdated. How will they be able to join the six industries and increase their job opportunities? They must switch to other trades. However, some quality and recognized courses which can help them switch to other trades offered by some universities often charge a fee of \$30,000 to \$50,000, and they need to complete the courses before they can really switch to other trades. Apart from bringing their management skills into full play, these people can also set up their own businesses after switching to another trade. However, the Chief Executive has only talked about the provision of land and old industrial buildings in the Question and Answer Session. While I agree that this is essential for developing private universities and hospitals, I earnestly hope that the Chief Executive will really tell us what assistance can be provided to this group of people in his policy address to be delivered three months from now.

Though it seems that the economy is not too bad, many people have warned that the financial tsunami is not yet over. In fact, people who are unemployed still remain unemployed. They are just living on their savings and still have to support their families. So, I hope that the Government can really listen carefully to what we have earnestly said many times. We are not asking the Government to dish out money or give out "candies" to this group of people. Since the Government will allocate \$1.2 billion to the Continuing Education Fund

for offering courses, including leisure courses, for the people, why does it not use this sum of money to help people who are desperately in need of help and will soon use up all their savings by setting up an unemployment transition loan fund? I think that this is only a very humble request and I am only talking about \$1 billion which can benefit about 20 000 families.

I think that the Government should face up squarely to the demands of the people who joined the 1 July march, but with regard to the request made in the original motion and the amendments for implementing dual universal suffrage in 2012, I have reservations about this. I think that from the legal and political reality, the call for implementation of dual universal suffrage in 2012 will not accelerate the pace of the implementation of universal suffrage. I think that there are a lot of issues which the Government must attach importance to and that it must also listen to public views. Thank you, Deputy President.

MR KAM NAI-WAI (in Cantonese): Deputy President, many people say that the march on 1 July this year embraced a wide range of themes. One of the themes As Members may observe, many victims of the Lehman Brothers incident took to the streets. This is perhaps the largest march ever staged by these victims. It has been more than half a year since the outbreak of the Lehman Brothers incident. What has the Government done so far? I certainly will not disclose anything about the investigation of the Legislative Council. But I must still say that the Government has been very unfeeling. It has completely ignored the demands of the victims and distanced itself from the whole thing, as if it had nothing to do with it.

Secretary Prof K C CHAN is also present at this meeting today. The Government explains that the matter has been referred to the regulatory bodies for actions. But has the Government itself done anything? Secretary, the case of a victim plunging to her death is not the only disaster. I want to tell you some other heartbreaking cases. There was a lady in the procession. Her husband was around 50 years of age. For more than half a year after the outbreak of the Lehman Brothers incident, he went here and there, trying to get compensation, and he subsequently died. Therefore, the lady wanted to participate in the 1 July march on behalf of her late husband. She had never taken part in any street

protests, and she took to the streets for the first time only for her husband's sake. Why did all this happen? Has the Government made any efforts?

(THE PRESIDENT resumed the Chair)

During the Chief Executive's Question and Answer Session in January this year, I used the expression "Four Not's" to describe the Government. Secretary Prof K C CHAN himself advocated the idea of buying back the financial products, but nothing has happened ever since. The criminal investigation conducted by the police is all a joke in some cases. Earlier, I made an enquiry with the Commercial Crime Bureau of the police, and I learnt that many cases involved signature forgery. But no charges have ever been pressed in regard to any such cases. The case of the Consumer Council is even more ridiculous. The Chief Executive said that there would be unlimited financial support. But this is all "bullshit" — please excuse me for being vulgar. The Consumer Council has not been able to bring even one single case to court. This is really absurd. The Hong Kong Monetary Authority has not penalized any bank staff either. The Securities and Futures Commission has done slightly better, for it has at least tackled two cases involving securities companies. But Members all know that the sales practices of banks were the main problem. Ironically, they are unable to penalize any banks, and two securities companies have been investigated instead.

The Government often discloses that there are already some 7 000 cases of voluntary settlement; some 5 000 cases have been completely settled while negotiations on roughly 1 600 other cases are underway. The Government frequently flaunts all these figures, thinking that it has done a successful job. This is indeed ludicrous. For one thing, the victims concerned were actually very reluctant to reach settlement with the banks. Worse still, they are forbidden to say anything further after settlement. Is there any justice on earth? The Government is certainly unfeeling.

On 1 July, the Chief Executive awarded a Great Bauhinia Medal to Joseph YAM. Speaking of this, I must quote what Mr Peter CHAN, Chairman of the Alliance of Lehman Brothers Victims, said on the day of the march. He said, "The Chief Executive should 'like the likes of the people, and dislike the dislikes of the people'." But it has turned out that Donald TSANG actually "likes the

dislike of the people". Why has he behaved in this way? Why are the people of Hong Kong so discontented? Why are the victims in the Lehman Brothers incident so disgruntled? The most important question is: can the Chief Executive hear the voices of the people? The answer is very obvious. We all know by whom the Chief Executive was elected.

After speaking on the Lehman Brothers incident during the Chief Executive's Question and Answer Session in January 2009, the Chief Executive has never said anything further on this matter. The only thing I can remember is his comment that minibonds are no bonds. But since then, nothing further has ever been said on this. Earlier, the victims in the Lehman Brothers incident petitioned outside Government House. Two days ago, when the Chief Executive's Question and Answer Session was held, they again besieged the Legislative Council Building. But the Chief Executive still remained completely reticent. I do not think that this matter should be taken lightly. Members can see that the Chief Executive is completely indifferent to the plight of the victims. The only reason is that the Chief Executive is not returned by "one person, one vote". I believe that if the Chief Executive had been elected by "one person, one vote", he would not have refused to respond and paid sole attention to the interests of bankers.

The Government and some Members may argue that the march on 1 July can actually be ascribed to a wide range of demands. But as Members are aware, despite the heat and enervating conditions on the day of the march, people still insisted on taking to the streets. We can all observe that the Government's approach of handling the Lehman Brothers incident actually runs completely counter to the mainstream opinion in our society. I am of the view that as long as universal suffrage is not fully implemented, as long as we cannot elect our leader by "one person, one vote", it will never be possible to tackle the problem of many disgruntled people taking to the streets on 1 July every year. I very much hope that rather than speaking like a tape-recorder again, Secretary Stephen LAM can reflect the views of Hong Kong people. Thank you, President.

MS MIRIAM LAU (in Cantonese): President, on 1 July this year, large numbers of people took to the streets. They walked in different processions, putting forward a wide variety of demands. The organizer and academics are divided on the actual turnout. But the Liberal Party maintains that the holding of marches

is a fundamental right of the people and also a reflection of the pluralistic nature of society. For this reason, we are of the view that regardless of the actual turnout, the backgrounds of participating units, the forms of expression and the contents of the demands, the Government must still respect and listen to all the voices made. Speaking of listening to people's views, we maintain that the Government should always be all ears, whether the people choose to express their opinions by way of joining any marches.

It must be admitted that not all participants in the march were against the Government. Some of them took to the streets in order to urge the Government to stand firm on the relocation of Zheng Sheng College to Mui Wo. Others even ridiculed those members of the police force who threatened to hold a march as a means of forcing the Chief Executive to give them a pay rise. There were also those who held up placards with the slogan "The pan-democratic camp cannot represent me", hoping that the pan-democrats can do more concrete work for the public. There were in fact a wide range of aspirations and demands.

But it cannot be denied that the majority of participants were dissatisfied with the policies of the Government. Therefore, the Liberal Party maintains that the Administration must seriously identify its inadequacies and ask itself why so many of its policies are disliked by the public, and why practically all walks of life in society want to voice their discontent with the Government's performance.

President, the Liberal Party has always supported the expeditious implementation of universal suffrage for the election of the Chief Executive and all Legislative Council Members under the principle of gradual and orderly progress set down in the Basic Law. We do appreciate the insistence of pan-democratic camp Members on the implementation of universal suffrage in 2012, but we must add that it is necessary for Hong Kong to respect the principle of "one country, two systems" and the relevant provisions of the Basic Law. Since the Standing Committee of the National People's Congress has already made the decision that universal suffrage "shall not be implemented" for the two elections in 2012, the issue should no longer involve any question of sincerity. Rather, it is all a question of feasibility.

We therefore hold the view that the Government of the Special Administrative Region (SAR) should adopt a pragmatic attitude and honour its promise of launching a consultation exercise on constitutional reform for 2012 in

the fourth quarter of this year, so as to forge a social consensus and ensure the election of the Chief Executive by universal suffrage in 2017 and the subsequent election of the Legislative Council on the basis of universal suffrage.

President, in regard to the compensation claims of the victims in the Lehman Brothers incident, the Liberal Party has all along requested the authorities to assist the victims in expeditiously recovering as much principals as possible. We also hold the view that those victims who were misled must receive total recovery of their principals from the financial institutions concerned. There is only two months to go before the first anniversary of the outbreak of the Lehman Brothers incident. But in regard to the buy-back scheme it once advocated in a high profile, the speeding up of investigation and even the provision of litigation support to the Consumer Council, the Government has still been so slow, failing to achieve anything. How can we expect the victims to keep calm?

The Liberal Party must advise the Administration that it must not think that it can breathe a sigh of relief after the passage of 1 July, "the day of reckoning". Rather, it must quicken its pace and instruct the regulatory bodies to complete their investigation before a specific deadline. It must also assist the Consumer Council in instituting the first lawsuit as early as possible, so as to achieve a breakthrough. Any further delay will only cause the escalation of the crisis.

Another point is that although the latest unemployment rate (which stands at 5.3% for the time being) is not so high when compared with the rates in the previous two spates of unemployment, the Administration must not thus lower its guard. The reason is that we are still faced with external economic uncertainties, and swine flu is also spreading quickly. Besides, we must also note that the Minimum Wage Bill recently presented to the Legislative Council, the blanket smoking ban imposed on entertainment venues with effect from 1 July and also the large number of graduates joining the workforce will all produce impacts on the job market. The Administration must be on the alert, and it must come up with ways to boost the economy, ways that will not only prevent the further deterioration of our economy but will also enable us to shake off as soon as possible the process of "U-shaped" recovery in which we find ourselves almost remaining stagnant at the bottom. It will be best if our economy can have a quick "V-shaped" rebound.

Finally, I wish to point out that while the turnout was far smaller than that expected by the organizer, many of the views expressed by the participants are very specific. What is more, as I have mentioned, many policies on controversial issues will be rolled out in the second half of this year. Therefore, the Government must proceed with its work cautiously. It must listen and respond carefully to all views, whether expressed by those who take to the streets or by the silent majority, and it must also handle all issues very seriously.

President, the Liberal Party do respect all the views expressed by the public. But I must still point out that the original motion and the amendments today all touch upon the implementation of dual universal suffrage in 2012. Since we think that any continued argument over this issue will only plunge society into more unnecessary disputes and work against our constitutional development, the Liberal Party will not support the motion and the amendments. Thank you, President.

MR ALAN LEONG (in Cantonese): President, in the march held on 1 July last week, though it was extremely hot, there were still tens of thousands of people taking to the streets for the seventh consecutive year, which was really very touching. This year's march had several main features. First of all, since Chief Executive TSANG's assumption of office, this year is the first time when so many people had been requesting him to step down in the march. Moreover, many participants marched openly in their capacity as civil servants this time. Besides, the public voiced out various aspirations in respect of their livelihood to express clearly their worries about ineffective policy implementation and chaotic public administration.

President, such phenomenon is absolutely an alarm sounded due to the fact that the Chief Executive lacks political legitimacy and the Special Administrative Region (SAR) Government's administration fails to win the support of the public. Uneven distribution of political powers gives rise to unbalanced policies, resulting in a situation where the majority has to obey the minority, the lack of vision in the leadership and unsmooth policy implementation. Wage earners, the professionals and the grassroots have particularly strong feelings about this. If the authorities continue to adopt a self-deceiving approach by ignoring the aspirations voiced out by participants in the march, public grievances will only become more serious and eventually trigger a crisis in the governance of the SAR Government.

President, in the recent decade, Hong Kong people have more and more grievances and are increasingly dissatisfied with the social environment. In the absence of effective administration and harmony in Hong Kong, its prosperity is embedded with a lot of problems: disparity between the rich and the poor in society is serious; its constitutional system is not only undemocratic but is also biased towards the interests of big consortia; and its status as an international financial centre is being challenged. Behind the per capita Gross National Product of US\$30,000, we helplessly see many problems remain unresolved. Moreover, with the blow dealt by the global financial tsunami, the structural problem of Hong Kong being too reliant on the financial services industry emerges. Worse still, the Government lacks foresights and commitments in developing the economy. Under the leadership of the Chief Executive and the senior officials without any direction, it seems that we have got lost at a crossroad. Hong Kong has been striving for economic restructuring for years, but the Government still fails to come up with any plan to develop new industries. It was only after the onslaught of the financial tsunami that the Government faced up to the reality and put forth the so-called six economic areas. However, with some careful observation, we can find that there is no new idea at all. It is really hard to convince Hong Kong people that the Chief Executive has the ability to take us out of the plight we are now facing.

President, Hong Kong people are living in a society which is tilted towards the business community while the grassroots, the middle class and the professionals have been neglected. The political system is tilted to a minority of people with vested interests while the distribution of powers is extremely uneven. When most of us have only one vote, some people outrageously have three votes in hand. They have the voting right to select the Chief Executive as well as Members of functional constituencies, which is absolutely unfair. And, the legislature is manipulated by public opinions from a small segment of society. Functional constituencies, which lack wide representation, can vote against the majority wish under the system of separate voting. Such unjust constitutional system gives rise to unfair policies, and very often, opinions of the general public are not incorporated under such a distorted system.

This explains why tens of thousands of people were willing to give up their half-day leave and joined the march on 1 July, all soaked in sweat under the scorching heat.

President, Hong Kong now lacks a fair and effective system to allow different stakeholders to take part in the process of policy formulation. The one in power allocates interests only with a mandate of 800 persons. Very often, its administration fails to tap the public pulse while its policies are only accountable to a minority of people, neglecting the needs of the majority. From the recent march held on 1 July, we can see that more and more people are aware of the relationship between democracy and the people's livelihood. For example, residents of Choi Yuen Tsuen find that if they have one vote in hand, they can have sufficient power to protect their home; residents of Mei Foo who have joined the march find that if they have one vote in hand, they can object to the construction of wall buildings by big developers in the vicinity; or residents of the redevelopment area in Kwun Tong will know that if they have one vote in hand, they can fight against the unfair conditions for resumption of their flats.

President, the Chief Executive is returned by a small-circle election and the system is designed with its powers tilted towards the business community. It follows that for the sake of interests, the Chief Executive will be accountable his voters from the commercial sector. Mr LU Ping, the former Director of the Hong Kong and Macao Affairs Office, also expressed clearly in an interview by the Cable Television at the 10th anniversary of reunification that when formulating the constitutional system for Hong Kong, the main consideration of the Central Government was to stabilize the commercial sector, and voices from the middle class, the grassroots and the professionals had really been neglected. Under the existing system, it is common to see that the majority has to obey the minority, public opinions have been suppressed time and again and social contradictions are aggravating. Problems relating to the people's livelihood will all become public grievances.

President, some people are of the view that as only about 30 000 people out of the population of 7 million in Hong Kong have joined the march, such figure only represents the minority. However, if we calculate at this ratio, it will be equivalent to over 5 million people and over 1 million people taking to the streets in the Mainland and the United States respectively. This shows that even though only 30 000 people have joined the march, the number is not small indeed.

The Government must not wait until the public have become totally disappointed with and lost all confidence in the executive, and until the Government itself has totally and irrevocably collapsed that it will be awakened from its dream.

President, I do submit.

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

MR RONNY TONG (in Cantonese): President, there are always many different interpretations regarding the march held on 1 July each year. Let us listen to that made by the Government, which particularly warrants our deep thoughts. President, on 1 July each year, the comment that the Government likes most to give is: "reflects the freedom of speech of Hong Kong people and the diversity of our society. I will listen open-mindedly." Year by year, it says just the same thing. President, there are numerous civilized societies with freedom of speech and diversity in this world. But we have not seen that tens of thousands of people taking to the streets each year in these societies. As for "open-mindedly", it is even more astonishing. The Government has been listening open-mindedly for so many years, but it still fails to understand our views. There are still tens of thousands of people taking to the streets every year. What is the point of listening open-mindedly?

President, the second thing, which we are most saddened to see, is that the Special Administrative Region (SAR) Government asks the police, explicitly or implicitly, to announce a number every year. Very often, there is a joke among the public that by adding this number and the one announced by the organizer and then dividing the sum by two, we can more or less arrive at the number of participants. President, the problem does not lie in the number. Earlier on, Mr Alan LEONG has stated very clearly that as for the number of participants, even it is only 30 000, representing 0.4% of the population of Hong Kong, if we apply this ratio to the population of 1.3 billion in the Mainland, the number will become 5.2 million. This ratio is really very formidable. The figure is indeed very big even if it is just calculated on the basis of 30 000 participants, not to mention the fact that the number of participants should be even more. However, this is not where the question lies. The question is why the police have to announce a number every year? Secretary Ambrose LEE is not here today. In fact, I wish

to ask him this again. We had put this question to him in this Chamber before. His answer was very simple, saying that the police would have to maintain the order of the march based on the number of participants. President, if this is really the case, the police can keep the figure to themselves and there is no need to announce it. Secondly, as the number is announced only after the march, what does it have to do with the crowd control measures taken before the march? As the march is over, why is it necessary to announce the figure afterwards?

Let me elaborate further. Is it the case that making such an announcement is to allege that the organizer has exaggerated the number of participants? President, even if the organizer has really exaggerated the figure, are the police responsible for announcing the figure? Is it something related to law enforcement? If you say that the organizer has exaggerated the figure, this is, in fact, a political issue. It is because the SAR Government considers that if there are a lot of participants, it has to pay more attention; otherwise, there is no need to take it so seriously. Perhaps those spies or agents sent by the Central Government might also have the same line of thoughts, and they have passed on the disease to the SAR Government, prompting it to use a magnifying glass to view these figures. Quite obviously, this is a political issue. Why should the police be dragged into this political issue? What is the difference between 30 000 people and 60 000 people? The most important point is that a huge crowd of people took to the streets on 1 July and more than 100 people fainted under the scorching sun. This is what really warrants attention. What is the point of arguing over the turnout with me? Why should the police be dragged into the political whirlpool?

Thirdly, President, the comment that the SAR Government likes most to make is that 1 July is diversified in that there were dozens of issues expressed and dozens of groups participated in it, and universal suffrage was just one of the themes. President, I think such comment is not only naïve but also shameful. If so many Hong Kong people think that they have no alternative but to march on the streets in order to express so many issues in society, this simply shows that the Government is incapable on all fronts, and in respect of all issues, big or small, and that it just fails to get anything done properly. If you say that people are marching on the streets on only one or two issues, this shows that the Government is not doing its jobs properly on these one or two issues. However, whether small or big issues, the Government has failed to get any one of them done properly. The same situation even occurs year after year. Could it not be

a problem of governance? After all, the problem of governance is attributed to the quality of governance and our political structure — this is where the question lies.

President, the Government is just repeating something which is more or less the same, with a view to absolving itself from questions such as the number of participants, the question of diversity or whether the public are discontent with numerous issues in march held on 1 July each year. However, in the end, it all boils down to our political structure. President, obviously, tens of thousands of people took to the streets to voice their allegations against the Government as its policies are ineffective and its governance quality is unacceptable. However, by the same token, they also voiced their allegations against the Legislative Council as we, being the highest body to represent public opinions, fail to convey their views to the higher authorities. That is to say, we cannot put the functions of the Legislative Council into play, and thus, so many people took to the streets. If we can give play to our functions as Members and convey public discontent and grievances to officials, and if officials can take these grievances into account, the public would not need to participate in the march every year.

President, therefore, this is not only an allegation against the SAR Government, but also an allegation against the Legislative Council as well as the imbalance of our constitutional system. This is the genuine reason why Hong Kong people take to the streets on 1 July. I hope the SAR Government can take this into consideration seriously. I do not want to listen to the same comment next year — "We will listen attentively and respond to the public's aspirations". This "pressure cooker" is going to explode one day.

Thank you, President.

MR LEE CHEUK-YAN (in Cantonese): President, in the march held on 1 July this year, 76 000 people took to the streets to voice their grievances against the Government. There is an allegation smearing this year's march that it is just a "chop suey" of various topics with no common voices and aspirations at all. I think such a saying has smeared not only the public who took to the streets on 1 July but also their aspirations. In fact, the whole issue is very clear to us. There are really many different topics. But we all know that these topics originate from one point and that is, the Government's incompetence in its

administration. Why is the Government incompetent in its administration? This is, in fact, a structural problem. If this structural problem cannot be solved, the cycle of urging TUNG Chee-hwa and Donald TSANG to step down will continue. This structural problem is very simple. The Chief Executive is returned by a small-circle election, whilst in the Legislative Council, half of the seats are returned by direct elections and half by functional constituencies. Structurally speaking, this can hardly meet the public's aspirations. It is simply a constitutional structure which can in no way settle social contradictions.

The Chief Executive, being returned by only 800 persons, has no mandate at all. Nor does it have any representativeness. This Government will never dare to implement any long-term initiatives, and as it lacks mandate, it will never dare to introduce any long-term plans. Moreover, in the Legislative Council, only half of its Members represent public opinions, whilst the other half just represent opinions of a small group of people. This is also a deformed system. As a result, public opinions cannot be expressed through the constitutional system and the public have no alternative but to take to the streets. Marches can be very drastic. In the past, the public urged TUNG Chee-hwa to step down. At present, the public urge Donald TSANG to step down. Some journalists ask if I agree that Donald TSANG should step down. I tell them that we are not targeting Donald TSANG but the system. What we want is to overthrow this deformed constitutional system and uphold democracy, for this is the only way the problems can be solved. Even if Donald TSANG steps down, the structural problem I have just mentioned cannot be solved. Therefore, we strongly consider that the vicious cycle of the overall administration in Hong Kong at present has to be broken through democratic elections by universal suffrage.

The second point which makes me feel very disappointed is that the Chief Executive had not answered any questions put forth at the Question and Answer Session the other day. Although he said that he would listen, I want to ask why he failed to give a response, whether on big policies such as universal suffrage, or small policies such as transport subsidy which even Matthew CHEUNG knows very well. On that day, he only talked about the territory-wide anti-drug campaign that we all support. Obviously, he was reluctant to and dared not respond to Members' requests. And so, he just drew our attention to the territory-wide anti-drug campaign. Is it necessary for him to talk about the territory-wide campaign against drug? We have listened to and talked about it for many times. All of us have agreed to it. He just talked about issues that we

have all agreed — though there are some details on which we have yet agreed — but he did not respond to the public's aspirations voiced out in the march on 1 July. We are most dissatisfied with his failure to respond to the demand for dual universal suffrage in 2012.

President, I also raised questions in this regard at the Question and Answer Session on that day. I think that the Chief Executive had closed the door for discussion on dual universal suffrage in 2012 at the outset, saying that he would not talk about this anymore. Then, Mr Joseph LEE asked him how Members could discuss this with the Central Government in Beijing. He then said that they could discuss it with him. However, when we requested to have discussion with the Chief Executive, he simply said that he would not talk about this anymore. As such, with whom can we discuss? President, Stephen LAM, with whom can we discuss? It is useless to discuss with you. You are a "human tape-recorder". What is the point of discussing with a "human tape-recorder"? Therefore, I would like to ask: With whom can I discuss? On that day, the Chief Executive had not given me an answer and in the end, I still do not know with whom I can discuss. The Chief Executive is reluctant to discuss dual universal suffrage in 2012. On the other hand, he is misleading and deceiving the people of Hong Kong, saying that we should be more practical and discuss how we can strive for better democratic elements in 2012.

However, President, I have to tell all Hong Kong people that it is basically impossible to have better democratic elements in 2012. How can Hong Kong have more democratic elements? Simply enough, it can be done if there are more seats returned by direct elections. Even if we cannot achieve it in one go, it is still possible if there are more seats returned by direct elections and fewer seats returned by functional constituencies. However, this is not the case now. The number of seats has been restricted and the two types of seats have to be increased or decreased at the same time. How can this enhance democratic elements? In fact, they are subject to restrictions. If everything is restricted, I can guarantee that there will not be any good result in 2012. As there will not be any good result in 2012, we have to strive to reverse the previous decision on dual universal suffrage in 2012. Why can we not do so? Some said that the National People's Congress (NPC) has already made a decision. Is it that we cannot strive to reverse the previous decision if the NPC has made a decision? The NPC, which represents the people, can hold meetings at any time and has a lot of time for holding meetings. If the Chief Executive is willing to put forth the request to the NPC, I do not believe that we cannot further discuss this issue.

Only that he is not willing to do so. Therefore, Donald TSANG is involved in imposing restrictions on the discussion. It is him who adamantly refused to put forth our request to the NPC.

Subsequently, Donald TSANG told us that there would be universal suffrage in 2017. However, first of all, I wonder if the universal suffrage in 2017 is real or not. Up till now, we have yet discussed the threshold. The universal suffrage by that time may be a fake one, under which not everyone has the right to elect and to be elected. The Government has never mentioned this, nor has it given us any account on how to implement universal suffrage in 2017. Therefore, this equals to nothing, not to mention whether it is real or not. Even if it is real, frankly speaking, President, as I always say, how many decades are there in our lives? Since 1997, two decades have passed, and that is equivalent to 20 years. Originally, universal suffrage is supposed to be implemented in 2007 and 2008. But it is now postponed to 2012. Is this fair to Hong Kong people?

Lastly, I think Donald TSANG has indeed got a wrong name. He is called ""¹ and is really "like a lackey". This is why we chanted the slogan "勿當奴"² on the streets this time around. This is what we all agree: we should never be a lackey. Therefore, I would like to put forth a strong demand now. Donald had better change his name first. Then, he should show us that he is discerning enough to go to Beijing to seek to reverse the previous decision on dual universal suffrage in 2012. Thank you, President.

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

MR ALBERT CHAN (in Cantonese): President, Mr LEE Cheuk-yan asked just now with whom we could discuss. In fact, during these days, very few people will discuss it with him, as those who are responsible for Hong Kong's affairs are also very busy. XI Jinping is busy in handling the riots in Xinjiang while LIAO Hui, Director of the Hong Kong and Macao Affairs Office, will very likely be transferred within a short period of time. Before assumption of office of his

¹ The Chinese translation of "Donald" is "當奴", which can mean "being a lackey".

² In Cantonese, "勿當奴" means "never act like a lackey".

successor and completion of staff redeployment, we do not expect Beijing to make any decision regarding the proposal on constitutional reform in Hong Kong now. This explains why the consultation exercise on constitutional reform in Hong Kong has to be deferred to the end of this year. In fact, it is clear to the Hong Kong Government that on many issues, the relevant authorities in the Mainland may not give any instruction until the end of this year. This is the mentality of lackeys.

True enough, as long as the master has yet confirmed his choice of the successor or given any instruction, how do lackeys and inept officials of lackeys in Hong Kong dare to express their own stance on a decision to which the Central Authorities have attached such great importance? Not to mention the constitutional reform, even in the case of the Chief Executive of the Hong Kong Monetary Authority, that is, the appointment of a trusted follower of the Chief Executive, as long as the Central Authorities have yet given an approval, Hong Kong dares not make any announcement up till now. There have been widespread rumours, causing a huge uproar in society. It seems that the decision has been made. However, as long as "Grandpa" has yet approved the appointment of the Chief Executive of a statutory institution in Hong Kong, the Chief Executive dares not make any announcement, not to mention the constitutional reform.

President, today's debate is about the march on 1 July. Many people have, in fact, overlooked some important social and political factors of the development of the march on 1 July, including government officials in Hong Kong and those who are concerned about such development in Beijing. In fact, the march on 1 July has a very important political meaning, for it has gradually become a unique political, social and cultural feature of Hong Kong. The march on 1 July is even more crowded than the piu sik parade (children on float) in Cheung Chau, with participants more than any one of the activities organized by the Hong Kong Government, community groups or the Central Authorities. Moreover, there is even greater diversity and representation. Such development does warrant our deep thoughts.

At the outset, the march on 1 July aimed at purely expressing our political stances. At that time, people took to the streets to condemn the Government's incompetence, TUNG Chee-hwa and the many comments made by Regina IP regarding the legislation on Article 23. However, in the course of development

year after year, the march held on 1 July this year has become a political and social campaign with an array of aspirations. Various minority groups take this chance to express their stances. The march has gradually become a social movement. I think this political meaning is very far-reaching.

Not only the Hong Kong Government, even the Beijing Government is also very concerned about the aspirations and messages expressed in the march on 1 July. Interestingly enough, although we do not have any referendum, the Government always conducts opinion surveys. Many universities and tertiary institutions conduct opinion surveys as well. And the number of participants in the march on 1 July has gradually become the thermometer to indicate whether the policies implemented by the Government each year have won public support or aroused public rage. Particularly, before 1 July, I believe many Members present here have also been asked by various parties about their views on the turnout of the march, showing that various parties are also very concerned about this issue. Therefore, the Government also attaches great importance to this figure.

President, this year's anniversary on 1 July has a very important and special development. Over the years — I am not sure whether I remember it correctly or not — it is rare that the Central Authorities has not appointed any senior officials to Hong Kong to celebrate the reunification on 1 July this year. I think this is like a slap in the face to the Hong Kong Government, particularly Donald TSANG's administration. As for the forthcoming anniversary of the reunification of Macao, let us see if the Central Authorities will appoint any leaders to Macao to celebrate with its new Chief Executive. I think there is a 99.9% chance for state leaders to attend their ceremony, as leaders of the Central Authorities will definitely back up the newly elected Chief Executive in Macao — it should be the newly appointed Chief Executive as he is not returned by elections. However, over the years, especially in recent years, there would be one state leader coming to Hong Kong to celebrate the reunification each year. But it is not the case this year.

In other words, the Central Authorities also consider it unnecessary to celebrate the reunification of Hong Kong. Maybe, they feel angry rather than joyous on this occasion. Surprisingly, we seldom see any newspaper comment or report on this message. Perhaps, the media unanimously report only the good news but not the bad ones. The Central Authorities have not sent any leaders to

Hong Kong to celebrate the reunification. But no political interpretation has ever been made on such an important message. This does warrant our deep thoughts.

President, I consider that more and more organizations, minority groups and community groups will join the march on 1 July in future to voice out their aspirations. The number of participants will become a thermometer, whilst aspirations and topics raised by various groups will also become a thermometer of the Government's administration. Therefore, the aspirations voiced out by community groups should not be underestimated as a single spark can start a prairie fire. Each aspiration symbolizes blunders in the implementation of policies by the Government as well as malpractices in the handling of problems by certain government officials, resulting that community groups and the public took to the streets. I now make an appeal to people from all walks of life in Hong Kong: On 1 July each year, no matter the turnout is just one person, or 100 or 1 000 people, we should hold up banners and slogans to express our aspirations on the streets. Thank you.

MR LEUNG KWOK-HUNG (in Cantonese): President, the comment most frequently made by the SAR Government is that despite the huge number of participants in the march, their demands are in a great variety. Mr Ronny TONG has mentioned this point just now. The reason for having such a great variety of demands is that the Government has aroused widespread indignation and discontent in every aspect. Let me cite an example here. There were at least a number of processions in the march held on 1 July this year, excluding that parade, of course. However, the police played foul by not announcing the estimated number of participants, as such figure would become a benchmark. If no figure is announced, people can make their own guess. This is the only march that the police has refused to make any estimation on the turnout. The police have acted so rascally, and it is pointless for us to argue anymore. CHAN Hau-man has queried this for a week, but the Government still refuses to give a response.

There were a number of processions in the march, including the Link victims of the Lehman Brothers incident took the initiative to call on Donald TSANG to step down. They might think that if they took part in the march organized by the pan-democracy camp or the Civil Human Rights Front, their aspirations might not be heard. Therefore, they left the main procession and organized some other activities. This shows that people can choose to do this.

Therefore, as for those who chose not to march on their own but join the main procession, it means that they agreed to the aspiration advocated by the pan-democracy camp, that is, the implementation of dual universal suffrage in 2012. This was discernible. Moreover, there was another group of people with red ribbons. They all did it this way. Fortunately, more and more people have actively come forth to join the march, showing that the march held on 1 July by the Civil Human Rights Front — in fact, put it plainly — our demand for the implementation of dual universal suffrage as soon as possible is widely supported. I have mentioned this before.

Second, we had stayed there at that time and asked the Chief Executive to meet with us. But he refused to come out. However, when 2 000 police officers said that they would march on the streets, he became so panic-stricken and asked TANG King-shing to settle the issue for him. He even acted condescendingly, saying that he came from a police family. Two thousand police officers had already scared the piss out of him. He also promised to hold negotiation with them in November. We had 80 000 participants marching on the streets. Where was he? He even dared to tell us that he had to speak some words from the bottom of his heart. On that day, he should respond as to when we would implement dual universal suffrage, right?

Secretary LAM, you were given a medal on 1 July. Let me tell you the story behind a Chinese idiom, "When a man goes up to heaven, even his pets go with him". There was this man, WU Weiye, not CHEN Weiye (Albert CHAN) at the end of the Ming Dynasty (someone mentioned *Shi Ji*) You are right. You should have also read *The Melody for Yuanyuan*. He was the writer. However, this is a piece of works to show regret over his fate. He was living in the late Ming Dynasty but did not want to surrender to the Qing Dynasty. But he eventually did so. When being an official, he had some feelings when he passed Huaiyin. The last four lines are as follows, "life will end one day as there is no perpetual rejuvenation. I am just a lackey of King of Huainan, who fails to follow him to heaven". He was sighing with regrets. According to legend, LIU An, King of Huainan, wanted to ascend to heaven and his pets had followed him. This is how the Chinese idiom, "a man goes up to heaven, even his pets go with him" came about. WU Weiye, who was an intellect, had a sense of shame. He said that he was a pet of King of Huainan modestly. He said that he had not followed his master to Heaven and so, he considered himself worthless. You are really worthless. You have not followed us. All along, you have been saying that there should be dual universal

suffrage and you will serve the public, and this is all meant to cheat the public for their votes. This is what you have done. WU Weiye felt shameful in his position. Do you have such feeling? No, you do not.

In fact, the march held on 1 July is "not a means to use; it is the base of different uses". You do not understand it — it is from the *Elements*, meaning that it may not necessarily be very useful, but although some aspirations being put forth might not be met, the great aspiration is as the governance was so poor, so tattered and corrupt, it should be replaced. Donald TSANG must go and the system must go. A bad system will make kindhearted people do evil things and scoundrels do more evil things. Scoundrels will make a bad system even worse. This is the situation for the past 12 years since reunification.

Therefore, Donald TSANG must go and so must the bad system. To overthrow TSANG is to overthrow the bad system. This is our aspiration. The League of Social Democrats (LSD) will definitely do this. I now give Donald TSANG a warning here. He should make a confession with Joseph ZEN expeditiously, uttering words from the bottom of his heart. He should ask God to forgive him and then make some contributions to this mortal world. Otherwise, he will really find himself miserable and worthless for remaining here, and he would have to sigh that "I am just a lackey of King of Huainan, who fails to follow him to heaven". There is another poem about Lady Xi, the wife of the ruler of the State of Xi, with which we are all familiar. The last two lines are as follows: "most difficult thing on earth is death, and Lady Xi is not the only one being deeply saddened". Lady Xi was kidnapped and had to marry to another man. She felt very upset. How about you? You are just the same. Donald TSANG kicked TUNG Chee-hwa in his ass, pretending to be a representative of the public and a capable person. Upon assumption of his office, he said that he would settle the democratic camp, thinking that with such a poor proposal — this is like we want steak but he gives us bovine offal, thinking that he can cheat us. Today, he plays the same trick again. "most difficult thing on earth is death, and Lady Xi is not the only one being deeply saddened". Even a woman is better than you all. You are all engaged in shameless nepotism.

President, I would like to tell you all that another march will be held on 1 October, which is a condemnation against the incapable governance of Donald

TSANG and the bad system. The LSD will definitely promote this march. It does not matter how many people will join. Let me make an appeal here: when celebrating the 60th anniversary of our country on 1 October, we have to tell our country that we do not want small-circle election.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, your speaking time is up. Does any other Member wish to speak?

MR WONG YUK-MAN (in Cantonese): President, today's topic only allows us to express opinions here. Four Directors of Bureau are listening to us. If we do not speak louder to wake them up, they may doze off.

President, you were really not so fair on the day before yesterday. At the end of the Question and Answer Session, Donald TSANG, a member of your clan, was eager to say something. You simply allowed him to do so and take advantage of us. But you had not given us any chance to respond. I am really very angry about this. He took advantage of me and criticized me, but I had no chance to respond at all. What kind of a legislature is this? However, it does not matter. I have written an article and would like to read it out today.

We have already chosen our road. As Donald TSANG, a member of your clan, said, we had to consider whether this was the road chosen by Hong Kong people.

By the end of the Question and Answer Session in the Legislative Council on the day before yesterday, Donald Tsang suddenly told you that he had some pent-up feelings at the bottom of his heart and must give vent to them. He then read from his scripts prepared well in advance and spoke in a low voice pretentiously, "Hong Kong people attach great importance to the core values of their society, which include reason and tolerance. Although our political views may not be the same, we would respect each other. In the course of more than two decades, the political culture established by the Legislative Council is precisely marked by tolerance and reason. I think that the spirit of reason and tolerance is the cornerstone of Hong Kong's success over the past scores of years and it is worthwhile for us to protect and cherish." I have spent 30 seconds reading out this paragraph and in fact, I have wasted 30 seconds of my speaking time. However, I still have to read it out. He clandestinely condemned that confrontation put up by the League of Social Democrats (LSD) in the legislature

has "severely damaged such spirit" and urged Members and the public to think about whether it was the direction that Hong Kong people have opted for. I can tell Donald TSANG that we will definitely go in different directions. I will never take his road to hell.

Mr and Mrs CLINTON were involved in the Whitewater scandal years ago. SAFIRE, a columnist of *The New York Times*, described Hillary CLINTON as "congenital liar" in his article. When being interviewed by journalists, Bill CLINTON said, "the President, I am subject to more restrictions than ordinary people. If I am just an ordinary person, I will definitely let the writer of this article have the punishment he deserves." The meaning is: I will punch him on his nose.

Being a ruler, one cannot lose his temper even in face of a slander, not to mention just being scolded. Donald TSANG, being the Chief Executive returned by a small circle, does not have such breadth of mind and vision of Bill CLINTON.

Honourable Members, there is a saying in a democratic society, "Tolerance is more important than freedom". We also cherish this spirit with respect. However, the so-called tolerance should be established on the basis of equality. Donald TSANG, being the Chief Executive, holds ultimate power which is not conferred on him by the people. However, his high remuneration is paid by taxpayers. Let us think about this. Victims of the Lehman Brothers Incident are forced to commit suicides, but Joseph YAM receives remuneration of over \$10 million each year and has been awarded the Grand Bauhinia Medal. Where is justice? Stephen LAM, who has done nothing, has also been awarded the Gold Bauhinia Star and receives a monthly remuneration of over \$300,000. Such medals are just like rubbish. Being a person vested with powers, he should tolerate Members' confrontation and accept their criticisms open-mindedly. How can he ask the powerless people to tolerate the perverse acts of the people in power? Donald TSANG asks the LSD to tolerate him. This is just the same mentality of "parental politics" for establishing a "harmonious" society as advocated by the Chinese Communist Government, that is, asking Members to act as lackeys. Donald TSANG can turn a blind eye to victims of the Lehman Brothers Incident who eventually plunged to their death, but he awarded medals to those incompetent senior officials. The LSD must, of course, protest against it.

As the Reverend Martin Luther KING Jr. said, "peace is not merely the absence of tension, it is the presence of justice." Since 2003, tens of thousands or even hundreds of thousands of people have insisted on joining the march held on 1 July under the hot sun precisely because of the absence of justice. Over the years, the Government has simply ignored the disparity between the rich and the poor, problems in people's livelihood, blunders in the implementation of policies as well as reasonable aspirations of the public. In the absence of justice and respect for public opinions, how can Donald TSANG be qualified to ask Members and the public to respect him?

Over the past 20-odd years, under the so-called political culture and tradition established by the Legislative Council — to hell with it — Members have all along been complying with unfair rules of the game willingly and conducting rational discussions with the Government docilely. Because of such excessive leniency and tolerance, the progress of democratization is at a standstill. Politicians, being conformist and hypocritical, do not only hinder the development of democracy in Hong Kong, but also allow this Government to act against the public's wish.

Donald TSANG criticized that the LSD's confrontation in the legislature has "severely damaged such spirit". Let me not reject an opinion because of the speaker. Well, what he said is also correct. The LSD is aiming to destroy this corrupt, muddling-through spirit and deal a blow to this unjust system. The LSD has chosen the road to put up confrontation in the legislature. In the 2008 Legislative Council Election, one-tenth of the voters chose to support the direction of confrontation in the legislature. In the march held on 1 July this year, the public also chose to shout the slogans, "Step down, Donald TSANG" and "Donald TSANG 'bu gai' (meaning 'should not')(Putonghua)".

According to a survey, 30% of the public agree that Donald TSANG should step down. Nearly 50% of the public are very dissatisfied with Donald TSANG's government. In a democratic society, when 30% of the public agree that their leader should step down, this is already sufficient to put the Government in a "lame duck" condition under which governance can no longer be effective. Donald TSANG, being protected by the unjust system of separate voting in the Legislative Council, can continue to do evil. Now, the public have chosen their road to give up such an unjust government.*(The buzzer sounded)*

PRESIDENT (in Cantonese): Mr WONG Yuk-man, please sit down.

(Some Members clapped their hands)

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

MR ALBERT HO (in Cantonese): President, tens of thousands of people took to the streets on 1 July for several consecutive years in Hong Kong to show their dissatisfaction with the Government. All these can clearly show that the effectiveness of its governance and even its credibility and legitimacy are being challenged persistently.

As a matter of fact, the legitimacy or authority of a government's governance is very often determined by two factors. The first is its political representation. Very often, such representation comes from democratic elections. The second one is its authority, which comes from its performance. It is the so-called performance legitimacy, which is different from the first factor of representative legitimacy. However, the legitimacy brought about by political representation and performance in governance will support and affect each other.

Obviously, the Hong Kong Government, being returned by a small-circle election, lacks political representation. Can it establish its authority and legitimacy by its performance in governance? Facts have proven that it cannot do so, as it has neither been baptized nor tested by the democratic system of political representation. Therefore, senior officials and even those officials under the accountability system, though having administrative experience and ability, very often lack the ability to make political judgment. Nor do they have foresight and visions as well as ability to respond to emergencies.

We have reunified with our country for 12 years now. Regarding problems emerged in the governance of the two Chief Executives, I have summed them up into five categories, that is, the basic reasons for their blunders. The first one is the lack of an overall governance philosophy, which has in turn given rise to the lack of commitments. As a result, the Government only engages in discussion without making decisions and makes decisions without implementing them in respect of many issues which require long-term planning.

Recently, even the Secretary for Justice could no longer hold back. He pointed out that the Law Reform Commission had examined a number of issues on law reform, but all of them were being left aside and no action had been taken to handle them. Among them, many have far-reaching impact on the people's livelihood, including management of financial companies and debt collection agencies as well as enactment of a fair competition law to impose legislative regulation in response to the public wish. All these targets can in no way be achieved. Therefore, public grievances have been aroused in this regard.

The second point is that the Government is too keen on getting instant results, which is mainly attributed to its lack of visions. As we can see, we have time and again proposed to the Government many reforms which have far-reaching impact on the society of Hong Kong. These reforms include introducing retirement protection, implementing holistic education, especially small-class teaching, as well as implementing some comprehensive measures to alleviate poverty, so as to narrow the disparity between the rich and the poor. However, the Government has not taken any one of them into consideration. Very often, in view of great public grievances, it has time and again adopted short-term proposals of "handing out candies", rather than making long-term planning to tackle problems at source. Moreover, very often, it just implements such policies hastily without giving them any deep thoughts. Therefore, even some of them are good policies, they turn out to be chaotic upon implementation, attracting criticisms from the public. The best example is the exemption of the levy on foreign domestic helpers. Although it was a good policy, extensive public grievances were resulted from mishandling by the Government.

The third point is that the Government only rescues the market but not the people. That is to say, it just protects the system but not the people. We all notice this point. Very often, as for regulation of the system, the Government simply puts emphasis on its stability, without attaching any importance to the interests of the public and small investors. Today, the Financial Secretary has even said here that our regulatory system is on par with that in other advanced countries. All these are lies indeed. In the United States and the United Kingdom, it is not allowed to sell minibonds to small investors. And it is not allowed in Taiwan, either. But why is it allowed in Hong Kong? They name such products as bonds, while Hong Kong names them as minibonds and allows them to be sold in the market to cheat the general public. How can it be said that the specific interests of the public have been taken into account? Therefore,

from such policy which only puts emphasis on the system rather than the people, we can see that its so-called "people-oriented" principle and claims that it is genuinely concerned about the public are all empty talks.

The fourth point is the Government's executive hegemony and principle of affinity differentiation. As we all notice, when the Secretary of Department came to the Legislative Council and debated with us yesterday, he simply turned a deaf ear to Members' requests for clarification. Why did he act in this way? Regarding many questions, he pretended to give answers very politely. But once we indicated our hope to negotiate with him for achieving a reasonable solution or fostering a mutually agreed target, he refused to accede to our request. It is because if you ask him to make a concession and restrict his power, he will not budge an inch. How can such a domineering government win the hearts of the public? As for its principle of affinity differentiation and cronyism, I think there is no need to explain any further.

As we all know, the replacement of the Chief Executive of the Hong Kong Monetary Authority this time would basically give no cause for criticism. After all, it is necessary to reform its system and replace its Chief Executive. However, why does it still operate in a black box and totally refuse public monitoring?

The fifth point, which is also the most serious, is that the Government is resistant to democracy but is willing to accept intervention. Regarding intervention, there is no need for us to talk about it anymore as there is intervention from the Western District and from Beijing. And, the biggest problem is that many groups with vested interests in Hong Kong have patrons behind them and can intervene in the governance of the Special Administrative Region on all fronts. This makes it more difficult for the Government to manoeuvre in the Legislative Council which is already fragmented. Of course, as the big boss behind will canvass votes for him, he can get the support eventually. However, can problems be solved under such a system of governance? When visiting Beijing, the Chief Executive can only act as a yes-man humbly. In respect of the interpretation of the Basic Law by the National People's Congress (NPC) in 2004, we asked whether he had made his utmost efforts to fight for us. He said that this was not the case. The NPC just said, "That's it, that's it (*Putonghua*)" and then left. He even did not have a chance to respond How can he strive for democracy for the people of Hong Kong?

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

MR TAM YIU-CHUNG (in Cantonese): President, Hong Kong is a free and pluralistic society. Therefore, on the anniversary of reunification on 1 July, we could take part in rallies and parades to celebrate and commemorate this historical day. At the same time, we could also take part in marches and petitions to express our aspirations on politics and policies. The Chief Secretary for Administration has promised just now, on behalf of the Government, that he would listen attentively to public views, respond proactively and make corresponding improvements.

In the face of social contradictions, politicians should make practical considerations, respect each other and negotiate harmoniously, rather than stirring up confrontations among themselves intentionally. The Government can make improvements in its governance on many fronts. Members of the Legislative Council from the Democratic Alliance for the Betterment and Progress of Hong Kong will also assist the Government to improve its governance, so as to enable it to meet social expectations and public aspirations. Although politicians can gain political capitals very easily by stirring up confrontations, society has to pay a price for that. The majority of Hong Kong people do hope to maintain a more stable social environment. As for the march held on 1 July this year, some people said that 100 000 people or even 200 000 or 300 000 people should stand out to demonstrate their power. However, they were very disappointed with the outcome. Some people have still asserted in their speeches just now that there were 80 000 or 76 000 people. Some also criticized the police for meddling in it and queried why they should count the number of participants. However, no matter how many people have participated in the march, we should attach importance to their views.

Among those Members who have spoken just now, they also admitted that the aspirations put forth in the march were diversified. Some said that different people had different aspirations. But they also stressed that people joining the march seemed to be striving for a dual universal suffrage in 2012. However, from the fact that victims of the Lehman Brothers incident organized their march separately and tried to keep a distance from them, we can see that the public are cautious about "being taken advantage of politically".

It is the first and foremost task of the SAR Government to develop the economy and improve the people's livelihood at present, which is also an essential measure to promote the advancement of society in Hong Kong. During the march held on 1 July, a lot of aspirations were in fact related to the economy and the people's livelihood. As for the difficulties in employment faced by the public, the disparity between the rich and the poor in society and the poor regulation of financial products, the Government should figure out the solutions. Take the Lehman Brothers incident as an example. This incident occurred 10 months ago. Many victims are already exhausted in running around to negotiate with different parties, but they have yet been able to get back their hard-earned savings. Health conditions of some victims are very worrying. Having purchased the Lehman Brothers products, some of them lost the savings of their whole family and felt very guilty. Some of them even failed to obtain their family members' understanding. Coupled with the fact that they are already exhausted in seeking assistance for such a long period of time, they have lost not only their money but also their health. In particular, they are suffering mentally. Therefore, I think the Government can no longer adopt a stalling tactic in handling this incident. It should urge the relevant departments and organizations to enhance co-ordination and make efforts to enable banks and victims to reach settlement.

The Legislative Council is an important body to monitor the implementation of policies by the Government. Recently, many surveys showed that more and more people had no confidence in the Government, and on the other hand, they were not satisfied with the performance of the Legislative Council. As shown in these surveys the Legislative Council even fared worse than the Government in terms of public dissatisfaction. These public opinions do warrant deep thoughts by all Members of the Legislative Council. While urging the Government to work harder, we should spur ourselves to make more efforts as well. Days ago, a certain member of my political party said, "The business community has all along been reacting faster than the Government, but the Legislative Council reacts even slower than the Government!" I think she is just partly correct. The reaction of Members of the Legislative Council may not be slow, only that some of us put emphasis intentionally on political confrontations. This is why we can see that some senior pan-democratic members have said to the effect that the popularity rating of the Legislative Council is low at present and the topics can hardly stimulate discussions in society, and some Members simply hinder the operation of the Government once they have dissatisfactions. It seems that one of our colleagues from the

pan-democratic camp can no longer tolerate the present situation in the Legislative Council. She has made an even more direct comments on this year's Legislative Council in newspaper. She said to the effect that we do have more voices but the quality is declining; with those overt gestures such as throwing bananas and pushing over the stand, as well as yells here and there, how can we think quietly or discuss thoroughly under such an environment? To enhance the credibility of the Legislative Council is also a request made by the public. I hope politicians can face up to this request and conduct introspection during the summer recess, so as to meet public expectation and strive genuinely for their well-being.

I so submit.

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

MR WONG SING-CHI (in Cantonese): President, I did not intend to speak. However, it seemed to me that Mr TAM Yiu-chung, Chairman of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), was very sneaky. Noting that no other Member intended to speak, he rose and said with all boldness that while they would criticize the Government for its blunders, they had achieved some good work in collaboration with it. He presented it as if the credit of all the good work should go to the DAB, while the blame for the bad deeds should be placed with the Government which performed very poorly. He also said that the League of Social Democrats should take all the blame for the performance of this Council. During the march on 1 July, I heard many members of the public rebuke the DAB. Why did Chairman TAM Yiu-chung not talk about the public rebuke against the DAB, while only blaming certain political parties for the performance of this Council?

President, the 1 July march, which has become a channel for the public to express their varying aspirations, are indications that members of the public are very dissatisfied with the Government in many ways. Unfortunately, I did not see the DAB doing their utmost to listen to the voices of the public on every single issue. All they did was to claim that they had worked with the Government on certain issues. This is not a desirable behaviour of a political party or political figure that really cares about and strives in partnership with the public.

President, the reason why we fight for universal suffrage is just very simple. The Government has the authority to manage certain affairs in society, but where does it obtain such authority? The current situation is that Donald TSANG can decide and preordain the persons-in-charge of various tasks. Under the democratic political system, every person can confer on a certain group of people the authority to undertake governance by giving these people a mandate. How could the general public take part in the election process undergone by Donald TSANG when only a few hundred people were allowed to vote in it? They could play no part in it at all. Members of the public took to the streets on 1 July because they hoped that the Government can have the mandate and credibility and that we Members can have credibility. What problems can there be? Why did the Chairman of the DAB presented it as if members of the public took to the streets on 1 July in order to oppose the Government and take destructive actions against society? This is absolutely not the case.

Promoting economic development to improve people's livelihood is the Government's duty. Neither the Democratic Party nor any other political party would consider this unimportant or optional. All of us consider this necessary but the problem is how it should be achieved. What should be done during the process to enable members of the public to really understand that the Government's actions are desirable? How should the Government secure the support of the public? We very much hope the Government will really listen to the voices of the public. Over the years, as all of us can see, members of the public would come out and put forward various proposals whenever problems arose. However, we do not see that the Government has listened to these views and made improvement accordingly.

I staged a hunger strike downstairs because it appeared to me that the Government had not listened to the views of this Council at all. Last month, the Government still indicated that the reform of the horse race betting system would be discussed at the Panel on Home Affairs, the meeting of which is scheduled for tomorrow. However, on 30 June the Executive Council already endorsed the introduction of five additional race days. The introduction of additional race days is not of great significance but the problem is the Government did not respect this Council. Why are members of the public infuriated? It is because only half of the Members of this Council are elected by the people, while the remaining half are returned by ways unknown. How can Members of this Council who were elected by some 140 people have any credibility? What

problems can there be for members of the public to fight for dual universal suffrage? What problems can there be for members of the public to voice out their dissatisfaction with situations which came to their attention? The expression of dissatisfaction with various issues and fights for different causes are avenues for the public to voice out their views in a democratic society. Why do Members of the DAB consider them as actions which seem to aim at upsetting the order of society and undermining the Government's prestige and accuse us for causing all parties to lose out? This is definitely not true. Every member of the public wishes to live and work in contentment in Hong Kong.

The Chairman of the DAB also mentioned that something has to be done to the financial regulatory system. However, I did not see them making any great effort for victims of financial incidents. When so many victims of the Lehman Brothers incident voiced out, slammed the tables or even jumped from buildings to their death, I did not see Members of the DAB urging the Government to improve the regulatory system. Yesterday, when Mr Albert HO proposed to put in place measures to enable the public to keep an eye on the bond issuance procedures, did Members of the DAB not oppose it? What are they talking about? When all of us are trying to do something constructive to society, why do they say that we have upset the order of society? They are all too agreeable to the Government and are in the same gang with it. After arriving at a consensus among themselves on certain policies, they would not bother consulting the public, and they would then claim credit for such policies. This is absolutely unreasonable.

President, there are still many problems in society to be solved in the future, but we cannot just rely on this group of officials and this Chief Executive who do not have any credibility and who take actions which are only acceptable to themselves and people sharing the same interests with them. I think the Chief Executive, accountable officials and Members of this Council need to have credibility. I hope Secretary Stephen LAM will tell us as soon as possible what proposal they have for achieving genuine universal suffrage, so that the public can really give them the authority, or else they will deprive us of our authority and exercise authority with sources unknown to suppress us and prevent the public from leading a normal life. Thank you, President.

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

MR IP KWOK-HIM (in Cantonese): Mr WONG Sing-chi said just now that Mr TAM Yiu-chung spoke on this issue sneakily, but it seemed that Mr WONG Sing-chi spoke only after Mr TAM Yiu-chung had spoken, thus I hope he himself can reflect on this. By accusing Mr TAM Yiu-chung of making certain remarks just now, Mr WONG Sing-chi seemed to have put words in a certain Member's mouth, which I think is a display of serious disrespect. We are now debating the motion on "Facing up to the aspirations of the people participating in the march on 1 July", and I think Members can express their own views. However, one should not regard unsubstantiated ideas made up or expressed by oneself as ideas expressed by others. I strongly disagree with this act, which I believe is not in line with our parliamentary culture.

President, the motion and the amendments today all accuse the SAR Government of lacking in sincerity to implement dual universal suffrage in 2012. The DAB does not agree with this. Regarding the agenda of the elections of the Chief Executive and the Legislative Council of Hong Kong by universal suffrage, the Standing Committee of the National People's Congress (NPCSC) has already made a constitutional decision. The NPCSC has made a very clear decision on 29 December 2007 concerning these two elections. I believe all of us can see that it is not true to say the SAR Government lacks the sincerity to implement dual universal suffrage in 2012.

On the contrary, I think those people who have been insisting on advocating the implementation of a genuine universal suffrage in 2012 lack the sincerity to promote universal suffrage. As all of us can see, right after the NPCSC made a decision in this regard in December 2007, some Members of this Council and the Civil Human Rights Front organized a procession in January 2008, insisting on implementing a genuine universal suffrage in 2012 and refusing to implement a sham universal suffrage in 2017.

Mr LEE Cheuk-yan said that the purpose of the procession was to push the Government to allow the implementation of dual universal suffrage. He said that they would accept neither the rubbish constitutional reform package nor the

excessively conservative "Bow-tie Donald's package". In fact, consultation and discussion on the electoral method for 2012 had not been conducted in the community at that time, and there were still a lot of uncertainties regarding the extent to which the future direction to be proposed by the Government would be democratic. If people who took part in the procession insisted on implementing dual universal suffrage in 2012 and adopting a one-step approach, the situation would be like that mentioned by our former colleague in this Council, Mrs Anson CHAN, in "Letter to Hong Kong" in January 2008, that is, the insistence on adopting a one-step approach would only result in stagnant development in the end. Therefore, insisting on implementing dual universal suffrage in 2012 will only result in stagnant constitutional development. This scenario is becoming increasingly probable when situations whereby people are "flaunting the red flag to oppose the red flag" happen more and more often. Therefore, regarding promoting universal suffrage, how sincere are those people who have been insisting on implementing dual universal suffrage in 2012? I think this is what really requires further examination by society.

I think voices which insist on implementing universal suffrage or dual universal suffrage in 2012 are more dangerous in another sense. They think the decision that universal suffrage can be implemented in 2017 does not entail that the implementation of universal suffrage in 2012 is completely hopeless. Some people of the pan-democratic camp even said that the NPCSC's decision is not unalterable. They queried why it would be a problem even if the proposed referendum was an attempt to effect the reversal of the NPCSC's decision, and I quote their remark: I never consider the NPCSC's decision legally irreversible. Therefore, they called on the people of Hong Kong to take to the streets to fight for the revision of the NPCSC's decision. I think this is not only an attempt to challenge the authority of the Central Authorities but also an attempt to undermine the stability of the constitutional system of the whole country, which is very dangerous.

At present, the system of the representation of the people is practised in mainland China, and the NPCSC possesses both the legislative and enforcement powers. Therefore, decisions made in accordance with the NPCSC's procedures have legal effect. The decisions on the timetable and concrete arrangements of the constitutional development of Hong Kong were made by the NPCSC after thorough consideration. As a deputy of the Hong Kong SAR to the National

People's Congress (NPC), my feeling is that I cannot see, from whichever perspective and at whichever level, any possibility of reversing this decision, therefore

MR LEUNG KWOK-HUNG (in Cantonese): May I ask Mr IP Kwok-him to clarify

PRESIDENT (in Cantonese): Mr IP Kwok-him, please hold on for a while.

MR LEUNG KWOK-HUNG (in Cantonese): He said that he cannot see any such possibility. However, I know that legally, the NPC can reverse the decisions of the NPCSC. Will he clarify why this is not possible? If he said that this is not possible, will he give a clarification, so that I will not challenge him on this any more?

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please observe the Rules of Procedure. You have spoken once, and you should not continue with the debate.

MR LEUNG KWOK-HUNG (in Cantonese): Will he give a clarification? He can give a clarification if he so wishes, or he can just leave it.

PRESIDENT (in Cantonese): Mr IP Kwok-him, please continue with your speech.

MR IP KWOK-HIM (in Cantonese): As a deputy to the NPC, I cannot see, from whichever perspective and at whichever level, any possibility of reversing this decision. Therefore, I think the continuous promotion of implementing dual universal suffrage in 2012 is an intentional act to incite the people of Hong Kong to breach the Basic Law, if not an attempt to deceive the people of Hong Kong.

Therefore, the DAB opposes the proposal of insisting on demanding the implementation of dual universal suffrage in 2012. I so submit.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Mr James TO, you may now speak on the two amendments. You may speak for up to five minutes.

MR JAMES TO (in Cantonese): President, I now speak on the amendments. The Chairman and Vice Chairman of the DAB were indeed sneaky just now. Why do I say so? As the Chairman or Vice Chairman of a major political party in this Council, especially when Mr IP Kwok-him mentioned the challenge against the Central Authorities and the shaking of the constitutional foundation, and then pointed out that this was an act to incite the breach of the Basic Law, and when the issue is elevated to such a high level it should be borne in mind that this was not a remark made by Mr WONG Sing-chi but one made in response to him by Mr IP Kwok-him. Many of us Members — the first, the second, the third, the fourth and the fifth Member, I am counting the Members by the order they spoke — have discussed the point that the National People's Congress (NPC) can reverse its own decisions, just that because

PRESIDENT (in Cantonese): Mr TO, you should now speak on the amendments.

MR JAMES TO (in Cantonese): Yes, I am speaking on the amendments. Actually, if the DAB, especially Mr IP Kwok-him, thinks that this is such a clear and significant viewpoint, they should have raised it in the debate on the original motion or the amendments earlier. However, they only rose sneakily to speak after the 20 Members of the pan-democratic camp had spoken. President, it is actually a bit embarrassing for the DAB to deal with the issues in the amendments, be it about the disparity between the rich and the poor or climate change, or even the situations mentioned in the original motion. It is because on

the one hand, they have to be pro-government, and on the other hand, they have to make concessions when the popularity rating of the Government is on the low side, hoping that there will be all cheers and no boos, so to speak. Under such circumstances, what can they do? In this debate, if either the original motion or any of the amendments sparks off any reaction, the DAB will become the loser; and when so many members of the public have expressed their dissatisfaction during the march on 1 July, especially their dissatisfaction with the disparity between the rich and the poor and the climate

PRESIDENT (in Cantonese): Mr TO, you should express your views on the amendments.

MR JAMES TO (in Cantonese): President, I am expressing my views.

PRESIDENT (in Cantonese): You should express your views on the amendments.

MR JAMES TO (in Cantonese): I am speaking on the amendments, President. Since Members of the DAB were displeased about being a loser in any case, they spoke after Members of the pan-democratic camp had spoken so that they would not have any room to challenge their views. When all the debaters of the pan-democratic camp had spoken, they gave them a punch before wrapping up hurriedly. As a major political party, what kind of composure and breadth of mind does it display? If the DAB thinks that the issues discussed in either the original motion or the amendments, particularly democracy, are such serious offences as attempts to challenge the Central Authorities, shake the constitutional foundation or incite the breach of the Basic Law, should it not debate these in detail? I think this attitude is indeed very weird.

President, let me come back to climate change. I have listened to the Chief Secretary's speech just now, but he did not give any response to it at all, so I hope other officials will respond to this later. My personal view is that the SAR Government has in fact not taken any actions regarding the proposals made

by Ms Audrey EU. First of all, the Chief Secretary mentioned that we are not required under the Kyoto Protocol to take these actions, but what we are talking about now is whether we, as an advanced system and a responsible member of the international community, should set a target, an overall emission reduction target. This is what it is all about. This is also why the Greenpeace said that Donald TSANG is a climate fugitive. If the Government continues to act in this way, I will agree with Ms Audrey EU that we really have to tell all of you that Chief Executive Donald TSANG — actually I do not want to use such wording, but I have no choice — seems to have completely failed to lead Hong Kong, as an important member of the international community, to perform our important duties in the international community. He is truly a climate fugitive.

PRESIDENT (in Cantonese): Chief Secretary for Administration, do you wish to speak?

(The Chief Secretary for Administration shook his head to indicate that he did not wish to speak)

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS (in Cantonese): President, since quite a number of Members touched upon the constitutional system in this motion debate, I would like to give a further reply concerning several issues.

Ms Audrey EU alleged that we had turned in a "blank answer sheet" on the question of universal suffrage. This allegation flies in the face of the facts and is unacceptable. The debate on universal suffrage has been very colourful, not blank at all. In July 2007, the Government published the Green Paper on Constitutional development. Subsequently, at the end of the same year, the Chief Executive submitted this report with a light brown cover to the Standing Committee of the National People's Congress (NPCSC), requesting it to handle the issue of universal suffrage. Such is the "blank answer sheet" referred to by Ms Audrey EU. But the NPCSC made a decision, which is written "in black and white", and which sets out some important points.

President, I wish to raise two points here. In the first paragraph of the document setting out its decision, the NPCSC states very clearly, "The Session is of the view that the election of the fifth Chief Executive of the Hong Kong Special Administrative Region in the year 2017 may be implemented by the method of universal suffrage; that after the Chief Executive is selected by universal suffrage, the election of the Legislative Council of the Hong Kong Special Administrative Region may be implemented by the method of electing all the members by universal suffrage." It is therefore very clear that there is a timetable for the implementation of universal suffrage in 2017 and 2020. And, on the last two pages of the same document, it is also stated, "The nominating committee shall in accordance with democratic procedures nominate a certain number of candidates for the office of the Chief Executive, who is to be elected through universal suffrage by all registered electors of the Hong Kong Special Administrative Region, and to be appointed by the Central People's Government."

Since the Chief Executive is to be elected through universal suffrage by all registered electors, there will be "one person, one vote", that is, universal suffrage in the true sense of the term. Since the Chief Executive has succeeded in getting such a timetable for implementing universal suffrage, he has in fact honoured his election undertaking. The finalization of a timetable for implementation of universal suffrage is a feat never achieved by any other previous Governments of the Special Administrative Region (SAR). The report submitted by the Chief Executive to the Central Authorities can also fully reflect public opinions. Point 15 of the report reads, "Implementing universal suffrage for the Chief Executive first in 2012 is the expectation of more than half of the public, as reflected in the opinion polls." The Chief Executive goes on to say, "This expectation should be taken seriously and given consideration. At the same time, implementing universal suffrage for the Chief Executive first by no later than 2017 will stand a better chance of being accepted by the majority in our community." In addition, it is further pointed out by the Chief Executive in the report, "As for the models for forming the Legislative Council by universal suffrage and how the functional constituencies should be dealt with, views are still very diverse. However, setting the timetable for implementing universal suffrage for the Chief Executive and Legislative Council can help promote the ultimate resolution of the issues involved." Therefore, apart from fully reflecting public opinions, the Chief Executive also explains very clearly to the NPCSC all the considerations involved in the implementation of universal suffrage.

Mr James TO and other Members made it a point to ask whether the implementation of universal suffrage could be tackled in the constitutional reform package for 2012. The decision of the NPCSC only authorizes the third-term SAR Government to handle the electoral arrangements for 2012. The decision does not authorize us to handle the models of universal suffrage for 2017 and 2020. Therefore, in the coming three years, we in the third-term SAR Government are not authorized to handle anything that should be tackled by the Governments in the coming 11 years. But if we look at the decision made by the NPCSC in December 2007, we will notice that apart from a timetable, there is also an outline of the roadmap for implementing universal suffrage.

In the time ahead, we will take three steps one by one. First, in the run-up to 2012, we will promote the further democratization of the Chief Executive Election and the Legislative Council Election, with the aim of taking the two electoral systems to a midway point. Second, between 2012 and 2017, we will join hands with the community to finalize a model for selecting the Chief Executive by universal suffrage. Third, the Chief Executive selected by universal suffrage in 2017 and the Legislative Council returned in 2016 shall join hands to formulate a package for electing the Legislative Council by universal suffrage in 2020. It is only appropriate for the Chief Executive returned by universal suffrage in 2017 to deal with the ultimate constitutional issue, namely, the election of the Legislative Council by universal suffrage, because he will be adequately and fully equipped with the credibility and public support required for tackling this issue.

In his speech, Mr James TO stressed that the model of universal suffrage eventually worked out must be in compliance with the relevant international conventions. In response, I must emphasize once again that the eventual implementation of universal suffrage in Hong Kong actually owes its legal basis to the Basic Law, rather than the International Covenant on Civil and Political Rights (ICCPR). The reason is that when the ICCPR was extended to Hong Kong by the United Kingdom's ratification in 1976, a reservation was entered in respect of sub-paragraph (b) of Article 25 to exclude the then Executive Council and Legislative Council formed in Hong Kong. In June 1997, the Central People's Government issued a notice to the United Nations Secretary-General, stating that the aforesaid reservation shall remain in force. The continued application of the ICCPR under Article 39 of the Basic Law is therefore also subject to the same reservation.

Members should remember that the Sino-British Joint Declaration signed in 1984 actually makes no mentioning of universal suffrage. It is only mentioned very simplistically that the legislature in Hong Kong after the reunification shall be returned by election, and that the Chief Executive shall be returned either by consultation or election. Between 1985 and 1990, when the Central Authorities consulted the Hong Kong public on the drafting of the Basic Law, they responded to the aspiration in society and set down the ultimate aim of achieving universal suffrage in Article 45 and Article 68 of the Basic Law. Therefore, the eventual implementation of universal suffrage in Hong Kong actually owes its legal basis to the Basic Law, rather than the ICCPR. That said, I can still tell Mr James TO and other Members most unequivocally that the form of universal suffrage to be implemented eventually will certainly be in compliance with universal and equal suffrage. The functional constituency elections of the Legislative Council are not in compliance with these two principles, and a solution to this problem is therefore essential to the eventual implementation of universal suffrage in 2020 for the Legislative Council Election. I must therefore reiterate that it will be most appropriate for the Chief Executive elected by universal suffrage in 2017 to tackle this issue.

Throughout all the debates on universal suffrage, pan-democratic Members have been insisting on the implementation of dual universal suffrage in 2012. I respect their persistence. But we must realize that the NPCSC has already made its decision. All government officials, political parties and individual Members are constitutionally obligated to discharge their responsibility towards Hong Kong by seeking to implement universal suffrage accordingly. Some Members insist that the Chief Executive must be elected by universal suffrage in 2012. Under the decision of the NPCSC, the Chief Executive will be elected by universal suffrage in 2017. There is only a difference of five years, only five years. Following the NPCSC's decision in 2007, some universities conducted opinion polls, and the findings indicated that 70% of Hong Kong people accept 2017 as the year for electing the Chief Executive by universal suffrage. Therefore, for the sake of Hong Kong's future, it will be advisable to stop arguing over the difference of five years. It is advisable for us to put aside all differences in opinions and join hands to make sure that these two electoral systems can both achieve progress with more democratic representation. For example, we will need to actively consider whether the number of seats in the Legislative Council in 2012 should remain at 60, or whether it should be increased to a certain level, so that young people aspiring to a political career in

the legislature can have more opportunities to serve the public by competing for the new seats created through different channels.

President, I think that both the Government and the legislature must share the commitment of working for the well-being of Hong Kong people and furthering the cause of democracy in accordance with the decision of the NPCSC.

President, with these remarks, I oppose the motion.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I wish to thank Members for their valuable views on issues such as the Lehman Brothers-related Minibond incident (Lehman Brothers incident) and the regulation of finances.

The Lehman Brothers filed for bankruptcy protection in September last year which triggered an unprecedented financial crisis. The financial market in Hong Kong, owing to its sound foundation and good risk management, did not experience any structural problem. However, tens of thousands of Lehman Brothers-related minibond investors were immediately affected by the winding up of the Lehman Brothers and this subsequently caused more than twenty thousand investors lodge complaints against the minibond distributors for violation of regulations in marketing. The Government and the regulatory bodies have great sympathy and concern for the affected investors, particularly for elderly people.

Both the emergence of the financial tsunami and the collapse of the Lehman Brothers are unforeseeable. The minibonds default appeared as a result of the collapse of the Lehman Brothers. Not only did it make investors suffer monetary losses, this incident also aroused public discussions on the present mode of regulation, the sales targets, the code of ethics observed in the sale of products and even on investor education in relation to the distribution of disclosure-based structured investment products. The Government and the two regulators are now conducting in-depth studies and taking follow-up action, with a view to learning from the experience and improving market regulation in Hong Kong, so as to consolidate Hong Kong's position as an international financial centre.

After the occurrence of the incident, our position is to protect the rightful interests of investors as far as possible. We also understand the financial difficulties and emotional disturbance experienced by investors. Since minibonds are complicated investment products involving a multitude of investors and distributing institutions, in order to deal with the incident as quickly as possible, it is necessary to work out a comprehensive proposal.

We understand that the collaterals of minibonds have their values and these assets are also separated from the other assets of the Lehman Brothers, so we immediately investigated the value of the collaterals in the market at that time and requested the trustees of minibonds and distributor banks to fulfil their incumbent responsibility by ensuring that investors recover the present value of their investment. In October last year, the Financial Secretary formally put forward a buy-back proposal to the distributors in the hope that affected minibond investors could get back the present value of their investment in the shortest time possible so that they can avoid the complex and time-consuming liquidation procedures relating to the minibonds. Unfortunately, at the final stage of implementing the buy-back proposal, in the face legal challenges posed by liquidators of the Lehman Brothers, the banks concerned backed out due to concerns about excessive risk, hence fouling the implementation of the buy-back proposal.

The Government and the two regulators attach great importance to all the complaints. The Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC) have both committed a lot of resources, in the hope of handling the complaints relating to minibonds as soon as possible. I understand that to affected investors, for this matter to drag on for even one more day would be too long. For this reason, the Government has all along been earnestly overseeing the two regulators in handling the complaints received and resolving the relevant matters as soon as possible, so as to prevent the investors from continuing to be tormented by the incident. However, at the same time, we also understand that the regulators must abide by the relevant procedures to ensure the impartiality of investigations, so as to avoid future challenges to the investigation outcomes. For this reason, an even longer time is needed to complete the entire investigation process.

So far, formal case investigations had been launched by the HKMA into over 7 000 cases and close to 500 cases have been referred to the SFC for

follow-up action. The SFC is also considering taking disciplinary action against front-line sales staff or the managing level in some 600 cases. The SFC is also adopting a systematic top-down investigation approach. Subsequent to investigations, two securities firms so far have reached agreements with the SFC to voluntarily repurchase all outstanding minibonds from clients who subscribed or purchased unexpired Lehman Brothers-related minibonds through them.

At the same time, the Government and the regulators also keep encouraging distributors of minibonds to actively work for settlement with investors, so as to ease the emotional disturbance faced by investors. So far, in more than 7 000 cases, the people concerned have reached or will soon reach settlements with the banks concerned and in quite a number of cases, elderly people are involved.

In order to speed up the resolution of this incident and assist more investors, we believe that in the process of investigating complaints about irregular sales practices, the most feasible and effective method is for the SFC to discuss with distributor banks a reasonable settlement proposal using its statutory powers. This will prevent distributors and investors from having to face lengthy litigation and uncertainties. We know that in the past, when a large number of complaints against the sale of financial products occurred overseas, there was also the precedence of financial institutions making similar settlement proposals.

The SFC stated that it had already embarked on discussions with banks in this regard. The position of the Government is to support and encourage the SFC in reaching a consensus with distributor banks at an early date and proposing a reasonable settlement proposal that can project the regulatory power and effectiveness of the SFC, while keeping in view the interests of investors. If the banks and investors concerned can reach a settlement, this will allay the disturbance faced by investors for nearly 10 months and will also help banks resume normal operation at an early date.

In addition, in response to the financial tsunami and the Lehman Brothers incident, and in view of the reports submitted by the two regulators on the Lehman Brothers incident, the Government has seriously reviewed the financial regulatory regime in Hong Kong and formulated an Action Plan to follow up in phases the various recommendations put forward by the HKMA and the SFC in their reports. At this stage, we are aiming at the early implementation of

improvement measures in the following areas: (i) the sale of investment products; (ii) the business conduct of intermediaries; and (iii) investor education, so as to provide better protection to investors.

At present, some of these measures have already been implemented. The two regulators have also demanded that intermediaries comply strictly with the Code of Conduct, namely, understand the products they recommend to clients, employ competent staff and provide appropriate training, and so on, to ensure that all sales staff have sufficient understanding of the product. In the next phase, we will review the structure of the regulatory framework and other regulatory arrangements. The relevant recommendations would have to be implemented through enactment of primary legislation, including the establishment of a financial services ombudsman and a cross-sector Investor Education Council.

In short, the Government will continue to closely monitor the development of this matter and co-operate with the HKMA and the SFC in helping the affected investors solve the problem as soon as possible. I also hope to continue to jointly explore with all stakeholders including the Legislative Council (both inside or outside the legislature) so as to further enhance investor protection and to improve the strategies and measures of the regulatory framework.

Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, the Chief Secretary for Administration has already stated the overall position of the Government on the motion, so I will give a summarized response to the concern about the high unemployment rate and the wealth disparity voiced by Mr James TO in his original motion and by Ms Emily LAU in her amendment.

Since the outbreak of the financial turmoil in September last year, the unemployment rate in Hong Kong has continued to rise from 3.2% for the period from June to August last year to 5.3% for the period from February to April this year. The unemployment rate in the latest quarter (that is, the period from March to May) has remained at 5.3%. This shows that the labour market has given out signs of bottoming out. The total number of people in employment recorded an increase of 12 800 persons for the first time after shrinking for four consecutive months.

That unemployment has levelled off is encouraging. In fact, over the past few months, global economy has slightly improved and the sentiment has also improved. However, there are still uncertainties. The outbreak of human swine influenza has also added uncertainty to the short-term outlook on Hong Kong's economy and the labour market. Therefore, the Government will not lower its vigilance and will continue to closely monitor the situation in the labour market.

The entire Government and all Bureaux have been adhering to the objective of "stabilizing the financial system, supporting enterprises and preserving employment" and have launched a series of relief and job creation measures with specific targets and purposes. It can be said that the several rounds of measures implemented earlier on have started to yield results.

The special relief measures introduced by the Government in the last financial year and in the present one involved a total of some \$87.6 billion, or 5.2% of the local GDP. It is estimated that they would raise local GDP by about 2% this year.

Although the external impacts we encountered this time are far more severe than those of the Asian financial turmoil a decade ago, the number of jobs lost in the past nine months is only about 31 000, which is far lower than that in June 1997, when 100 000 jobs were lost. This shows that the measures taken by the Government have served to preserve employment to some extent.

The Government's measures on "supporting enterprises and preserving employment" have also yielded some results. As at 3 July, the two loan guarantee schemes of the Government have received over 12 000 applications involving a total loan amount of over \$26.9 billion and benefiting 9 600 enterprises. These enterprises hire a total of over 170 000 employees. In other words, 170 000 jobs have been preserved.

In order to relieve unemployment in the construction industry, the Government has earmarked \$8.5 billion this year for minor works. This is expected to create more than 12 000 job opportunities. As at 3 July, the Finance Committee of the Legislative Council has approved a total provision of \$126 billion for works projects. It is expected that about 49 600 job opportunities can be created. The allocation for the on-billion-dollar "Operation

Building Bright", which commenced in early May, has also been doubled to \$2 billion, thereby increasing the number of job opportunities to be created from the original 10 000 or so to 20 000 and the final number of buildings benefited from the original 1 000 to as many as 2 000.

Regarding the 10 large-scale infrastructure projects which the Chief Executive announced that would launch within his term of office, our rough estimate is that from the completion, through commissioning to the mature stage, about 250 000 additional jobs would be created.

Supporting employment is a major work of the Labour Department. The Labour Department has implemented various measures to enhance the efficiency and flow of information on job vacancies in the labour market to help job seekers find work more expeditiously and conveniently, so as to assist them in finding employment on all fronts.

To assist people in need ranging from the middle-aged, young people and people with disabilities to find employment, the Finance Committee has approved an allocation of almost \$400 million for the Labour Department to strengthen and integrate a series of employment programmes. They include well-known programmes such as the Employment Programme for the Middle-aged (EPM), the Youth Pre-employment Training Programme, the Youth Work Experience and Training Scheme, that is, the "YPTP · YWETS" and the Work Orientation and Placement Scheme. The EPM and the Work Orientation and Placement Scheme have already been launched on 29 June, while the integrated "YPTP · YWETS" will also be launched in September. We estimate that these programmes can benefit 44 000 persons in the coming two years.

To cater for the employment needs of university graduates amidst the impact of the financial tsunami, the Labour Department is going to launch an Internship Programme for University Graduates on 1 August to provide 4 000 opportunities for interested graduates to work as interns and receive training in local and Mainland enterprises for six to 12 months. Quite a number of enterprises and organizations have given very positive responses and indicated their willingness to provide intern positions. As at the end of June, for local intern positions, on average a monthly salary of close to \$8,500 is offered. Among them, 70% of them offer wages at \$8,000 or above each month and the highest monthly salary is as high as \$13,500.

What about the prospect for sub-degree graduates? We have already arranged for their training and employment through the "YPTP · YWETS". The programme enrolls students year round without any upper ceiling. Also, similar to the Internship Programme for University Graduates, these graduates may be employed as interns and receive on-the-job training for six to 12 months. Apart from wages, trainees can also get a study allowance in the sum of \$4,000 to further equip themselves. The Labour Department has organized two seminars to introduce the employment support and opportunities offered by "YPTP · YWETS" to sub-degree graduates in May and June.

The Government has all along attached great importance to employees' interests. At present, the situation in the labour market is very difficult, so it is particularly important to safeguard the lawful interests of employees. Apart from the Occupational Deafness (Compensation) (Amendment) Bill 2009 tabled on 3 June, we have also honoured our promise by introducing into the Legislative Council meeting yesterday the Employment (Amendment) Bill 2009, in the hope of criminalizing the non-payment of Labour Tribunal awards. This is a long-standing major and difficult problem relating to employee interests. It is by no means easy for us to make this significant breakthrough. As for the Minimum Wage Bill, it has also gone through the First and Second Readings yesterday. These two bills mark an important milestone in the enhancement of labour rights and interests. I look forward to working together with Members to scrutinize these two important bills so that they could be passed as soon as possible.

On poverty alleviation, the Government is duty-bound to help socially disadvantaged groups. We will continue to do our utmost to improve the living of the poor.

Hong Kong is a small externally-oriented economy with no natural resources. It is not suitable for us to resort to effecting a redistribution of wealth through more social welfare and high taxation to narrow down the disparity between the rich and the poor. Under the globalization of the world economy, such measures will only make us less attractive to capital and talents, and will also hinder our economic development. At the same time, it will affect the competitiveness of our products and services, then leading to job losses and in the end, socially disadvantaged groups will suffer. We should not aim at reducing the possibilities and opportunities of wealth creation because this is a very

effective way of attaining success in Hong Kong and is also the impetus of underlying Hong Kong people's endeavour to improve their lives.

The Government's role in poverty alleviation should be positioned at the creation of a suitable environment to offer assistance to low-income people through a multi-pronged approach. Apart from speeding up the launch of infrastructure projects and formulating reasonable wages, which I presented in brief just now, we should also expand the training programmes to help the middle-aged and the grassroots in self-enhancement and upgrading their skills, thereby enabling them to be more competitive in the ever-changing job market. Investing in education and child development can also promote social mobility and reduce inter-generational poverty. In addition, we can also make good use of social enterprises and encourage the tripartite collaboration between the Government, the non-government organizations and the business sector, so as to set increasing social capital as the target of welfare development.

Investing heavily in society's manpower resources is the most effective way to implement the objective of moving "From Welfare to Self-Reliance" and to eradicate inter-generational poverty. Therefore, through training and retraining, we make it easier for the low-income people to find jobs and to improve their income. We have already relaxed the eligibility criteria of the Employees Retraining Scheme to cover persons aged between 15 and 29 with education level at sub-degree or below. The Employees Retraining Board plans to offer about 123 000 training places in 2009-2010. When necessary, it can offer an additional 20 000 training places, about 60% of which are for placement-tied training and the placement rate of these programmes is as high as 80%. In addition, the Continuing Education Fund is another channel to provide subsidies to people with learning aspirations to pursue education and training so as to enhance their knowledge and competitiveness. The Finance Committee has approved the proposal to inject \$1,200 million into the Fund last Friday.

Regarding expenditure on education, we all know that it accounts for about one-fourth of the Government's recurrent expenditure and it is also the single biggest item of recurrent expenditure. The implementation of 12-year free education can help children from a disadvantaged background establish their competitiveness in this knowledge-based society, thus promoting social mobility. Moreover, in order to encourage them to plan for the future and cultivate positive attitudes, in April last year, we set up the 300-million-dollar Child Development

Fund (CDF), under which a pilot scheme commenced in December to combine the resources of the family, the private sector, members of the public and the Government to support the long-term development of children in socially disadvantaged groups, so as to reduce inter-generational poverty.

Social enterprises are enterprises based on social objectives to help the socially disadvantaged become self-reliant and create more job opportunities. Through the implementation of the Social Enterprises Partnership Programme, the Government seeks to encourage collaboration between local communities and the business sector to promote social enterprise development, so as to foster mutual care in local communities. The partnership can be in the form of the outsourcing of certain operations by businesses to social enterprises; providing concessionary rental of their premises or vacant land for use by the social enterprises and allowing social enterprises access to their clients. The "Enhancing Self-Reliance Through District Partnership Programme" of the Home Affairs Department also provides grants for non-government organizations to run social enterprise projects during their initial operations. The funding ceiling for each approved project is \$3 million and the maximum funding period can be as long as two years.

In order to support self-reliant parents who work, the Government has allocated an additional \$45 million to the Neighbourhood Support Child Care Project, including to home-based child carers. The Project was extended to all districts in Hong Kong in March this year, with a view to promoting various forms of more flexible child care service.

While launching the different mid-term and long-term measures that I have just mentioned, the Government also provides continuous support to people who cannot be financially self-reliant. The Comprehensive Social Security Assistance (CSSA) scheme is the safety net of the last resort for meeting their basic needs. At present, the daily expense under the CSSA Scheme is on average as much as \$500 million and people and families in need are also entitled to the Short-term Food Assistance Service. A sum of \$100 million has been allocated to this project and it has been formally launched in February this year. The latest figures so far indicate that over 13 500 people are benefiting from this project and over 1 000 of them are people considered to be the "five have-nots". In addition, over 5 000 people come from low-income families. We estimate that at least 50 000 people will benefit from the project.

The Government well appreciates the financial pressure facing low-income families. For this reason, apart from the foregoing measures, the Government has also introduced a number of relief measures at various stages in the past 15 months and Members probably have a deep impression of some of them, including electricity bill subsidy, extra payments of the CSSA and Disability Allowance and Old Age Allowance, providing assistance for new school year, extending the repayment period of student loans, extending the period and relaxing the eligibility criteria of the Pilot Transport Support Scheme, government payment of public housing rents, lowering salaries tax and tax under personal assessment, and so on. I will not go into the details of these measures any further.

President, the Government attaches great importance to the concern expressed by members of the public on high unemployment rate and the wealth disparity. From my comments just now, it can be seen that the Government is working hard and committed to support employment and helping the poor. We will continue to listen to the views of the public humbly and keep in close view the development in various areas, so as to make improvements to our measures and efforts.

President, I so submit.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): President and Members, Ms Audrey EU's amendment just now says that the Government has not set targets for the reduction of total greenhouse gas emissions or formulated a comprehensive policy on climate change. Among the many Members who have spoken, Mr CHAN Hak-kan and Mr James TO have also expressed their concern in this regard. Therefore, I wish to take this opportunity to actually give an account of the Government's strategy and even the specific measures in this regard, so as to respond to the concern of the Members and the public about climate change.

Ms Audrey EU has mentioned some figures, namely, the per capita carbon emission in Hong Kong. In the Question and Answer Session held on the day before yesterday, the Chief Executive mentioned that calculated according to the mutually accepted international formula, the annual per capita carbon emission in Hong Kong was about 6 tonnes. Hong Kong's neighbours, for example,

Singapore, recorded a per capita carbon emission of about 9 tonnes, which is 50% more than ours; the figures for Japan and the United Kingdom are double ours, standing at about 11 to 12 tonnes; that in the United States is 24 tonnes, which is four times ours; and 26 tonnes for Australia. In citing these figures, the aim is not to say that there is any room for complacency in Hong Kong as some scientists believe that the more ideal level of per capita carbon emission should be reduced to about 2 tonnes in order to cope with the challenges posed by global climate changes. The road to this target is in fact very long. Therefore, this is indeed a target that all of us have to strive towards together.

Recently, I have participated in the C40 conference, that is, the Large Cities Climate Leadership Group of an international nature. One of the guests who officiated at the event was Bill CLINTON, former US President. In the conference, he also pointed out that of the 170 countries that ratified the Kyoto Protocol so far, very few of them could make a pledge on or achieve their originally pledged targets. This also shows that it is not just in Hong Kong but also the international community that has to take actions before we can tackle this problem together.

Therefore, I wish to share with Members and give a brief analysis of the Government's approach in connection with this issue in three areas. First, do we actually have a very clearly-defined objective and what is the direction of our policies? Second, have we drawn up practical measures to respond to the problem? Third, whether the measures that we have formulated can target at the problem, so as to tackle the problem of climate change that we have to face collectively.

On the first area of policy objective, Members have noticed that the third SAR Government has all along attached great importance in tackling climate change problem. In the policy address published in October 2007, the Chief Executive made it clear at the beginning that it is hoped that Hong Kong's strategy for addressing climate change can be launched under the principle of "sustainable development".

In that year's policy address, we pledged that, as a member economy of the Asia-Pacific Economic Co-operation (APEC), Hong Kong would honour its pledge and implement this organization's declaration of achieving a reduction in energy intensity by at least 25% by 2030, with the year 2005 as base.

At that time, we had just returned from the APEC meeting. I believe that among the more than 20 members, Hong Kong was the first one to set this internationally and regionally recognized standard as our objective. Adopting the indicators of this regional organization can of course, on the one hand, demonstrate Hong Kong's willingness to co-operate with the international community; on the other, it is also hoped that we can strive to reduce our carbon emission footprint at the same time even as we ensure economic growth and development.

In the policy address published in October 2008, the Chief Executive gave a further outline by stating, "We will make early preparations to meet the challenge of climate change. In particular, we will enhance energy efficiency, use clean fuels, rely less on fossil fuel, and promote a low carbon economy — an economy based on low energy consumption and low pollution." This concretely spells out our strategy in tackling the climate change problem.

In 2009, that is, in the Budget published early this year, the Financial Secretary has also indicated that promoting a green economy that protects the environment and save energy will put the economy on a more sustainable path. This will enhance Hong Kong's overall competitiveness as well as making it a more liveable city. The Budget also highlights how to allocate resources to implement the promotion of energy conservation in government buildings and those in the community. This policy objective has gradually taken shape in the two policy addresses and the Budget and it tells the public clearly our policy direction.

I believe that apart from having a policy objective, a city or country must also make feasible proposals that can target at the problems of a particular city before the problem of climate change can be tackled. In this regard, I agree with Mr CHAN Hak-kan that we cannot tackle the climate change problem merely by stopping the use of tungsten light bulbs. In reality, over the past years, the Government has launched a series of measures that precisely target at emission reduction and enhancing energy efficiency by involving enterprises and members of the public in the joint pursuit of an efficient, low-carbon and green city. These measures include nine to ten major directions:

First, to target the energy efficiency for buildings for emissions reduction. As we all know, this includes the Government's proposal on the mandatory implementation of the Building Energy Codes by means of legislation, which sets

the minimum energy performance standard for the energy efficiency of all new and rehabilitated buildings. The legislation will be introduced into the Legislative Council after the summer recess. Moreover, we are providing a District Cooling System at the Kai Tak new development area with a view to significantly reducing energy consumption. We are glad that the Legislative Council has approved the appropriation of funds. Regarding buildings, the Administration has allocated \$450 million to subsidize building owners to conduct energy-cum-carbon audits and carry out energy efficiency projects. These are not just audit projects, but also actual energy efficiency improvement. Since the launching of this measure in April, we have received more than 600 applications in the past three months.

Second, to have the Government set an example by conducting carbon audits and energy efficiency projects on government buildings. Regarding new government buildings, the existing provisions require that the highest or excellent standard of local professional green buildings must be met. The Administration has also allocated \$450 million to improve the energy efficiency of government buildings. More than 40 government buildings have joined the carbon audits.

Third, to promote a green and low carbon emission transport system. This includes gradually having rail-based modes of public transport and introducing the latest model of electric vehicles by means of tax concessions to reduce carbon emissions.

Fourth, to reduce carbon emission through the use of cleaner fuels for electricity generation. In August last year, we entered into an agreement with the Mainland for the West-East Natural Gas Pipeline arrangement. This can increase the supply of gas sources to Hong Kong and it is hoped that the proportion of natural gas used in electricity generation can be increased gradually from 28% to 50% or above. Members should also know that burning natural gas emits about 50% less of greenhouse gases as compared to coal.

Fifth, to formulate Greening Master Plans. We have been carrying out greening programmes in densely-populated areas and subsidizing roof-top greening through the Environment and Conservation Fund. So far, we have already approved funding in the sum of about \$20 million or more to support about 100 greening programmes. In the past few years, we have also further

extended the country parks to increase the coverage of green areas and Hong Kong is also one of those few cities that have more than 40% of protected green space.

Sixth, the Task Force on Economic Challenges (TFEC) has recently undertaken to expand the scope of green procurement for the Government. The Government will also set an example by stopping the purchase of incandescent light bulbs with a view to promoting the development of environmental and energy saving products by creating demand.

Seventh, to turn waste into energy with the use of methane gas in landfills. The methane gas in one landfill is being utilized as fuel for Towngas production for residential use. We are also discussing step by step the expansion of the programme.

Eighth, to introduce the Clean Development Mechanism to Hong Kong businesses developing in the Mainland, with a view to gradually establishing a carbon trading platform in the region.

Ninth, to step up publicity and education. Through the launching of a territory-wide enterprise carbon audit and Green Partnership Programme, we seek to spread the message of carbon reduction from enterprises to the market. Within the short span of one year, more than 100 large enterprises have joined programme. In the property management sector alone, the number of buildings involved stands at over 100, with an area of 500 million square feet.

This series of measures that I have listed show that after setting the objective, the Government has actually launched many programmes to help Hong Kong reduce carbon emission and tackle climate change step by step.

The above-mentioned strategies and measures focus squarely on situation in Hong Kong and are administering the right cure. Several of the objectives are quite important.

The first aspect is that we think that emission reduction targets should be linked to development. Only in this way can we avoid leaving too big a carbon footprint in Hong Kong at the same time as we ensure development.

The second aspect is that we think we must target at the situation in Hong Kong. To reduce carbon emission, there are two important areas that can offer complementary advantages. The first one is using clean energy and the other is

building energy efficiency. I often cite two figures which are widely agreed to in the community. The first is that 63% of the total carbon emission in Hong Kong originates from local electricity generation and the second is that 89% of the electricity is used on buildings. Therefore, many of the measures that I have cited just now involve using clean energy and enhancing building energy efficiency, which address the situation of reducing carbon footprints in Hong Kong squarely.

The third aspect is that I believe members of the public would expect the Government to set an example in carbon reduction and initiate such action. Therefore, among the policies that I have cited just now, the Government has taken the initiatives earlier than the public. In formulating the codes, the Government also took the first step. As for promoting the compliance of new buildings with these criteria, the Government has also taken the initiatives earlier than the business sector. As for the policy of purchasing electric vehicles recently proposed by the TFEC, we also hope that the Government can also take the first step forward.

The fourth aspect is that we hope the entire set of policies can lead the community to fully understand and participate in the emission reduction exercise through matching subsidies. We have mentioned the \$450 million subsidy programmes which received more than 600 applications within three months and 750 auditors have been trained in the same period. We hope that this can provide new momentum to the carbon reduction campaign in Hong Kong. This kind of matching subsidy has been adopted earlier than other cities.

We have also taken a further step in the direction of developing a green city or green region by linking up with Guangdong to build a green city cluster. We wish to work on this message together with our neighbouring areas and set such a trend in motion through business opportunities in developing a green production mechanism.

The last objective is that we agree regional or international co-operation is imperative. Among the aforesaid measures, most of them follow international practice closely. Apart from the energy intensity standard of the Asia-Pacific Economic Co-operation (APEC), we have also joined the C40

(Mr James TO raised his hand)

PRESIDENT (in Cantonese): Mr James TO, what is your question?

MR JAMES TO (in Cantonese): President, I request the Secretary to make a clarification.

PRESIDENT (in Cantonese): Please do.

MR JAMES TO (in Cantonese): He has spoken for more than 12 minutes and talked about eight major objectives. However, is it true that the Administration has not yet set a target for the total emission?

PRESIDENT (in Cantonese): You have already raised your request for clarification. Secretary, please continue.

SECRETARY FOR THE ENVIRONMENT (in Cantonese): We have also joined the Large Cities Climate Leadership Group (the C40) and we hope that Hong Kong can continue to make efforts to co-operate with the international community in this area. I also undertake that as in the past, Hong Kong will also send representatives to attend the United Nations Conference to be held in Copenhagen at the end of this year.

In sum, the Government welcomes the views on climate change put forward by members of the public since this is precisely an issue of concern to all of us. To the Government, although it has the responsibility to raise the awareness of an issue of common concern, we are also obliged to introduce a series of measures to cope with the situation. I also hope that the measures can obtain the endorsement of the Legislative Council as in the past. Be it in terms of policy, legislation or fund allocation, we hope that we can continue to receive the support of the Legislative Council in the future.

I so submit, and implore Members to vote against the motion and the amendments. Thank you.

(Mr James TO raised his hand again)

PRESIDENT (in Cantonese): Mr James TO, what is your question?

MR JAMES TO (in Cantonese): I really want the Secretary to clarify. He has spoken for 12 or 13 minutes. I know that he has talked about a lot of measures but ultimately, does he mean that still the target for total carbon emission cannot be set?

PRESIDENT (in Cantonese): Mr James TO, if the Secretary cannot answer your query in his speech, you still have time to make a reply later on. According to the Rules of Procedures, when a Member requests the public officer who is speaking to clarify the contents of his speech, it should be at the public officer's discretion to decide whether clarification should be made or not.

FINANCIAL SECRETARY (in Cantonese): President, in the history of 12 years after the reunification, last year is an extraordinary one.

We have gone through the most serious economic crisis since 1930s: Significant recession of Hong Kong economy by 7.8% in the first quarter of this year, high volatility in the stock market, adverse investment climate, contraction in domestic exports and rising unemployment rate. In this financial tsunami of the century, it is completely understandable why members of the public are feeling anxious.

To cope with this financial turmoil, we have adopted the strategy of "stabilizing the financial system, supporting enterprises and preserving employment" and these measures have also yielded definite results. The operation of our financial system is sound and our banks do not require the injection of capital or rescue by the Government. In addition, about 9 600 companies and over 170 000 employees have benefited from the government loan

guarantee schemes launched by us. With the successive implementation of major infrastructure projects and minor works, the measure to support enterprises so as to "preserve employment" has yielded results and our unemployment pressure is also relaxing.

Since last year, we have taken timely measures in view of the situation by introducing various relief measures amounting to a total of some \$87.6 billion, which is equivalent to 5.2% of the local Gross Domestic Product (GDP). These measures have benefited people of various strata and also served to actively stabilize the internal economy of Hong Kong. It is estimated that these measures taken together can raise the GDP this year by about 2%. Latest economic data suggest that signs of relative improvement can be seen in the economy as a whole.

I am not trying to brag and boast about our achievement in fighting the financial turmoil. On the contrary, we have been carrying out self review almost everyday during the past year. Our policies should follow the principle of being people-based and our relief measures should also adapt to the changes in situation and take care of various strata of society. Precisely because we are aware that this crisis is very serious and members of the public are very worried, I have been cautious all along as if I were treading on thin ice. However, I am confident that we can come out of this crisis because I have confidence in our people in Hong Kong. We have overcome countless difficulties similar to this one, and ultimately, we will be able to come out of the shadow of the financial turmoil.

President, it takes not only our faith but also the formulation of a direction as well as the introduction of an appropriate policy and environment for us to come out of this financial turmoil. When coping with the financial crisis through public fiscal management, I have all along adhered to three basic principles.

The first one is pragmatism. When introducing various measures, I always make sure that they are practical and feasible, with a view to using public funds in a way that can truly benefit the public and address their most pressing needs. For example, the measures to "preserve employment" are accorded top priority. We try to support employment with the Small and Medium Enterprises

(SMEs) loans. That is to say, as we support SMEs, the jobs of members of the community are also preserved. In this practical way, interests of various classes are transcended.

The second one is sustainability. In the face of this once-in-a-century financial tsunami, I have adopted a counter-cyclical fiscal strategy by making use of public expenditure to stimulate the economy. The deficit this year will be as high as \$39.9 billion. In implementing a counter-cyclical fiscal strategy, I have prudently considered the sustainability of the measures involving recurrent expenditure, so as to make optimal use of public funds and avoid imposing a long-term burden on society. In the next few years, maintaining long-term fiscal soundness and adhering to fiscal discipline will be one of the major parts of my work.

The third one is commitment to society. This financial turmoil has hammered the various strata of society and I understand the pressure borne by the public, in particular, the impact on low-income people in times of economic downturn. Building a caring society is the consensus of Hong Kong society. For this reason, in dealing with the financial tsunami, I will also employ various fiscal measures to help them improve their living.

President, these several principles advocated by me have been formulated according to the pragmatism and realistic spirit that Hong Kong people always value. I understand that at times of economic downturn, contradictions will occur easily in the society.

However, since we are now facing the most serious economic crisis, the public no longer wish to see interminable bickering that yields no results, nor do they wish to see us engrossed in a zero sum game in the pursuit for resources in society and in wasting time.

I believe the public wish to hear from us proposals on measures to overcome challenges and they also wish to see us discuss specific strategies for economic development, so as to offer ways for members of the public in various strata to be relieved from their plight.

President, struck by the financial turmoil, many advanced Asian economies have slipped into serious recession. Just as I have pointed out when reporting in

the meeting of the Panel on Financial Affairs last Monday, our performance is already better when compared with other economies similar to Hong Kong. However, we definitely cannot be less vigilant as there are still a lot of unstable factors in the global economy and negative factors between the financial market and real economy. The risk of an outbreak of human swine influenza also adds further uncertainty. Therefore, we still have to stay on guard. Moreover, as unemployment rate is a lagging indicator, the unemployment rate will still face upward pressure so long as the economy has not yet fully recovered.

President, we are now facing the most difficult time in our economic situation but the light of recovery is shining ahead of us. In particular, next year, a number of major infrastructure projects will commence construction and by then, even though external demand may still be sluggish, these infrastructure projects will give new momentum to the Hong Kong economy.

Our sight must now be set on planning for Hong Kong's economic development in the medium and long term and on using our strengths to further upgrade and restructure the Hong Kong economy, as well as identifying industries that have advantages and prospects.

The Chief Executive has recently announced the development of six industrial developments. We will do our best in taking complementary measures. Through specific policies, we will explore the prospect for developing these six industrial developments together with the public. We will also put in place policies and provide resources to promote their development, with a view to providing new economic drivers.

On the one hand, we have to step up economic and trade co-operation with the Mainland, particularly with the pan-PRD region; on the other hand, we have to develop new markets to expand the scope for Hong Kong enterprises.

In addition, we must upgrade our human resources and reinforce the strengths of our system, so as to speed up our infrastructure projects, particularly those relating to cross-boundary transport facilities, through which Hong Kong's competitiveness can be continually enhanced.

I hope that this financial crisis will make us even more united, and I also hope that when taking action, we will do something practical for the public based

on the notions of being people-oriented and improving the economy, through which a new starting point can be provided.

President, I so submit.

PRESIDENT (in Cantonese): I now call upon Ms Emily LAU to move her amendment to the motion.

MS EMILY LAU (in Cantonese): President, I move that Mr James TO's motion be amended.

Ms Emily LAU moved the following amendment: (Translation)

"To delete "it is anticipated that on 1 July this year, a large number of people will take part in the march" after "That" and substitute with ", as the Government of the Hong Kong Special Administrative Region has not attached importance to public opinions for many years, tens of thousands to hundreds of thousands of people participated in the marches on 1 July in the past six years, and it is believed that there will also be a large number of people standing out this year"; to delete "and" after "financial products" and substitute with ","; to add "and the worsening disparity between the rich and the poor" after "unemployment rate"; and to add ", propose to the public the implementation of dual universal suffrage for the Chief Executive and the Legislative Council elections in 2012 in the package of proposals on constitutional development to be put forth for consultation by the end of this year, establish a democratic political system and an accountable government, and improve the implementation of policies to alleviate public grievances" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Ms Emily LAU to Mr James TO's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Ms Emily LAU rose to claim a division.

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

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

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

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong and Mr CHEUNG Kwok-che voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Ms Miriam LAU, Mr Timothy FOK, Mr Abraham SHEK, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Prof Patrick LAU, Dr LAM Tai-fai, Mr Paul CHAN, Mr IP Wai-ming, Mr IP Kwok-him and Dr PAN Pey-chyou voted against the amendment.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN, Mr WONG Sing-chi and Mr WONG Yuk-man voted for the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin and Mrs Regina IP voted against the amendment.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 23 were present, three were in favour of the amendment and 20 against it; while among the Members returned by geographical constituencies through direct elections, 30 were present, 19 were in favour of the amendment and 10 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Ms Audrey EU, you may move your amendment.

MS AUDREY EU (in Cantonese): President, I move that Mr James TO's motion be amended.

Ms Audrey EU moved the following amendment: (Translation)

"To add ", the failure to set targets for the reduction of total greenhouse gas emissions and formulate a comprehensive policy on climate change," after "financial products"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Ms Audrey EU to Mr James TO's motion, be passed.

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

(Members raised their hands)

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

(Members raised their hands)

Ms Audrey EU rose to claim a division.

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

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

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

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong and Mr CHEUNG Kwok-che voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Ms Miriam LAU, Mr Timothy FOK, Mr Abraham SHEK, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM,

Mr Andrew LEUNG, Mr WONG Ting-kwong, Prof Patrick LAU, Dr LAM Tai-fai, Mr IP Wai-ming, Mr IP Kwok-him and Dr PAN Pey-chyou voted against the amendment.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr LEUNG Kwok-hung, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN, Mr WONG Sing-chi and Mr WONG Yuk-man voted for the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin and Mrs Regina IP voted against the amendment.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 22 were present, three were in favour of the amendment and 19 against it; while among the Members returned by geographical constituencies through direct elections, 30 were present, 19 were in favour of the amendment and 10 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr James TO, you may now give your reply. You have up to one minute 47 seconds.

MR JAMES TO (in Cantonese): President, the phenomena described as follows have not occurred for many years. During the recent march on 1 July, many people chanted various slogans. Whenever someone chanted "Donald TSANG", other participants in the march would follow up by shouting "Step Down" or "Drop Dead". In Central and other places, whenever I talk to people having mutual trust in me, such as my old classmates, other lawyers and people from various other trades and occupations, I will hear lots of swearing words. In cocktail parties and receptions hosted by foreign dignitaries, very negative comments are invariably heard. In sauna clubs, even though I do not utter a word, I will still hear many swearing words from people with funds for investments in factory production and the property market. Whenever I dine with anyone alone, I will hear lots of complaints.

I know the Government of the Special Administrative Region (SAR) would explain that it has made many efforts. But I must tell the SAR Government that the phenomena I have described just now have not occurred for years. Now, they have recurred. The public know very clearly that the contention is not over the issue of a mere five years. We are actually questioning whether there can be genuine universal suffrage in 2012, or whether there is going to be fake universal suffrage in 2017 and 2020. When the Democratic Alliance for the Betterment and Progress of Hong Kong accused us of challenging the Central Authorities and upsetting the stability of our constitutional system, they were in fact smearing the reputation of the participants in the 1 July march, accusing them of being provoked into violating the Basic Law. This is a great injustice to them because this is not how they look at our State leaders. The truth is that the people only want the SAR Government to respond seriously to their aspirations, and we are now in a very critical situation.

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

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr James TO rose to claim a division.

PRESIDENT (in Cantonese): Mr James TO has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Dr Margaret NG, Mr CHEUNG Man-kwong and Mr CHEUNG Kwok-che voted for the motion.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Ms Miriam LAU, Mr Timothy FOK, Mr Abraham SHEK, Ms LI Fung-ying, Mr Tommy CHEUNG, Mr Vincent FANG, Mr Jeffrey LAM, Mr Andrew LEUNG, Mr WONG Ting-kwong, Prof Patrick LAU, Dr LAM Tai-fai, Mr IP Wai-ming, Mr IP Kwok-him and Dr PAN Pey-chyou voted against the motion.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Mr Frederick FUNG, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr

LEUNG Kwok-hung, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN, Mr WONG Sing-chi and Mr WONG Yuk-man voted for the motion.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin and Mrs Regina IP voted against the motion.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 22 were present, three were in favour of the motion and 19 against it; while among the Members returned by geographical constituencies through direct elections, 30 were present, 19 were in favour of the motion and 10 against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the motion was negated.

PRESIDENT (in Cantonese): Second motion: Assisting local enterprises in brand building and product development.

Members who wish to speak in the debate on the motion will please press the "Request to speak" button.

I now call upon Dr LAM Tai-fai to speak and move his motion.

ASSISTING LOCAL ENTERPRISES IN BRAND BUILDING AND PRODUCT DEVELOPMENT

DR LAM TAI-FAI (in Cantonese): President, as my motion is the last motion of this year, I hope more Honourable colleagues will participate in the debate actively and speak on it enthusiastically. President, I move that the motion, as printed on the Agenda, be passed.

President, I believe Members would agree that as the society we are now in is a highly competitive knowledge-based economy, we have to increase our value and engage in learning continuously in order to have a better prospect. Similarly, in order to secure firm footing in the highly competitive global market environment, Hong Kong enterprises have to continuously increase the value, maintain the competitiveness and enhance the market value of their products and services.

Since the implementation of the policy of reform and opening up in our country in 1978, the industries of Hong Kong began to move northward. At that time, the provision of factors of production, such as labour force, land, water, electricity and coal, by the Mainland at relatively low costs, together with the various concessionary policies to attract foreign investment, such as the tax concessions of "two waivers and three reductions", which provided import tariff waivers for production machinery and raw materials for enterprises engaging in contract processing trades, were indeed very favourable to the development of labour-intensive industries. It was precisely these edges which enabled Hong Kong businessmen to reduce their costs and enhance their productivity, thereby enabling their businesses to develop rapidly. At the same time, these edges also enabled the industries on the Mainland, especially those in the Pearl River Delta region, to flourish and the mainland economy to prosper during the 1980s and the 1990s. Most Hong Kong businessmen who set up factories on the Mainland at that time were engaged in the processing trade of original equipment manufacturing, that is, the so-called OEM. After receiving orders from overseas buyers, they would carry out processing operations according to the design and requirements of the buyers. As market competition was not as keen as it is today, Hong Kong businessmen were able to make profits, which were considered to be rather high at that time, by capitalizing on the low costs and huge labour force on the Mainland even though the businesses they engaged in were relatively low in economic value.

Nowadays, however, the business environment on the Mainland has changed drastically, and policies to adjust the industrial structure of the country were launched one after another. The considerable increase in the costs of labour, water, electricity, coal and land and the exchange rate of Renminbi has resulted in a considerable increase in production costs for Hong Kong businessmen. On the other hand, other emerging countries, such as Vietnam,

Cambodia and India, have been very actively attracting foreign investments in recent years, and thus quite a lot of foreign investors have set up factories in these countries because of their relatively low production costs and various concessionary policies. As such, they can also produce and put to the market highly competitive products today. Under such circumstances, Hong Kong businessmen are subject to the pressure arising from the gradual fading of the original edges and the rising costs on the one hand, and they have to face the fierce external competition on the other. As they are subject to pressure both internally and externally, so to speak, their profit margins have been shrinking. What is more, as all of us know, with the slackening European and U.S. economy and declining purchasing power recently as a result of the blow dealt by the financial tsunami, buyers are always trying to secure the lowest prices, delay or even default their payments. Instead of only relying on these traditional export markets as before, Hong Kong enterprises must enhance their competitiveness and explore more diversified markets, especially the huge domestic market. Instead of simply holding onto processing trades with low added value and low efficiency, Hong Kong enterprises must endeavour to upgrade and restructure themselves to provide products and services with high added-value and high economic value, or else they will have little room for survival and development. Developing new products and building brands is one of the approaches with the best prospect of success. As shown in a survey conducted by the Chinese Manufacturers' Association of Hong Kong (CMA) in March, 40% of its members are stepping up their efforts in building their own brands, which represents an increase of 60% compared with 2000.

President, branding does not simply mean a name or a trademark. To put it simply, it refers to consumers' overall impression and confidence on a particular type of product or service. Brand building involves various aspects including product development, design, packaging, production, image, marketing and after sales services. After a brand has been built, it will become the intangible asset of an enterprise, and consumers will purchase the relevant products because of their brand name even if their prices are higher than those of similar products. However, as all of us know, brand building and management require years of investment in manpower, resources and funding, and time is also required in brand development, which may not be affordable to all companies, especially small and medium enterprises (SMEs). Therefore, many companies which are unable to develop their own brands will step up their efforts in developing other

products and services, such as engaging in product design and original design manufacturing, that is, ODM, for their clients, in order to enhance the added value of their products and services.

President, in the face of the present structural change of the industrial and business sectors, the industry must work hard and persevere through adversity, and the Government is duty-bound to provide full support. In the following, I will raise 10 points, and I hope Members will discuss them enthusiastically so that we can draw on collective wisdom and benefit from it.

First, the Government should make reference to the model adopted by the Hong Kong Trade Development Council and establish a standing statutory institution which is specifically responsible for studying, formulating and promoting an overall strategy for the development of local brands in order to co-ordinate relevant activities. As I have said just now, brand development is a major solution for Hong Kong enterprises to enhance their competitiveness. The Government should listen to the views and aspirations of the industry, and the Hong Kong Brand Development Council of the CMA is also very willing to take complementary measures or make commitments in this regard.

Second, more resources should be allocated to support branding and research projects. Research and development (R&D) is the foundation of the support for innovation and advancement towards high value-addedness. However, Hong Kong's annual total expenses on R&D are only \$12.4 billion, accounting for only 0.77% of its gross domestic product, which is obviously lower than that of the Mainland, Taiwan, South Korea and Singapore. The Government should increase the subsidies for R&D projects, and of course it should also closely monitor the effectiveness of the commercialization of R&D results and provide the necessary support to the industry.

Third, I think it is necessary to strengthen the protection of Hong Kong businessmen's intellectual property rights in brands, trademarks, designs and patented technologies. The development and building of product branding is a huge and long-term investment of enterprises. However, cases in which mainland businessmen pre-empted Hong Kong businessmen in registering the relevant trademarks and produce pirated and counterfeit products have occurred time and again, and Members may have often heard about them. While some international brands with substantial resources may seek justice through legal

recourse, Hong Kong SMEs are often unable to pursue remedies even though their copyright is infringed due to funding restraints. Apart from suffering huge losses, their incentive to seek added value may also be seriously undermined. Besides, it often takes a few years to register a trademark on the Mainland, and the procedures involved are very complicated. Moreover, separate registration is required for each single product category, and omissions may easily result in registration by the others. I think the Hong Kong Special Administrative Region (SAR) Government should proactively conduct reviews and discussions with the Mainland Government in order to introduce facilitation measures to study the feasibility of introducing the policy of "one-registration, two-uses" for trademarks and to establish a mutual recognition regime for trademark registration for both the Mainland and Hong Kong. Besides, the SAR Government may also negotiate with the Mainland for offering special protection of intellectual property rights for famous Hong Kong trademarks and brands. For example, in giving renowned Hong Kong brands recommended by the SAR Government or Hong Kong intermediaries, such as the CMA, with the same treatment as well-known trademarks of China and including them as target brands in the combat against counterfeit products and the protection of quality products, reference can be made to the spirit and practice adopted on the Mainland for assessing well-known trademarks.

Fourth, it is very important to provide the industry with technical and information support for the development of product branding. As I have said earlier, the development of product branding involves aspects from product development to after sales services, and thus technical support in various aspects and the most up-to-date information support are required to cope with such development. I hope the Government will make every effort to provide assistance in this respect so that the industry will not be at a loss as to how they can start with brand building.

Fifth, I hope additional platforms for exhibitions and sales will be established. As we all know, just as actors need a stage for performance, brands and new products need many platforms for exhibitions and sales in order to become known in the market, which cannot be achieved only through the few exhibitions every year. Therefore, I suggest that the Government should establish platforms for promoting local brands in an organized and systematic manner, such as by supporting the development of industrial buildings, through relaxing the restrictions on their usage, and turning them into exhibition and sale

centres for brand-name products; setting up more character precincts in places with a heavy flow of people and immigration control points, such as the airport, train stations and motor vehicle stations, to showcase Hong Kong brands with a view to capitalizing on existing resources and promoting and assisting the development of local brands.

Sixth, we must provide more subsidies to brand building events. As we all know, the existence of many world renowned brands in Japan is partly attributed to the active involvement of its Government. As the Japanese Government highly encourages enterprises to enhance their self-design capability and the image of their brands, a creative and assertive culture with emphasis on branding has developed in Japan over the years, resulting in the continuous increase in the value of its brands. On the contrary, I dare say that in Hong Kong, government support is minimal, and the industry can only work on its own. The CMA took the lead to organize the "Hong Kong Top Brand Awards" in 1999 and also the "Hong Kong Top Service Brand Awards" in 2005. It also took the lead to set up the Hong Kong Brand Development Council. I wish to tell Members that we have also allocated \$5 million as a seed fund for the Council. Actually, the CMA is really an exceptional organization in that it is willing to provide its members with financial and hands-on assistance in brand promotion. I believe the Government also appreciates it very much. However, as far as I understand it, the Government has only been providing verbal encouragement in brand promotion, while failing to provide assistance in terms of either money or efforts over the years. Therefore, I suggest that the Government should set up an exclusive fund for supporting the industry's work in brand development by making reference to the experience of Japan and the CMA. In fact, I think solely relying on the existing SME Export Marketing Fund is definitely not enough.

Seventh, Supplement V to the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA) should be implemented expeditiously. Last year, the Mainland and the Government signed Supplement V to CEPA to include the co-operation in branding into the framework of trade and investment facilitation. However, no concrete plan has been finalized so far. I think the SAR Government should make proactive efforts in finalizing with the Mainland the arrangement for co-operation in branding as soon as possible, so that Hong Kong businessmen will have an opportunity to develop the mainland market expeditiously. Therefore, I suggest that the Government should consider establishing a mutual recognition regime for brand assessment so that Hong Kong

brands can access the mainland market as soon as possible and strive for equal treatment as those enjoyed by Chinese nationals.

Eighth, I think we must capitalize on the opportunity offered by the Outline of the Plan for the Reform and Development of the Pearl River Delta (the Outline). In fact, the Outline has repeatedly mentioned the need for brand nurturing; and in enhancing co-operation among Hong Kong, Guangdong and Macao, it states the need to encourage enterprises engaging in processing to transform towards developing original brand names in order to enhance their capability in product development. The Central Government also supports the early and pilot implementation of the co-operation among Hong Kong, Guangdong and Macao in this respect. The SAR Government should properly seize this opportunity to examine with the mainland authorities subjects such as the upgrading and restructuring of enterprises, brand protection and implementing co-operation in branding in order to strive for a consensus on them.

Ninth, tax concessions should be offered to designers, inventors and enterprises for investments in branding and new products. In fact, many overseas countries offer over 100% or even 200% tax exemption for scientific research, and I therefore suggest that the SAR Government should provide special tax concessions in order to benefit enterprises engaging in brand development, creative industries and R&D activities, designers and inventors at the same time, thereby indirectly encouraging them to continue to engage in brand development and creation as well as product development.

Finally, I believe everyone agrees that in order to develop towards high value-addedness, talents are always the most important. In particular, work relating to brand building and consolidation has to be undertaken by professionals with various skills. The spectrum of skills involved is so broad that it can become a discipline in university programmes. However, specialty programmes on branding are not offered by the few tertiary institutions in Hong Kong at present. Therefore, I think it is indeed necessary for the authorities to draw up a long-term development plan for product branding in Hong Kong and offer relevant undergraduate programmes in tertiary institutions to nurture more necessary talents for Hong Kong.

President, the above 10 points only seek to stimulate discussion. I hope more Honourable colleagues and officials will participate in the discussion enthusiastically so that we can draw on our collective wisdom and address the

concern about how we can help Hong Kong enterprises maintain their competitive edge, in order to safeguard local employment opportunities. Therefore, this motion of mine is in fact in line with the objective of "supporting enterprises and preserving employment", and of course I hope Members will support its passage.

President, with these remarks, I move this motion.

Dr LAM Tai-fai moved the following motion: (Translation)

"That, as market competition is getting keener, Hong Kong enterprises engaging in original equipment manufacturing and processing businesses, especially the small and medium enterprises, are facing problems of diminishing competitiveness and narrowing room for development, and coupled with the present impact of the global financial crisis, slackening European and US economy and declining purchasing power, the export business of Hong Kong enterprises is hard hit and their operation is getting more difficult; in order to achieve the objective of 'supporting enterprises and preserving employment', this Council urges the Government to proactively assist Hong Kong enterprises in brand building and product development so as to enhance the uniqueness of their products and services, thereby increasing their market competitiveness and opening up a diversified market, as well as safeguarding local employment opportunities, the measures include:

- (a) supporting brand and design research projects so as to provide the industry with technical and information support for the development of product branding and service branding, and establishing a high-level standing institution which is specifically responsible for initiating, studying, formulating and promoting an overall development strategy for Hong Kong brands, as well as planning and coordinating brand-related activities organized by various sectors, in particular the industrial and business sectors, of Hong Kong;
- (b) systematically establishing a platform for promoting local brands, such as turning industrial buildings into exhibition and sales centres for brand-name products and setting up character precincts in immigration control points to showcase Hong Kong's brand-name

products, with a view to exploring business opportunities and promoting employment;

- (c) providing substantive support for Hong Kong brands to expand in the Mainland market and implementing the trade and investment facilitation measures in relation to the cooperation in areas of commodity inspection, brands, etc, under the Mainland and Hong Kong Closer Economic Partnership Arrangement, so as to open up business opportunities in the Mainland market; and
- (d) proactively discussing with the Mainland Government to expeditiously strengthen the protection of Hong Kong businessmen's intellectual property rights in brands, trademarks, designs and patented technologies, and introducing facilitation measures, such as making reference to overseas practices to study the feasibility of 'one-registration, two-uses' for trademarks, establishing a mutual recognition regime for trademark registration in both the Mainland and Hong Kong, and offering special protection for well-known trademarks and brands."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Dr LAM Tai-fai be passed.

PRESIDENT (in Cantonese): Mr Vincent FANG will move an amendment to this motion. This Council will now proceed to a joint debate on the motion and the amendment.

I now call upon Mr Vincent FANG to speak and move his amendment to the motion.

MR VINCENT FANG (in Cantonese): President, I move that Dr LAM Tai-fai's motion be amended.

President, I run a fashion business which engages in both original equipment manufacturing for world renowned brands and the manufacturing of

our own brands. I have been engaging in branding for more than three decades, and with some luck, some of our brands are modestly successful, thanks to the support of some of our female Honourable colleagues. Inevitably, however, some brands which were not so successful had to be "discontinued", not without pain. Therefore, I wish to express some views based on my own experience, hoping that the Government will provide proper support in this respect, so that there will be some representative brands for Hong Kong in the future, just as Chanel represents France, Benz represents Germany, or even Tsingtao Beer represents China.

Why did I decide to develop my own brand? As pointed out in the motion today, when the manufacturing industry of Hong Kong, such as in garments, toys, household appliances, footwear and timepiece, is capable of engaging in original equipment manufacturing for world renowned brands, it implies that its craftsmanship, quality and control have definitely achieved international standard. However, factory owners are very passive because they do not own the brands involved in their original equipment manufacturing, and the fact that order givers often force a reduction in the costs of the orders has resulted in limited profits for factory owners. Therefore, instead of doing the work for others, I just tried to develop my own brand.

Nevertheless, it is hard enough to have the perseverance and insistence required to develop a brand, not to mention the funding because every single brand has to stand the test of time before it can obtain considerable recognition. Therefore, we can see that the success of many world renowned brands today is achieved with enormous hard work.

I think at least four steps are involved in developing a brand: first, there must be a good product; second, there must be a platform for promotion; third, recognition is needed; and fourth, sustainable development is required.

Regarding these four aspects, has the Government made any efforts? I think it has. It has made efforts in supporting work in the first two aspects. Unfortunately, however, being "fervent at the beginning but apathetic in the end", it failed to provide adequate support. Coupled with the lack of complementary initiatives in recognition and sustainable development, such support failed to sustain.

The Government announced yesterday that it would provide a subsidy of \$10 million to the design trade to help the industry develop more new markets. Though being correct in direction, it is only one half of the first step.

Hong Kong is not short of talents in design. There are many talents in areas from fashion and product design to graphic, interior and environmental design. At present, training is also available to a certain extent in higher education. Many of these designers have worked for international brands, just that most of them have only worked on the design and product development of established brands. The question is whether all enterprises have the determination to set aside a certain amount of money to engage designers to build their brands and develop new products.

A few years ago, the Government sought funding approval for the establishment of a design centre and set up the "DesignSmart Initiative" to promote the design capability of Hong Kong and encourage small and medium enterprises (SMEs) to apply for loans to engage in design and product development. This is the first step towards success. However, decentralized operation without leadership, which is common with the Hong Kong Special Administrative Region (SAR) Government, subsequently emerged.

Therefore, the Liberal Party is of the view that the Government should consider setting up a standing institution for branding which is specifically responsible for implementing the "through train" policy of co-ordinating, promoting and supporting sustainable development. In fact, the Focus Group on Trade and Business of the Economic Summit on "China's 11th Five-Year Plan and the Development of Hong Kong" recommended the Government to set up a high-level Brand Hong Kong Group to promote the development of Brand Hong Kong. Unfortunately, after the Financial Secretary had indicated in late January 2008 that the authorities would examine the establishment of this Group, nothing has been heard of it. We hope the Government will brief this Council on the progress as soon as possible and honour this pledge.

Securing public recognition for products is a very important step in brand development. Therefore, when designs and products are available, promotion, exhibitions and sales are required. At present, the Hong Kong Trade Development Council, which is charged with this important responsibility, is

doing a satisfactory job. For example, pavilions of various brand-name products are set up at exhibitions, and design galleries for the exhibition and sales of these Hong Kong designs are also set up. A Design Gallery has recently been opened in Beijing.

Therefore, the Liberal Party is of the view that it is necessary for Hong Kong to expand its exhibitions and sales platform because the scarcity of shop premises in Hong Kong has created considerable constraints on sales, and the development of factory buildings into exhibition and sales centres for brand-name products is a feasible option. In fact, this Council has repeatedly put forward this recommendation to the Government, but unfortunately, the Government did not pay any attention to it.

When the products of a certain brand sell satisfactorily, a so-called "status" should be secured for the brand. Instead of simply getting a trademark registration, it should get something like the registration of "well-known trademarks" or "well-known brands" on the Mainland in order to enhance its profile.

Although the Hong Kong Productivity Council and individual business associations have been encouraging enterprises to develop their own brands, standardized regulatory practice similar to that adopted by the State Intellectual Property Office in relation to "well-known trademarks" is absent. Therefore, the Liberal Party supports the idea of making reference to the recognition regime for well-known trademarks or brands established by the mainland Government, thereby enabling the mutual recognition of trademarks in both places.

Although the trademark registration regimes and regulations of the Mainland and Hong Kong are independent of each other under the Paris Convention for The Protection of Industrial Property, mutual recognition on this basis is feasible through an agreement reached under CEPA. In fact, a Trademark Working Co-ordination Group has been set up between the Mainland and Hong Kong under the co-operation agreement of CEPA. However, after this Group held a meeting in December last year, nothing has been heard about it anymore. Therefore, the Liberal Party hopes the Government will speed up its work in this regard.

"While it is easy to start a business, it is hard to maintain it", so the saying goes. It is the same for maintaining brands and products. Instead of asking the Government to allocate public money to help us maintain these brands, we are requesting it to make efforts on policy and support measures. For example, in marketing, we very much hope that the Government can assist brand-name products under "well-known trademarks" to strive for equal treatment as products manufactured by Chinese nationals because the market of Hong Kong is really very small in scale, and it is very hard for brands to achieve sustainable development without the support of the Mainland. Therefore, the Liberal Party supports the motion today.

However, in order to enable a certain brand to establish a good image among consumers, we have to ensure that consumers have enough confidence in the quality of the products, and the building of confidence often depends on the availability of widely accepted testing and certification services. Therefore, with the amendment proposed today, the Liberal Party seeks to urge the Government to enhance the profile and recognition of Hong Kong's testing and certification services.

In order to strengthen the testing and certification services, the training of talents is vitally important. The Task Force on Economic Challenges indicated that the development of the testing and certification services of Hong Kong can provide 15 000 job opportunities. Therefore, we hope the Government will strengthen the training of local talents in this respect, thereby maintain and expand Hong Kong's edge in the testing and certification industry.

President, I so submit.

Mr Vincent FANG moved the following amendment: (Translation)

"To delete "as" after "That," and substitute with "under the attack by both the financial tsunami and human swine flu,"; to delete "present impact of the global financial crisis," after "coupled with the"; to delete "and" after "business opportunities in the Mainland market,"; and to add "; and (e) vigorously promoting to other places Hong Kong's testing and certification services to enhance its international profile and increase its recognition, so that local manufacturers can better utilize Hong Kong's

testing and certification services to avoid encountering obstacles in testing, as well as ensuring that sufficient testing and certification professionals are trained to meet the demand" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Vincent FANG to Dr LAM Tai-fai's motion, be passed.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, I am very grateful to Dr LAM Tai-fai for moving this motion debate, which has given us an opportunity to discuss in this Council the direction for the development of Hong Kong brands.

The Government has all along been supporting and encouraging enterprises to develop brands and new products to enhance their value and competitiveness. We have also been maintaining close dialogue with the industry to discuss how to assist local enterprises in brand development and promote the products and services of Hong Kong. The Government strongly encourages enterprises to develop more new markets and step up their promotion in markets whose economy and spending power are still strong and whose potential is enormous.

We can discuss the establishment of Hong Kong brands on two levels. First, we have to enhance the brand of Hong Kong. If we can succeed in establishing the image of Hong Kong and turn Hong Kong into a brand in itself, the efforts of Hong Kong enterprises in promoting their brands would be much more effective. In fact, "Made in Hong Kong" or "Hong Kong Services" have developed considerable reputation in certain industries, and is a guarantee for quality and service standards.

Brand building takes a long time and requires persistent efforts. The Government has put in tremendous effort in promoting Hong Kong as a city branding. After the reunification, in order to build a new image for Hong Kong in the international community, the Government launched the "Hong Kong Brand" in 2001 as a platform for external publicity. Subsequently, the

Government organized over a hundred promotional events in overseas places, on the Mainland and in Hong Kong to promote Hong Kong as a cosmopolitan city with the entrepreneurial quality of creativity and an international city with close connection with the world. Now that eight years have passed, Hong Kong has experienced a lot of changes, and it is high time we revitalized "Brand Hong Kong" to highlight the image of Hong Kong as Asia's world city. To take this forward, the Government has commenced extensive consultation under the leadership of the Financial Secretary and gauged public views through public opinion surveys, focus groups, online forums and competitions to provide input for improving the future "Brand Hong Kong".

Another level of developing Hong Kong brands is to assist Hong Kong enterprises to develop innovative products and their own brands and to promote their products and services in the local, mainland and overseas markets. We have put in quite a lot of efforts in this respect.

Regarding design, it is one of the creative industries in which Hong Kong has enjoyed advantages. There are quite a number of renowned figures in the industry who have not only been able to stand on the international pedestal but have also brought fame to Hong Kong. As early as in 2004, the Government decided to provide resources to introduce the DesignSmart Initiative and allocated \$250 million to subsidize and promote the development of design, including the training of talents and relevant marketing.

Our annual event of "Business of Design Week" has become Asia's leading design event and one of the premier design events in the world, attracting over 50 000 participants and visitors every year and winning Hong Kong the reputation of the city of design.

In order to assist the small and medium enterprises (SMEs) to promote their services and products, the Government set up the SME Export Marketing Fund to provide grants directly to SMEs for participation in export promotion activities, such as exhibitions and business missions, and for placing advertisements on printed trade publications and websites. The maximum amount of grant per SME is \$150,000. This Fund can directly reduce the financial burden of brand promotion on SMEs and also encourage SMEs to develop more export markets. Ever since it was set up in 2001, a total funding

of over \$1.2 billion has been approved. We have just made an additional injection of \$1 billion into the Fund last month, in the hope of benefiting more SMEs.

In brand promotion, the Government must co-operate with the industry to ensure that its initiatives can meet the needs of the industry. In this connection, the SME Development Fund of the Trade and Industry Department provides funding support for trade and industrial organizations, support organizations and professional bodies for introducing projects to assist SMEs in brand development and promotion, such as to enhance SMEs' brand building and management and their understanding of the relevant laws and regulations. Recently, the Fund has just given approval to two projects on brand promotion, one of which seeks to facilitate a better understanding of brand management and brand value among SMEs, and another one seeks to provide training on branding and sales for SMEs and promote Hong Kong's brand-name products through establishing the "Quali-Living Gallery" in the Hong Kong Lifestyle Showcase of the Hong Kong Trade Development Council (TDC).

The huge mainland market, coupled with the steady and relatively fast growing economy of the Mainland, will surely become the driving force and focus of the global economy. As such, it is desirable and necessary to develop the domestic market. The Government will make every effort to assist local enterprises to gain access to the mainland market to create greater and more business opportunities. In this regard, the Government has made quite a lot of concrete efforts.

To further consolidate the status of Hong Kong as a regional design centre and develop the mainland market, we entered into a co-operation framework agreement with the Shenzhen Industrial Design Profession Association in December last year to establish a platform for co-operation on industrial design development in Shenzhen and Hong Kong.

One of our work priorities this year is to collaborate with the mainland authorities to assist Hong Kong businessmen to restructure and upgrade themselves and tap the mainland market to tie in with the Mainland's policy of expanding domestic demand. We will continue to maintain close liaison with the Central Authorities and other mainland authorities at all levels to reflect the views and suggestions of Hong Kong enterprises, such as further streamlining the

process and procedures for opening retail outlets and quality inspection, establishing a standardized testing and certification regime, expediting the approval process and simplifying the tax arrangements for Hong Kong enterprises. In order to assist enterprises engaging in contract processing trades to restructure into foreign-invested enterprises to facilitate the sale of their products on the domestic market, Guangdong Province has basically implemented the arrangement in which enterprises do not have to follow the procedures for "goods in transit" or return of goods to external places in restructuring, relocating their remaining materials and carrying forward their equipment without appraising values. Besides, individual customs authorities, such as the Shenzhen Customs and the Huangpu Customs, have introduced the "single tax return for multiple domestic sales" arrangement for AA-type enterprises and A-type enterprises with effective guarantees.

Through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade and other channels, we will continue to actively pursue further progress in implementing measures conducive to the restructuring of Hong Kong businessmen and their development of the domestic market, and to examine different facilitation measures for Hong Kong enterprises.

We will continue to organize domestic market business matching events and trade fairs with relevant mainland authorities with a view to providing a platform for Hong Kong enterprises to engage in domestic sales. We organized the Domestic Market Business Matching Forum jointly with the Ministry of Commerce (MoC) in late April and supported the Guangdong Foreign-invested Enterprises Commodities Fair in Dongguan organized by Guangdong Province in mid-June. Over 500 Hong Kong enterprises participated in the above events and satisfactory results were achieved.

Besides government departments, the TDC has also been committed to promoting Hong Kong's products and services and its advantages. In order to showcase Hong Kong's brand-name products to consumers on the Mainland and help Hong Kong enterprises test the response of the mainland market, the TDC has been allocating more resources for organizing large-scale exhibition events on the Mainland, which have received positive responses. The Hong Kong Consumer Products Expo held in Guangzhou in March this year and the Style Hong Kong Show held in Wuhan in May attracted 140 000 and 300 000 visitors respectively. Besides, the TDC will also stage the Style Hong Kong Shows in

Chongqing and Guangzhou in November this year and February next year respectively.

Besides, the TDC actively explores markets, particularly emerging markets, all over the world for Hong Kong brands. In the 2008-2009 financial year, the TDC organized the Lifestyle Expo in Budapest and the Style Hong Kong Expo in Dubai. It also organized business and trade delegations to visit Iran, Indonesia, Vietnam, Cambodia, Russia, Ukraine and Poland, and organized roadshows in Morocco and Egypt.

In late June, the TDC just established a Design Gallery in Beijing, which is also the first Design Gallery opened by the TDC on the Mainland. Besides providing a venue to showcase the products designed by Hong Kong and bringing the brand-name products of Hong Kong to mainland consumers, the Gallery can also facilitate the promotion and sale of these products. During the first week of business, the Gallery already attracted over 5 000 visitors.

President, the Government strongly agrees that developing Hong Kong brands and exploring the domestic market is the right direction which will bring benefit to the overall economy of Hong Kong in the long run. The Government will intensify its efforts in collaboration with the industry, non-governmental organizations, business organizations and universities. Regarding other proposals put forward in the motion, I wish to listen to Members' views before giving a consolidated response in my concluding speech. Thank you, President.

MR ANDREW LEUNG (in Cantonese): President, as one of the representatives of the Industrial Constituency, I am very pleased that Dr LAM Tai-fai has moved a motion on the development of local industries at the last meeting of this Legislative Session. During the past decades, we in the industrial sector have made persistent efforts in brand building and developing new products and technologies. Over the years, the Federation of Hong Kong Industries (FHKI) have been vigorously calling for the Government to offer triple tax reductions to encourage enterprises to engage in more high value-added investment projects such as R&D, design and brand building. Earlier, the Task Force on Economic Challenges led by the Chief Executive also expressed its approval of the FHKI's proposal by proactively studying the offer of financial or policy incentives to promote R&D. This is very encouraging indeed. We hope the Government

can announce the findings of its study and the specific details of its measures soon to enable enterprises to make early planning for their research projects to enhance the competitive edge of their products.

With respect to original innovation, brand building and product development, the FHKI and I have put forward a lot of opinions again and again. I believe even the Secretary is perfectly clear about our views, and I do not intend to repeat them here. Today, I am going to share with the Bureau what inspiration can be drawn from South Korea's experience over the past decade or so.

In the 1970s, like Hong Kong, Korea entered an era of economic take-off, with its industrialization process moving from relying primarily on labour-intensive industries such as light textile and agricultural product processing industries to heavy industries such as automobile, ship-building and steel industries. Between the late 1990s and the beginning of the 21st century, Korea was already widely recognized as "one of the most technologically and economically powerful economies in Asia".

Professor Linsu KIM, the former head of the Science and Technology Policy Institute in South Korea, a government think-tank, spent 20 years studying in an in-depth manner 200 enterprises, including those in the automobile, electronic and semiconductor industries and wrote a book called *Imitation to Innovation: The Dynamics of Korea's Technological Learning* to explain how South Korea, formerly one of the "Four Little Dragons of Asia", moved from a self-sufficient agricultural country to selectively pursuing the learning of technology amid keen competition in the market, thereby completing a transformation from imitation to innovation. Because of the South Korean government's policies of encouragement, enterprises have been able to design their own products and brands, especially in high value-added industries such as electronic products and cars, develop the world's most advanced TFT-LCD and DRAM production lines as well as world-class personalized electronic products brands and become a leader in online games.

Korea's experience is a top-down approach whereby its government plays the leading role in providing policies and institutional support for technological innovation, original brands and design. At the same time, enterprises play a key role in technological innovation, whereas the citizens support their national

brands with concrete actions. With the support of national policies and capital, a unique technological and innovative system was formed within a very short span of time. In 2003, Korea's total expenditure on scientific research accounted for 2.63% of the country's GDP, and rose to 3.23% in 2006. It is precisely due to this "nationwide institution" that makes it possible for Korea to establish huge technological reserves within short time with emphasis on projects highlighting technological breakthroughs, hence forming a hi-tech and large-scale industrial chain.

Thanks to the Korean government's vigorous support, the country has witnessed a series of changes: Enterprises' technological development has changed from tracking and simulation to creative world-class scientific technology and brand-new designs; the nation's R&D and management institutions have moved from diversification to integration and co-ordination; R&D have shifted its direction from emphasizing on investing in and exploring development and research areas to upgrading the quality and quantity of research and strengthening the industrialization of scientific research findings; and the national R&D institution has changed through the introduction of a competition mechanism, from a mode relying primarily on government subsidy for research institutes to a balanced development of the industries, universities and R&D institutes. Under a very efficient technological support grant system of the Korean government, enterprises enjoy autonomy in pursuing technological research projects, and the development expenses will be equally shared by enterprises and the government.

Meanwhile, the Korean government has also made a lot of efforts in encouraging enterprises to enhance original design. During the Budget debate this year, I pointed out that the "Design Korea" strategy was proposed in Korea in 1998. Thereafter, the First Industrial Design Convention and the World Design Congress were held. The Korea Design Centre was established with investment from the Korean government. The Industrial Design Special Committee was set up to support industrial design activities by means of co-operation between the government and the business sector. All these were led by the government. Besides forking out its share of money, the government also made an effort in promoting product design in the enterprises.

Between 2003 and 2007, a phase three industrial design development programme was launched in Korea, which was largely related to brand

development. For instance, there were marketing activities to promote design management and brand management; identifying and evaluating design brands; and developing the country's unique culture and innovation. The Korean government also made an effort in promoting the transformation of major enterprises into world-famous enterprises by enhancing their image. As a result, Samsung has now become one of the most valuable brands in the world, and the output of Hyundai last year also surpassed that of Japan's Honda.

In replying to a question I raised at the Panel on Financial Affairs this Monday, both the Financial Secretary and the Government Economist pointed out that the impact of the financial tsunami on Korea, with only a slight drop in GDP, was far less severe than that on Hong Kong because of Korea's successful restructuring and less reliance on exports. The industrial sector has always hoped that the Government can support us in promoting product and technological R&D and product design to enhance the values of products and production lines, as well as developing markets with potential. From the case of Korea, we can see that innovation, design and brand development and publicity are all indispensable to industrial restructuring. Furthermore, the Government should play the leading role in leading manufacturing industries to (*The buzzer sounded*)

MRS REGINA IP (in Cantonese): President, I very much welcome the motion proposed by Dr LAM Tai-fai today to call on the Government to assist local enterprises in brand building and product development as well as Mr Vincent FANG for proposing his amendment. Incidentally, I would like to let Mr FANG know that I used to wear the clothing under his label when I was young, but now I think it is the turn of the young and good-looking Miss CHAN, who is sitting beside me, to do so.

In the past, I knew a lot of garment businessmen because of my work. Apart from understanding very well the importance of brands, I also noticed that Hong Kong's manufacturing industry and brands are inseparable. Besides the most basic production mode of original equipment manufacturing, many manufacturers choose to, in addition to developing their own brands, purchase someone else's brands for distribution because they knew it very well that brand products would reap far higher profits.

I wish to point out the importance of branding because not only can branding add value to our products, whether products in the manufacturing industries or services in the service industries, it can also promote related high value-added services. It is because "brand development" itself is a high value-added professional service. Though less common in Hong Kong, "brand development" companies in Europe and the United States are extremely professional and have a very high output value.

I have once discussed with Dr LAM Tai-fai about his motion and, during our exchange of ideas, I asked him if it was feasible for Hong Kong brand products to be showcased at immigration control points. In reply, he told me that he was actually referring to the airport because there was a lack of space at the Lo Wu control point. I agree that the airport is a feasible option, depending on the scale of the exhibition and sales venues. However, I think the Government's support and leadership as well as well co-ordinated strategies are most important.

When it comes to strategies, I think I have to look into the matter with Secretary Rita LAU because she mentioned earlier the Government has a strategy over the years of turning Hong Kong into a brand, that is, Brand Hong Kong. I remember I participated in the relevant work years ago. I also know that the strategy was reviewed by the Financial Secretary last year, and some efforts, such as setting up a website and discussion forums, have been made. However, not much has been done, and no substantial results have been seen so far.

However, there is one thing I want to point out most, and that is, I think the strategy of branding Hong Kong in order to promote Hong Kong products is somewhat like putting the cart before the horse, and I do not entirely agree with it. The point is: Should a place be used to highlight the brands of products or should the brands be seen as a complement to the place? I think Secretary Rita LAU frequently travels to different places on business trips. Despite her lack of experience of living abroad for a long time, I think she should know that the reputation of Hong Kong is far from being impressive in the international community. In other parts of the world, only those living in major cities or having contact with us know about Hong Kong. If one asks the locals of Europe or the mid-west region of the United States, not to mention Africa or South America, they are very likely to have a very vague idea of Hong Kong. Whenever Hong Kong is mentioned, one may only think of our delicacies. It might also be our "*kung fu*" or "cop and robber" movies that remind someone of

Hong Kong. Actually, Hong Kong itself is not an exceptionally outstanding brand. On the contrary, some countries or cities in other parts of the world are held in high regard because of the success of their world-famous brands.

For me, the Hongkong and Shanghai Banking Corporation (HSBC) is the most famous Hong Kong brand that puts Hong Kong on the map because everyone will instantly associate it with Hong Kong. However, it can also be argued that it is not a Hong Kong brand, even though Hong Kong and Shanghai appear in its name because its headquarters were located in these two places when HSBC was established. Actually, the HSBC was set up by the British. Therefore, it is not an indigenous Hong Kong brand.

Let me turn to another brand considered to be quite reputable in the international community, Cathay Pacific. Actually, people travelling to the United States would find out that the status of Cathay Pacific is actually quite low in the major airports in the United States, and the airline is often subject to bullying. In the major airports of the East and West Coasts, only travellers going to Asia would hear of Cathay Pacific. Many people in Chicago or Indiana have no idea of what Cathay Pacific is. Even if the airline is considered successful, it was unfortunately not an indigenous brand developed by Hong Kong people, that is, someone like me or Members who are sitting beside me. Perhaps we can also say a few words about Shanghai Tang, which has got an outlet in New York. But even that outlet has been sold to someone else already. Therefore, the number of world-famous indigenous Hong Kong brands is actually very small.

I think culture is most crucial because our business culture is accustomed to "making a quick buck". In addition, we relied too heavily on the Mainland for cheap labour and land after the restructuring and relocation of our industries northward to the Pearl River Delta in order to continue to "make a quick buck" while forgetting about making investment to develop our own brands. Actually, it takes a very long time to build a world-famous brand. As the popular saying goes, "A fine job is a slow job". Something good cannot be done very quickly. I think Secretary Rita LAU should know that. As a female senior official, you might have bought some brand-name bags. How come a Kelly bag can be sold for US\$10,000? The Secretary is shaking her head. Perhaps you have. Never mind. You do not have any? I know you dare not accept it even if someone gives you one as a gift, right? I have got none, too. But I have seen a lot of fashion magazines recommending Hermes. Of course, it has a long

tradition: first, it has tradition; second, it has craftsmanship. Besides design, it has craftsmanship, too. Not only is each bag hand-made, almost all of them are by the same craftsman. The same goes for Porsche, which is also hand-made. Every Porsche has a number whereby one can trace its craftsman. This is what makes it so precious.

Therefore, in addition to efforts made in logo or exterior design, actual strength is crucial. In this respect, it is imperative for the Government to provide leadership to alter the business culture and strengthen support. Thank you, President.

PROF PATRICK LAU (in Cantonese): President, first of all, I would like to use the 4P marketing theory for business management to bring out my views on today's debate.

To begin with, the first "P", as Members should know, stands for "Product". It is most important for "Product" to meet high standard before it comes to the second "P", that is "Price". But how can pricing be determined? Without competition, pricing can be determined the way we like it. The third "P", or "Place", means that suitable marketing channels must be available before we come to the fourth "P", which stands for "Promotion" or strategies for promoting brands, before we can attract buyers.

Of these four "Ps", I think that "Product" is the most important. This means that we must be capable of manufacturing high quality and innovative products before we can lure buyers. If there is no market, we cannot possibly do business no matter how efforts are stepped up to promote our brands.

Fortunately, President, we have a fifth "P", or "People", in Hong Kong. Abundant talents can work together with products to proactively pursue product development and technological research, upgrade product quality and lure overseas businessmen to buy our products. Therefore, I go along with Dr LAM Tai-fai's motion with respect to technological research and innovation.

I also agree with the Secretary who has pointed out earlier that, in addition to products, Brand Hong Kong also means we as providers of international professional services. Given our numerous outstanding professionals, we should promote ourselves to the outside world and assist professionals of SMEs in

pursuing development in other parts of the world where there is a lack of professionals. For instance, when I was Chairman of the Infrastructure Development Advisory Committee of the Hong Kong Trade Development Council, I participated in a number of overseas visits and brought with me many professionals, such as architects, planners and interior designers, to places such as Dubai and the Middle East to promote Hong Kong's professional services. Despite the fast pace of development in the Middle East, there was a lack of talents and skills there. Our delegation happened to match the need of the place for development. After the visit, many people in the industry decided to seize the business opportunities and have since stayed there to provide services which we have an edge, such as design, planning, architectural design, management, and so on. I hope the incumbent Chairman of the Advisory Committee, Dr Raymond HO, can keep up with these efforts.

In order to maintain Hong Kong's competitive edge, manpower quality needs to be enhanced and upgraded. It is therefore necessary for the Government to provide more resources for various universities and tertiary institutions to provide enhanced training for talents. Certainly, efforts should be made in areas considered to be creative.

The Government should also provide more incentives to encourage various sectors of society to participate in scientific research and upgrade the quality of products. Let me cite the architectural profession as an example. We have been actively promoting green architecture and education, conducting research and development in green architectural technologies and promoting green development in the community. Developing new technologies can not only bring better community development, thereby producing a far-reaching impact on society, but also promote Hong Kong's brands.

However, the profession often lacks resources, and so the Government should provide more substantive support for scientific research and development by, for instance, providing land or financial incentives, to encourage society to pursue scientific research and development in order that the profession will be able to upgrade the quality of products.

President, at present, 6.5% of the industrial buildings in Hong Kong are left vacant. These buildings are a precious kind of recyclable resources. However, the owners have to apply to the Government for change of land use if they wish to

use these vacant buildings. Very often, this procedure is quite complicated. In fact, the Secretary should be aware of this, as she used to work with me in the Town Planning Board. But now, the most important problem is that costly land premiums will have to be paid if these buildings are used for other purposes.

Therefore, the relevant procedures must be streamlined. Apart from this, as regards the development of the six major economic areas proposed by the Chief Executive, if these buildings are to be renovated for use in an environmentally-friendly manner without having to be demolished, can land premiums be waived? As we can see, there are cases of buildings being revitalized. The Jockey Club Creative Arts Centre in Shek Kip Mei is a very successful example. The art space created from a vacant industrial building provides arts groups with a place for creation and research.

As proposed by Dr LAM, the Government can actually set up permanent exhibition venues for the Hong Kong Brands and Products Expo through planning and designing designated areas. This will encourage industrial and business establishments to showcase their products in one single building rather than the temporary exhibition venue at Victoria Park. Upon conversion, the building certainly can adopt an open-style design by installing additional escalators to provide commercial tenants with more space to promote their products and facilitate visits by overseas tourists, other businessmen and the public.

President, upgrading the development of local products and protecting intellectual property rights are highly important. Therefore, the Hong Kong Government must step up monitoring and law enforcement, curb plagiarism and combat piracy to enable Hong Kong to provide a better environment for the public to exploit their creativity and talent.

I so submit. Thank you, President.

MR JEFFREY LAM (in Cantonese): President, today, I am very pleased to see Dr LAM Tai-fai propose this motion, for this is a matter of great concern to the industrial and business sectors. During the past several years, I have expressed my views on this subject in this Council, chambers of commerce and society as well as making a number of proposals to the Government.

President, under the financial tsunami, Hong Kong's import and export trades are hard hit. In spite of this, the Financial Secretary, John TSANG, indicated the other day that our economy has already seen the dawn of recovery, with cargo export and sales volume of the retail industry beginning to show signs of improvement in April and May. Furthermore, there is still enormous potential in emerging markets, such as the Mainland, the Middle East and Russia, which have evidently been hit less severely than European countries and the United States. Therefore, Hong Kong manufacturers should seize this opportunity of upgrading and restructuring to develop a "branding effect", as a major step to enter the Mainland's huge domestic market.

Successful brands will not only bring enormous profits, but they may also even enhance the profile and image of the entire region. In fact, Hong Kong has a lot of quality brands, though not many of them can match world-class standards. According to the rankings announced by a market research agency, Millward Brown Optimor, in April this year, Esprit, ranked 97th, is the only Hong Kong brand on its chart of the world's 100 most valuable brands. Evidently, there is still a lot to be done by Hong Kong brands.

Certainly, a successful brand cannot be established overnight, and a lot of scientific research and marketing resources are required for the purpose. At present, enterprises may, for the purpose of developing their own brands, apply to the Government for subsidy under the SME Development Fund and SME Export Marketing Fund, though these programmes are not entirely targeting branding development. This is why I think that the Government should consolidate existing resources and provide clear application guidelines for various subsidy programmes. Furthermore, given that newly developed brands can hardly yield returns in the short run, the Government should consider easing the taxation pressure on enterprises by, for instance, providing tax concessions for expenses in scientific research.

One of the greatest problems faced by Hong Kong enterprises in entering the mainland market is that different trademark laws are adopted in Hong Kong and the Mainland. For instance in trademark registration, the principle of "being used first" is adopted in Hong Kong, whereas "being registered first", or "first-come-first-serve" are adopted on the Mainland. This explains why scrambling for registration has become a common phenomenon. Although a brand owner may seek to resolve a trademark dispute through legal channels on

grounds of malicious registration, the case may drag on for years and his or her company might have already closed down before the case is heard in Court. Actually, "Made in Hong Kong" has always been well received by the people on the Mainland. Hence, I hope the Government can strengthen co-operation with the mainland government and combat infringement on the protection of intellectual property rights. Over the past several years, we have seen the interests of many brands and companies in Hong Kong being jeopardized by acts of infringement. As I have pointed out earlier, some companies might unfortunately face the risk of closure.

Quality is vital to building outstanding brands. We must perform our gatekeeping role properly before we can win the trust of consumers. In this respect, the local testing and certification services can play a crucial role.

President, I would like to declare my interest. I am a non-salaried director of the Hong Kong Standards and Testing Centre. Over the years, I have been striving to promote testing and certification in both Hong Kong and the Mainland. With a history of several decades, the local testing and certification industries have been widely recognized and trusted by the Mainland and the international community. The Hong Kong Standards and Testing Centre, for instance, has extended its services to Guangzhou and Dongguan in the Pearl River Delta Region and Shanghai, and its services are also recognized by a number of certification agencies on the Mainland, Germany, Japan, the United States, and so on.

With more and more Hong Kong-invested enterprises developing domestic markets, and demands by mainland people for higher quality, the advantage of the local testing and certification industries perfectly match the need arising from the development of Hong Kong products and brands. In particular, with the signing of CEPA between the Governments of China and Hong Kong, the Hong Kong Government may take the initiative to explore with the Mainland the establishment of a mutual recognition regime in respect of testing and certification, allowing the test reports prepared by recognized agencies in China and Hong Kong to be used in the two places, and promote the flow of products. This will help upgrade the reputation of the local certification industry and help the industry venture into the mainland market.

At present, in most cases, the testing industry can only rely on itself in launching publicity. I propose that the Government may co-ordinate the

industry in launching publicity overseas to encourage more mainland and overseas buyers to use our certification services. According to an announcement made by the Government the other day, a "Hong Kong Council for Testing and Certification" will be established in three months. I hope the establishment of this Council can further upgrade the professional standards and recognition of the local testing and certification industries so that they can work jointly with other industries in Hong Kong to build more internationally-known brands.

President, I so submit.

MR FRED LI (in Cantonese): President, actually, for many years Hong Kong's manufacturing industries have been facing a lot of difficulties. We can see that manufacturers in the Pearl River Delta have gradually lost their advantage of low production costs. Coupled with competition from other mainland provinces and municipalities as well as other low-cost Asian countries, our manufacturing industries can no longer compete with their rivals by simply lowering their prices.

On the other hand, the economy of traditional markets, such as the United States and Europe, has been dealt a serious blow after the financial tsunami. As a result, there has been a substantial drop in the number of orders from these markets, which is clearly evident in Hong Kong's export figures in recent months. But, fortunately, the mainland economy has not experienced a similar decline and has been able to maintain the momentum of continued growth. Therefore, in order to ride out the economic difficulties and even turn crises into opportunities, the local manufacturing industries must upgrade the quality of their products, manufacture specialty products, and develop markets on the Mainland through building outstanding brands and fostering unique image.

Since the outbreak of the financial tsunami, manufacturers in Hong Kong, which are mostly SMEs, have been struck with the problem of inadequate capital. The payment of monthly wages to workers alone has already given them a serious headache. Under such an adverse environment, manufacturers can hardly afford the manpower and capital to build brands, improve product design and undertake research on new items. Therefore, we support the original motion on calling on the Government to set up a statutory agency whereby a group of experts with a wide range of expertise will assist enterprises with brand building and undertake research.

Many brands produced by local manufacturers are a big hit in the markets in Europe and the United States because of their unique design and excellent quality. On the contrary, these brands are little known in Hong Kong. This is why the Government should assist the manufacturing industries in building a platform for local brands. Since the implementation of the Individual Visit Scheme for mainland tourists in 2003, shopping has become one of the highlights for these tourists. The Government may renovate and convert some old industrial buildings into exhibition and sales centres to, on the one hand, enable SMEs to promote and sell their products to tourists and, on the other hand, give mainland tourists the opportunities for access to quality Hong Kong-made products, hence the purpose of building brands and reputation can be achieved. The customer flow created by these visitors can also bring prosperity to the districts where the exhibition and sales centres are situated, thereby indirectly boosting the business of other shops and creating job opportunities.

Since the legal systems in Hong Kong and the Mainland are different, manufacturers are required to register their trademarks and brands in the two places separately. It is indeed a waste of time to complete the formalities in numerous government departments in the two places. I think Hong Kong and the Mainland can follow the practice of the European Union (EU) whereby a trademark or brand, once registered in one of the EU countries, will automatically be recognized in the other 20-odd EU countries. Likewise, Hong Kong and the Mainland can study the feasibility of implementing the "one-registration, two uses" policy to make it easier for Hong Kong brands to enter the mainland market and enable local manufacturers to save their time, energy and resources while they can focus their attention on researching new products, improving design and production, and so on.

President, on behalf of the Democratic Party, I support Dr LAM Tai-fai's motion and Mr Vincent FANG's amendment.

MR WONG KWOK-HING (in Cantonese): President, I speak in support of Dr LAM Tai-fai's motion and the amendment proposed by another Member. I think Dr LAM's motion is worthy of consideration by the Government for it represents not only the wish of the business sector and entrepreneurs, but also the wish of the wage earners in Hong Kong.

Over the years, there have been repeated calls by the Hong Kong Federation of Trade Unions (FTU) for the Government to formulate an employment-led economic policy. But so far, the Government has still not come up with such a policy. Neither has it shown any determination to consider and study this proposal and take follow-up actions. This is quite regrettable. I would like to raise three points below to explain why we support this motion.

First, the Government has received more than \$100 billion through this Council to launch major infrastructure projects and implement the six recommendations made by the Task Force on Economic Challenges. However, can the implementation of these proposals sustain our development and resolve the employment problem faced by wage earners in Hong Kong in the long run? This is precisely where the problem lies. What will happen after all infrastructure projects are completed? What will happen after the \$100 billion has been spent? In my opinion, for our economy to enjoy sustainable development, enterprises must continue to have room for survival. In this way, wage earners will have employment prospects, too. Therefore, if there is no employment-led economic policy, it is likely that problems will arise in sustainable development.

Second, we must not neglect that although the unemployment rate recently announced by the Government has ceased to rise and stabilized, we must not feel contented because 200 000 people are still out of work and 400 000 people are still earning a low monthly income of only \$4,000 to \$5,000. In other words, more than 600 000 people are still hovering between unemployment and working poverty. The key is: Are they really employed and can they live in a dignified manner through their jobs? Only in this way can social harmony be achieved. I think the Government is duty-bound to give consideration to this. We absolutely support Dr LAM's proposal of "supporting enterprises and preserving employment" because we are all closely related and mutually dependent. With respect to this issue, the Government, as our leader, is obliged to give consideration to the employment situation. This is why we propose an employment-led economic policy.

Third, such being the case, what should the Government do to attract and encourage entrepreneurs to invest and operate factories in Hong Kong? In fact, in the 1970s and 1980s, before the economic restructuring, many industries in Hong Kong, including garment, toys, publishing, wig, electronics, plastics,

shipping and ship-building, as well as mechanical maintenance backing these factories and various complementary support activities, created a lot of employment opportunities in the territory and backed up people of many generations. During this period, unemployment was actually not a problem. But why does it become a problem now? This is because it is very difficult to find a job now; even university graduates would find it very difficult to find a good job. It is not the case that there are no brands in Hong Kong. For instance, there used to be the famous umbrella manufacturer, Leung So Kee and the very durable "Red A" plastic products. But now they are no more. Even our real friend, San Miguel beer, can no longer be the real friend of Hong Kong people. There is also Vitasoy, a Hong Kong brand. I know it very well that when Vitasoy was manufactured in Hong Kong, the Mainland still did not know how to manufacture products like Vitasoy. Why can these brands not survive, develop and flourish in Hong Kong?

President, I just read a press cutting dated 4 July from the *Hong Kong Economic Journal* featuring Mr Jeffrey LAM and entitled to the effect of "Boosting one's ambition by seeking pleasures". The case of Mr LAM demonstrates a point, and I would like to quote a few lines from the article to this effect, "The entire nation was electrified when I came up with the idea of the toy robot transformers was in 1988. I remember on the first day when the toys were put on sale in Shanghai, the toys were a big hit and shops were swarmed with customers " As time is running out, I must stop here. According to Mr LAM, someone brought with him a whole bag of money to buy these robot toys. Why can these products not take root in Hong Kong even though Mr LAM is hailed as "The Father of Toy Robot Transformers in China"? Actually, it is because of the Government's three "high" policies, namely high land price, high rent and high tax policies, that make it difficult for manufacturers to survive in Hong Kong.

Secretary, what the Government needs to consider today is what policies should be adopted in the area of taxation, land prices and rents to attract these enterprises to return to Hong Kong for development. Thank you, President.

MISS TANYA CHAN (in Cantonese): President, when it comes to Hong Kong's local brands, I believe Hong Kong people can list at least 10 to 20 brands, with some of them being century-old shops or world-famous brands. This is why we

say that Hong Kong's environment has all along been conducive to brand building, for otherwise, the existence of some household names would not have been possible.

I believe when Dr LAM Tai-fai proposes the motion today, he has taken into account the need for a number of Hong Kong manufacturers to build their own brands as a way out in the face of the challenges brought about the restructuring of the manufacturing industries in the Pearl River Delta. Of course, I agree with this major direction. What I wish to say is while encouraging the building of our own brands, we should also pay attention to the possible challenges that may arise and what role Hong Kong can play in assisting mainland enterprises in building their brands.

Hong Kong's industrial production has all along focused primarily on processing or manufacturing. At present, many Hong Kong businessmen on the Mainland are engaging in processing imported materials businesses or performing original equipment manufacturing for some well-developed brands. While I have absolute confidence in Hong Kong businessmen for their operational experience in and efficient management of production lines, brand building and running a factory are totally different. How many Hong Kong businessmen can really build their own brands? Earlier on, we visited Guangzhou and Shenzhen to meet with some Hong Kong manufacturers. I remember very clearly during a meeting with some Hong Kong businessmen in Shenzhen in one evening, we were told by one of the businessmen that not every one of them were capable of building their own brands. I remember the President was also present at that time.

It is mentioned in Dr LAM's motion that the Government should assist manufacturers in improving the research and development of new products, which will certainly have a long-term impact of supporting brand building. However, product development is not the only essential element for brand building. Marketing, building sales networks, brand management, quality control and intellectual property rights are all very important, too. In fact, agencies such as the Government's trade and industry departments, the Hong Kong Productivity Council and the Hong Kong Trade Development Council can play a bigger role in assisting Hong Kong businessmen in seizing these opportunities for development.

Moreover, as the old saying goes, "Before the marching of the three armed forces, food and fodder should go first". Just now, a number of Members have mentioned that substantial funds are required for brand building. Even if small and medium enterprises (SMEs) in Hong Kong are committed to building brands, they might not have the financial strength to do so. Every component, from brand designing to publicity and product development, requires money. Actually, the Government should assist enterprises which are qualified to build their own brands but have only limited funds and in need of technological support to make changes and face the challenges brought about by the business environment. Officials responsible for trade and industry policies must step up their efforts in identifying solutions.

President, when it comes to brands, the issue of intellectual property rights must be mentioned. What worries many enterprises most in entering the mainland market is the possibility of being infringed on, copied or even pirated. So long as these problems remain unresolved, all efforts made to propose more measures to assist brand building will eventually be futile.

Let me cite an example, even though this has been mentioned by a number of Members before. At present, some unscrupulous organizations, enterprises or even individuals on the Mainland are allowed to register, in their own name, Hong Kong or world-famous brands to prevent these brands from registering their trademarks when they are officially launched on the Mainland. So, what can these brands do? They can only negotiate with these unscrupulous individuals or enterprises which have succeeded in registering the trademarks first. Seeing these opportunities are too good to be missed, these unscrupulous individuals or enterprises will ask for exorbitant prices and resort to every blackmailing tactic. Sometimes, the matter might even have to be taken to Court. As mentioned by an Honourable colleague just now, apart from spending money, Hong Kong businessmen might even have to wait for a long time for the outcome. For SMEs, they might simply be ruined as a result.

Worse still, the trend of trademark copying is extremely rampant on the Mainland. One can easily pass off a well-known trademark as another trademark for registration by adding a dot or a letter in the alphabet or changing one of the letters. Actually, something like this has happened in Hong Kong before. Members may recall a tissue brand beginning with the letter "T". This is one of the copycats I find on the Internet. By making endless changes to

someone else's brands, they can be very "creative". But at last, due to our good legal system and powerful law enforcement action, the situation has been brought under control. Apparently, the mainland Government also needs to step up law enforcement action.

Therefore, both the Hong Kong and Mainland Governments must step up their efforts in protecting intellectual property rights. Otherwise, I really have to advise Hong Kong enterprises against devoting excessive resources to building their own brands because, at the end of the day, the trademark mutual recognition system might not be implemented.

President, Hong Kong's greatest potential in brand building lies in its ability to assist major mainland enterprises to build up world-class brands and help mainland products go global. The experience gained by Hong Kong in brand building and development can also be taken up by mainland enterprises for reference.

When economic development was mentioned recently, reference would definitely be made to the Outline of the Plan for the Reform and Development of the Pearl River Delta (the Outline). The Outline has, from beginning to end, repeatedly emphasized that the Pearl River Delta (PRD) must build up brands and develop world-class leading companies and flagships of enterprises. It is thus evident that brand building has already become one of the Central Authorities' policies to be handed down to Guangdong Province. But given the fact that the PRD region has all along focused primarily on processing imported materials, how many brand building and management talents are available in the region? I believe this will provide Hong Kong with an enormous development opportunity. In fact, Hong Kong's educational institutions may consider offering academic programmes of this sort, such as brand building and marketing and, as mentioned earlier, branding. All these point to the direction Hong Kong can take to assist the development of the Mainland.

President, there used to be many local brands Hong Kong should feel proud of. In fact, Hong Kong is itself a world-class brand for its system, flexibility, efficiency, adaptability and for the assurance it gives. While seeking to further assist enterprises in building their brands, Hong Kong must also preserve itself as a very valuable brand and its own core values.

With these remarks, I support Dr LAM Tai-fai's motion and Mr Vincent FANG's amendment on behalf of the Civic Party. Thank you, President.

MR WONG TING-KWONG (in Cantonese): President, as a result of globalization and the rise of knowledge-based economy, the economy of Hong Kong must undergo restructuring in the direction of high value-addedness and innovation. The traditional processing trade operated by Hong Kong-invested enterprises in the Pearl River Delta (PRD) is like doing the work of others rather than themselves. Given its limited added value and bargaining power, the long-term development of the enterprises and the PRD region will be limited, too. For instance, because of a lack of original brand names, China can only make a processing profit of 30 US cents on average from exporting a piece of garment. Given that the profit from exporting 800 million pieces of garment is just enough to buy an A380 aeroplane, brand development is now regarded as a top priority.

Why are brands so important? Brands represent the image and reputation of enterprises. Brands represent the commitment to good quality. The existence of brands help customers process abundant information about products, enhance their confidence in making purchases and make it easier for customers to choose the products they prefer.

Apart from functional value, commodities also have additional value, that is, the value of reflecting the taste and class of commodities and the sense of self-satisfaction given to customers. In addition to a commodity's own functions, consumers can also demonstrate through consumption their social status and lifestyle so as to manifest their character and gain spiritual and psychological satisfaction. For instance, consumers of Coca Cola have found the passion, vitality, optimism and American culture as represented by the brand particularly appealing.

For enterprises, brands can enhance the additional value of products. Very often, consumers are willing to spend more to buy brand-name products just to gain material and spiritual satisfaction. At the same time, brand-name products may enjoy lower advertising and marketing costs. When a brand enjoys a certain degree of popularity in a market, it will be relatively easy for its products to enter a new market and, as a result, the costs involved will be lowered. At a time when the functions of products are similar and production

capacity is excessive today, brands play an increasingly significant role in competition in the global consumption market.

While Hong Kong enterprises have an edge in such areas as quality management, design and marketing, they are still way behind enterprises in Europe, the United States, Japan and Korea in brand building and management because not only enormous support are given by the governments of these places to original brands, comprehensive trademark registration systems are also in place in these places. When the copyrights of certain brands are being infringed upon, the relevant governments will take up the matter by assisting the brands in negotiating with the infringers.

The SAR Government should follow the examples of overseas governments to play an active role in assisting the establishment of brands and get directly involved in leading the work in the nurturing, evaluation and selection, promotion and protection of brands. I suggest the Government may consider setting up a designated fund for "brand establishment", launching targeted support programmes, operating matching assistance schemes and low-interest loan schemes, providing SMEs with funds for brand and product development, organizing advisory programmes, giving technological and information support and providing SMEs with guidance on brand establishment and product development.

President, the quality of products and excellent services are indispensable to brand establishment. Apart from supporting and assisting the promotion of Hong Kong's existing brand certification scheme, the Government should also launch a quality brand competition, to be supported by the Government, as part of its efforts to encourage enterprises to upgrade their quality and launch a Hong Kong brand building project.

Exhibition and sales platforms provide an effective brand promotion channel. The Government and the industry may work jointly to explore a larger number of permanent or temporary promotional platforms in Hong Kong, the Mainland or other parts of the world. Or it may consider establishing permanent exhibition and sales centres for Hong Kong products in industrial buildings in Hong Kong, and also on the Mainland (including the border area). The Government should also consult the Mainland on lowering the threshold for Hong Kong's retail and wholesale enterprises to enter the mainland market so as to

facilitate the establishment of our own domestic sales channels and networks and create favourable conditions for brand building.

When it comes to co-operation with the Mainland, the governments of the two places should actively discuss ways to promote branding co-operation between Hong Kong and the Mainland. In particular, Hong Kong should fight for recognition by the Mainland Government of Hong Kong's representative brand awards, study the feasibility of "one-registration, two-uses" for trademarks, that is, the application of one trademark in two places by making reference to overseas practices, establish a mutual recognition regime for trademark registration in both the Mainland and Hong Kong, and offer protection to well-known trademarks and brands.

"Made in Hong Kong" is already a popular brand on the Mainland and in other parts of the world. The Hong Kong Government is currently promoting a "Brand Hong Kong" initiative with a view to promoting Hong Kong as Asia's world city, with tourism and business services as its major targets. I hope "Brand Hong Kong" can serve our manufacturing industry, too.

Both product development and the overall branding of Hong Kong are a complicated and challenging task. The key to success lies in efforts made by enterprises as well as the vigorous promotional work and support from the industry and the Government.

With these remarks, President, the Democratic Alliance for the Betterment and Progress of Hong Kong supports Dr LAM Tai-fai's motion and Mr Vincent FANG's amendment.

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

MR LEUNG KWOK-HUNG (in Cantonese): As I have stated earlier, and now I am repeating this for the fourth time, this Council has been reduced to something like a business promotion agency. Why? It is because the Government has no policy, and so different consortia or people holding different views can use this Council as a forum to discuss which trades or industries are worth encouraging, even though these trades or industries are basically in conflict with another.

Let me put it simply by referring to the brands we have heard just now. First of all, our education must not lag behind. For a long time, our education expenditure has been lagging behind that of our rivals. Not only is the popularity of university education in Hong Kong extremely low, it is also extremely difficult for our manpower resources to catch up with others. What can we do if the Government does not make any effort?

The second problem is exorbitant government rent. It has frequently been pointed out in this Council that, compared with the Mainland, salaries in Hong Kong are excessively high. While this is indisputable, it should be borne in mind that, compared with basic consumption in Hong Kong, the wages of people working and living here are actually exceedingly low. Here is where the conflict lies. So, what can we do? Actually, efforts have been made. Earlier on I have heard many Mr WONG Kwok-hing reminisced about the disappearance of brands. Actually, our exploitation of the Mainland's cheap labour has caused us to make use of other people's labour force to destroy ourselves.

Despite our big fortune, we care nothing about moral integrity. Instead, we use the money to speculate in properties and stocks, and our banking system Mrs Regina IP has already left. Just now I heard her say that the Hongkong and Shanghai Banking Corporation (HSBC) could be considered the most remarkable in the world. I agree with her for the tallest building in Buenos Aires, Argentina bears its trademark. The reason is when Argentina was dragged into deep trouble by the Americans in 2001 when there was serious depreciation of the Argentine peso, the HSBC bought assets rather than bonds from others. That was outright robbery. How remarkable the HSBC was!

Well, all these banks do not engage in proper business. They engage in either mortgages or stocks. Now we can see that these banks engage in securities because they cannot make enough money due to the depressed property market. As a result, this has given rise to the Lehman Brothers incident. Banks have done what they should not do. Have they ever thought of fulfilling their responsibility as bankers in providing loans? Discounting is available to brands or products in other places, such as South Korea. If you want to buy things from me, I can offer you a loan; or I will give you money when you secure an order. Have they done something like these? May I ask the Government to stop repeating its commitment of "supporting enterprises and preserving employment". I have pointed out repeatedly that Hong Kong enterprises have

all ended in failure north of Shenzhen. How can the Government support them? There is nothing the Government can do. At most it can say that the enterprises can raise mortgages with their assets in Hong Kong.

Members, what are we talking about? We are talking about the River Loop area, which is irrelevant. What else can we say if we merely get some brands there for sale? Everyone involved is really doing things half-heartedly. I support Mr X, and Mr X supports Mr Y, and Mr Y in turns to support Mr Z. In other words, everyone is doing something to save each other's face. When people are promoting business, I will give my support as usual in the absence of the Central Authorities' co-ordination effort. Is there such a policy? When it comes to brands, our tourism industry is the first service industry to have died. Now, we can think of another service industry, such as education, health care, and so on. Since our education and health care sectors are already in great danger, it is really extremely stupid for someone to suggest inventing another industry to serve others. What does economics mean? Economics is all about distribution and utilization of resources, human relationship, and how different people in society contribute according to their abilities and get back what they deserve after making their contributions. It is a system.

What do we mean when we talk about brands? There is nothing we can do now. What can we do when we have only one or two brands? When it comes to research and development (R&D) of our enterprises, no other developed countries can rival us in the extremely low ratio between the funds devoted by us to R&D and the output of our enterprises.

Our enterprises pay such a small amount of tax and yet they refrain from funding R&D and, what is more, they even ask us to provide them with funding for R&D. This is pure nonsense. At a time when our Government has to live within its means, it even says that it will help them. This means existing services in such areas as education, health care and social welfare will be slashed and pay cuts for civil servants will take place. Do we have to act in this manner? I have been a Member of the Legislative Council for such a long time, but I have never seen so many business promotion activities, or different consortia lobbying this and that. Should we fail to do our own part, it will be impossible for Hong Kong to set out again to pursue development if basic work is not done in the areas of education, health care and social welfare to make up for their inadequacies.

I have repeatedly pointed out in this Council that I have never seen any powerful industrial nation not able to resolve these several major problems. Neither have I seen any powerful industrial nation not train up its ordinary citizens so as to turn them into manpower resources, a stepping stone or backbone to bolster up the country at different times when policy has to be changed. This is why I think that the discussion today is also a business promotion event. I am really sorry, Tai Fai! But as you have acted in such an abstract manner, there is no way for me not to support you. *(Laughter)*

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Dr LAM Tai-fai, you may now speak on Mr Vincent FANG's amendment. You may speak for up to five minutes.

DR LAM TAI-FAI (in Cantonese): President, I now speak on the amendment moved by Mr Vincent FANG. I am very thankful to him for moving an amendment to my original motion. I support his amendment. In fact, the point he raises in his amendment has enriched my motion made it more forceful.

In fact, what Mr FANG has proposed is also what I have always been advocating, that is, promoting Hong Kong's testing and certification services. This is certainly conducive to enhancing the international profile of Hong Kong brands and the recognition given to our products. With this foundation, enterprises can make the full use of the services to build their quality brands. In fact, Mr Vincent FANG's suggestion is nothing new to us because a motion debate on promoting the development of Hong Kong's testing and certification industry at the Council meeting on 20 May this year has been unanimously supported by all Members.

In fact, the testing and certification industry has laid a good foundation in Hong Kong and enjoys international recognition. For instance, the Chinese Manufacturers' Association of Hong Kong (CMA) took the lead in setting up a certification centre in 1979 which can be described as the pioneer of the industry.

As we all know, the centre is a provider of excellent certification services under a sound system, and it can give confidence to clients and assurance to its quality.

President, I strongly support the development direction of the Government to promote the testing and certification industry in a proactive manner. This includes more outsourcing of testing services to quality private laboratories (such as the CMA's certification centre), relaxing the restrictions on the development of the industry in the Mainland, fighting for lowering the entry threshold of local laboratories to the Mainland, striving for recognition of Hong Kong's testing level and testing reports by the Mainland and the establishment of a mutual recognition mechanism in a bid to explore the vast business opportunities. Meanwhile, we should enter into more mutual recognition agreements with overseas countries in order to enhance the confidence in and recognition of Hong Kong's testing and certification reports by overseas institutions.

In Mr Vincent FANG's amendment, there is one more point to which I very much agree, that is, we have to ensure that sufficient testing and certification professionals are trained to cope with the huge demand in the market. Despite the excellent room of development for Hong Kong's testing industry, it faces a shortage of professionals. Therefore, I very much hope that the Government can shortly relax the Admission Scheme for Mainland Talents and Professionals. In the long run, more resources and incentives should be provided to tertiary institutions and private organizations so that more local testing and certification professionals can be trained.

President, with these remarks, I hope Members will support my original motion and Mr Vincent FANG's amendment.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, I am most grateful to Members for their views on today's motion. Many Members have shown their profound knowledge and deep insight into the subject and they have put forward a lot of views and proposals on how to help local enterprises establish their brands and develop the mainland market. I share many of their views. I think the Government and Members share a common objective on this issue. We all agree that Hong Kong designs are outstanding and there are lots of talents. Hong Kong brands mean quality and many enterprises in Hong Kong have the capability and are in a good position to

excel themselves on the Mainland. The Government will surely support Hong Kong enterprises to develop product branding and venture into the mainland market and it will render strong support in this regard.

In my earlier speech, I have set out the Government's approach and specific measures in various aspects, fully demonstrating that importance is attached to supporting the industry to develop branding and explore the mainland market.

Many of the proposals put forward by Members earlier should be studied and discussed further by us.

First of all, let me respond to Dr LAM Tai-fai's proposal to set up a high-level standing institution. As for the development of branding, a focused and high-degree of co-ordination will be needed in relation to the formulation of policies or the implementation of measures. Departments which are currently responsible for the relevant areas, including innovative technology, information and communication technology, testing and certification, designs, creative industries, industrial support, intellectual property rights and so on, all fall within the portfolios of the Commerce and Economic Development Bureau under my charge. This will facilitate planning and co-ordination in respect of the deployment of manpower or resources. To establish a separate body will be a duplication. In terms of hierarchy, the "Brand Hong Kong" is even personally supervised by the Financial Secretary, indicating how high the level is.

Dr LAM has proposed that industrial buildings be turned into exhibition and sales centres for brand-name products of Hong Kong. In fact, the Government has been reviewing the planning of industrial areas from time to time. Since 2001, the Planning Department has also introduced a new type of land use zones known as Other Specified Uses or annotated "business" zones, with the purpose of enhancing the flexibility of the use of existing industrial land in order to respond to market needs. To set up an exhibition and sales centre for brand-name products in an annotated "business" zone will not require a separate application in most cases. When announcing the promotion of six new economic areas, the Chief Executive emphasized that appropriate policies would be launched, including a study on the introduction of policies and measures to accelerate the modification or redevelopment of factory buildings which have not been put into the best use so as to provide usable floor area and land to the

cultural and creative industries. As for the proposal of setting up precincts in immigration control points to showcase Hong Kong's products, we have already designated some display areas for Hong Kong products at the Hong Kong airport. In principle we welcome the proposal provided that the activities of visitors and control of pedestrian flows at control points are not adversely affected. However, we have to conduct a more detailed study on the environment and situation of various control points with the relevant departments.

We understand that more efforts should be made to protect intellectual property rights in order to develop branding and encourage original creativity. In this regard, the Intellectual Property Department has spared no effort in organizing seminars and conferences to enhance local enterprises' understanding of and respect for intellectual property rights. The Customs and Excise Department is also committed to combating trademark-related copyright infringement activities. In addition, under the framework of CEPA, we have been working closely with the relevant mainland departments and we are committed to enhancing the awareness of mainland and local enterprises in the relevant laws of both places and corresponding protective measures so as to enhance the capacity and standard in protecting and managing intellectual property rights by enterprises in both places. Apart from holding seminars and conferences, the two sides will also work through co-ordination or the task force and explore measures which can facilitate the protection of intellectual property rights by enterprises.

Regarding the proposal of "one-registration, two-uses" for trademarks and establishing a mutual recognition regime for trademark registration in both the Mainland and Hong Kong, the intellectual property rights system of Hong Kong is in full compliance with the prescribed standards under the World Trade Organization and other international conventions. Under these conventions, intellectual property protection is territorial, meaning that each member country or region shall protect and enforce its intellectual property rights in accordance with its own legal system. The departments responsible for handling registration applications on the Mainland and in Hong Kong should vet and approve the applications in accordance with their independent trademark registration system and regulations. Therefore, we do not have any plan to discuss the "one-registration, two-uses" proposal with the Mainland.

As for offering special protection for Hong Kong's well-known trademarks and brands by the Mainland, first of all, I would like to explain that there is no such trademark registration category as "well-known trademark" in Hong Kong. But according to Paris Convention which is applicable to the Mainland and Hong Kong, a "well-known trademark" will be protected even though it has not been registered on the Mainland or in Hong Kong. In accordance with the Trade Marks Ordinance of Hong Kong, the owner of a well-known trademark entitled to protection under the Paris Convention has the right, under the circumstances that someone is using the same or similar trademark on the same or similar goods or services in Hong Kong, to restrict the use of the relevant trademark on the goods or services in Hong Kong by an injunction even though the relevant trademark has not been registered in Hong Kong.

We know that the Mainland has been actively promoting the recognition and protection of well-known trademarks in China in recent years in order to tally with its "go global" policy. Under the Recognition and Protection of Well-known Trademarks Provisions of the Mainland, well-known trademarks in China may seek recognition on the Mainland through administrative or judicial proceedings. A recognized well-known trademark will be entitled to protection not only under the Paris Convention but also other safeguards on the Mainland, such as protection against malicious acts of rush registration, no amount of deposit is required in respect of a request for conducting investigation into a trademark counterfeiting case and other companies are prevented from registering famous trademarks as the names of their companies. Some Hong Kong brands have been recognized as well-known trademarks in China through administrative or judicial proceedings.

Protection for trademarks and other intellectual property rights has kept improving in recent years on the Mainland. The Government will continue to discuss with the mainland authorities about further strengthening the protection for Hong Kong's trademarks and brands through CEPA and other appropriate channels. We will also conduct a study, together with the mainland authorities, of other measures which will facilitate Hong Kong brands to register as trademarks on the Mainland.

Finally, I would like to respond to Mr Vincent FANG's proposal of promoting to other places Hong Kong's testing and certification services. Hong

Kong has a sound accreditation system and our testing services have gained recognition in most regions. Coupled with our huge production base in the neighbouring region, this has brought unique opportunities and an enormous room of development for the testing and certification industry. Currently, there are more than 300 organizations in the industry, most of which are private laboratories.

The testing and certification industry has all along provided a lot of testing and inspection services to the manufacturing industries in the Pearl River Delta, such as toys and children's products, electrical and electronic products, textiles and garments and so on. In addition, accreditation service is also provided to these products and the relevant management systems. As more food and drug tests are conducted by the industry in recent years, quite a number of famous international testing and certification bodies have developed their business in Hong Kong.

The Government has all along been helping the testing and certification industry maintain its professional standards and further development through the Hong Kong Accreditation Service under the Innovation and Technology Commission. The Task Force on Economic Challenges has put forward specific recommendations for the development of testing and certification industry with immediate measures including: first, establish a "Hong Kong Council for Testing and Certification" to enhance professional standards and recognition of our industry in the international arena, and explore more business opportunities; and second, the Government will continue to provide more business opportunities to the private laboratories by, for example, outsourcing more food tests to complement new legislation in the relevant areas, and encourage the Chinese medicine trade to monitor the quality of Chinese medicine products by conducting basic tests on their products regularly.

There are three medium-term measures including: first, promote our testing and certification services on the Mainland and overseas through the Hong Kong Productivity Council, the Trade Development Council and the Government's Economic and Trade Offices; second, pursue discussions with the mainland authorities through CEPA to seek their agreement to recognize the testing reports of Hong Kong-accredited laboratories; and third, strengthen vocational training programmes for the industry.

Meanwhile, the Chief Executive has also announced the setting up of the Hong Kong Council for Testing and Certification (the Council) by end September this year to enhance the professional standards and recognition of the industry in the international arena. Upon its establishment, the Council will work with the industry to develop a three-year market-led development plan within six months, including the development of new testing and certification services, manpower training, marketing, upgrading the professionalism of the industry, which will be implemented jointly with the relevant departments and organizations. Members of the Council will comprise representatives of the industry, chambers of commerce, academia, and organizations which have helped develop the industry. It is believed that this specific development plan formulated with the joint effort of the industry will further enhance the service standards and recognition of Hong Kong's testing and certification industry.

President, to assist local enterprises in brand building and developing the domestic market successfully is a sustained commitment and a project which hinges on continuous efforts over a long period. Hence, we cannot expect to see immediate results. The Government will certainly provide the greatest support in terms of resources and policies. Meanwhile, it will continue to communicate and co-ordinate with the mainland authorities in order that a more lax and flexible approach can be adopted by the mainland authorities in handling applications and requests in relation to the development of mainland market by Hong Kong brands. We wish to strengthen co-operation with the industry and assist local enterprises in brand building and promoting domestic sales.

In the final analysis, however, the key to successful development of the mainland market by Hong Kong brands lies in the quality of the brands. Without quality products and services, even the most successful promotional and marketing strategy cannot guarantee a long lasting effect. Faced with keen competition from mainland and overseas products, the primary task of Hong Kong enterprises is to upgrade product quality on their own initiative and engage in service innovation. Given that there are excellent technological and innovative talents in Hong Kong, I would like to encourage enterprises to inject more resources in product and service innovation, explore business opportunities and value-addedness for themselves. Coupled with complementary measures and support from the Government, enterprises will be able to make a name for themselves, apart from building brands for Hong Kong. This will be to the benefit of both parties.

In view of the huge amount of resources required for brand development and promotion of domestic sales, we need to work in phases by, for instance, first helping enterprises which have developed their brands into famous products or are enjoying a certain amount of consumer recognition explore and develop the domestic market. As for other enterprises which are still striving to develop their brands, the Government will endeavour to help them develop specialty products, nurture professionals in brand management and provide resources for encouraging R&D and promotion work. It is believed that a better effect will be achieved by offering support at different levels and forms as an answer to the different needs of enterprises.

President, the development of brands and promotion of domestic sales are a job that stretches over a long period of time. We are most happy to listen to and consider all constructive and feasible proposals. The Government will certainly continue to collaborate with the industry in promoting work in this regard.

I so submit. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Mr Vincent FANG to Dr LAM Tai-fai's motion, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Dr LAM Tai-fai, you may now reply and you have one minute 15 seconds.

DR LAM TAI-FAI (in Cantonese): President, I am a bit disappointed to see the Government's limited acceptance of the views I have put forward. But I am very grateful to the Honourable colleagues who in their speeches have shown their unanimous support to my motion. Therefore, I thank all of them.

In fact, their speeches are full of insight and I hope the Government will take on board our views seriously and put them into good use. Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Dr LAM Tai-fai, as amended by Mr Vincent FANG, be passed.

PRESIDENT (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections, who are present. I declare the motion as amended passed.

PRESIDENT (in Cantonese): Motion on Adjournment.

PRESIDENT (in Cantonese): I have accepted the recommendations of the House Committee and given permission for Ms Miriam LAU to move this Motion on

Adjournment for debating two issues. The debate will be divided into two sessions. The first session is to debate "review of the tree management policy and the report on the review raised by Miss Tanya CHAN", and the second session is to debate "persistent rent increases by The Link Management Limited and the substantial layoffs upon the change of service contracts for its carparks raised by Mr WONG Kwok-kin".

PRESIDENT (in Cantonese): Each Member may only speak once in each session, and may speak for up to five minutes each time. Designated public officers making replies may speak for up to 15 minutes in each session.

Under Rule 16(6) and (7) of the Rules of Procedure, I determine that if at the expiration of 75 minutes from the moving of this motion, there are still Members who wish to speak, I shall extend the period of the debate until the time when all Members who wish to speak have spoken, and the designated public officers have given their replies.

PRESIDENT (in Cantonese): It is now 5.50 pm, the debate shall now proceed.

I now call upon Ms Miriam LAU to move the motion.

MOTION FOR THE ADJOURNMENT OF THE COUNCIL

MS MIRIAM LAU (in Cantonese): President, I move "that this Council do now adjourn for the purpose of debating the following two issues: (a) review of the tree management policy and the report on the review raised by Miss Tanya CHAN; and (b) persistent rent increases by The Link Management Limited and the substantial layoffs upon the change of service contracts for its carparks raised by Mr WONG Kwok-kin."

Ms Miriam LAU moved the following motion: (Translation)

"That this Council do now adjourn for the purpose of debating the following two issues:

- (a) review of the tree management policy and the report on the review raised by Miss Tanya CHAN; and
- (b) persistent rent increases by The Link Management Limited and the substantial layoffs upon the change of service contracts for its carparks raised by Mr WONG Kwok-kin."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That this Council do now adjourn.

PRESIDENT (in Cantonese): We now proceed to the first session, that is, to debate "review of the tree management policy and the report on the review raised by Miss Tanya CHAN".

Members who wish to speak on the issue will please press the "Request to speak" button.

MISS TANYA CHAN (in Cantonese): President, today's motion on adjournment is hard to come by. First of all, I would like to take this opportunity to thank Members for their vote of support at the meeting of the House Committee. I am also grateful to the staff of the Secretariat for their hard work because there have never been two motions on adjournment raised at the same time since 1991.

To return to the subject, regarding the review report on tree management by Chief Secretary Henry TANG, I would like to describe it in the following phrase: "running to a standstill and letting slip a golden opportunity". The Government is indifferent to public opinion. It has not accepted the major views raised by the people, political parties, front-line staff responsible for tree management, and even experts and academics in tree management. The entire report has not responded to the core problems of tree management at present. Facing with such a golden opportunity to improve the existing confusing management of trees, the Government has just let it slip. Instead, what it has done is just old wine in a new bottle, which is simply no solution to the problem.

There have all along been voices in the community urging for the enactment of legislation on tree management. Through a piece of separate

legislation to standardize the monitoring of tree management, the Government and the public will be able to act in accordance with the law. However, the Government has refused to enact legislation. Chief Secretary Henry TANG always says that it is sufficient to have so many different laws on trees now. If the existing legislation is effective, why are masonry wall trees chopped without grounds? Why should no one be held responsible for the incident in which a person was killed by a fallen tree? Given that the existing legislation can do nothing to a situation where a fallen tree has caused casualty, why can the legislation not be updated or even re-enacted? The Government argues that under the Antiquities and Monuments Ordinance, trees within the monument area will be protected. This point has also been mentioned in the report. In that case, why is that no legal action has been taken even though a large number of trees are suspected to have been cut down in the former Marine Police Headquarters in Tsim Sha Tsui?

According to a random questionnaire survey conducted by the Civic Party earlier, more than 80% of the respondents support the enactment of legislation on trees. Although public support to the enactment of legislation is very clear, the Government still resists to do so. The Government's refusal to enact legislation will only lead to ineffectiveness of tree management policy and the persistence of tree crisis.

Besides, the Government's approach is also very strange. Mr TUNG Chee-hwa in the previous term of the Government was so fond of "ports" that there were Chinese medicine port and Cyberport, while the incumbent Government is so fond of "辦" (office) — which does not mean imitation (扮) even though the Cantonese pronunciation is the same — that we can see the establishment of the Create Hong Kong Office, Tobacco Control Office, and the Development Opportunities Office under the Secretary, in addition to the latest Tree Management Office and the Greening and Landscape Office amid a number of "offices" recently set up. Given that there are 16 departments and bureaux responsible for tree management, apparently policies are formulated by various authorities, thus leading to administrative chaos. Similarly, while the Highways Department and the Lands Department are obviously responsible for management of highways and Government lands respectively, additional responsibilities have now been imposed on them. In my opinion, this is unfair to their front-line staff. Now, two additional departments will be involved on top of the original 16 departments responsible for tree management. The jury of the Coroner's Court recommended that the Government should set up an independent department

responsible for risk assessment. Now something has been standardized, which is the form for risk assessment of trees, rather than the establishment of a department for standardizing the work.

The front-line staff of the Leisure and Cultural Services Department have also participated in the 1 July march. I believe the Secretary is also aware of that. They said that there was a serious shortage of front-line staff responsible for the management of trees as 760 000 trees were now managed by only 100-odd staff. How can they do the management work? How many thousands of trees should be inspected per day? They are unable to accomplish the task even though they wish to. This time, the setting up of two offices by the Government has in fact created some lucrative positions for the high-ranking officials. Although the staff at the lower ranks will not be jeopardized, they will not benefit either. Front-line manpower will not be increased despite the creation of 20 posts upon the granting of funds.

President, when the Government is holding on to the old mentality and the same management style in tree management, the entire report is only a repackaging of the existing policies instead of facing squarely the existing problems. I do not see any recommendations which will enable trees to grow more healthily, or at least stand firmly without the risk of collapse and posing threat to public safety. The expansion of bureaucracy by the Government will not alleviate the danger posed by trees. I very much hope that the Government will seriously examine the existing problems and seriously consider the recommendations of the jury to address the perennial problem of tree management in order to prevent the recurrence of tragedies.

I so submit. Thank you

MR CHAN HAK-KAN (in Cantonese): President, Chief Secretary Henry TANG announced the Report of the Task Force on Tree Management last week and made 16 recommendations. However, the Report has not responded and touched upon some important parts of the issue. This has made me doubt the effectiveness of this Report on tree management in the future.

Four days before the release of the Report by the Chief Secretary, the Democratic Alliance for the Betterment and Progress of Hong Kong has also published a proposal on tree management and greening, suggesting that greening

and tree management be responsible by a Commissioner for Greening Management. Our proposal is similar to that in the Report by the Chief Secretary, except that the Chief Secretary has proposed the setting up of the Tree Management Office (TMO) and the Greening and Landscape Office to take up these duties. As we all know, greening and tree management are closely related to each other. President, to deal with these two tasks separately is, in my opinion, a fragmented proposal which will increase the difficulty of work co-ordination. Apart from the co-operative relationship of the two dedicated offices, their communication with the front-line departments in the days ahead is also my concern. Superficially, the two dedicated offices will co-ordinate all tree management and greening work at the central level. But I cannot see any relationship among the two offices and the Leisure and Cultural Services Department (LCSD), the Agriculture, Fisheries and Conservation Department and the Lands Department.

President, let me cite an example. If a tree in a park falls sick in future, can the LCSD decide on its own whether or not the tree be cut down? Or should consent by the TMO be sought? How will bickering between the LCSD and the TMO, if any, be handled? Which department will have the final say? If such problems cannot be resolved or rationalized successfully, discord among different departments will continue to arise from tree management.

President, tree pruning by the Government is another tree management issue which has raised wider public concern. I remember two weeks ago, I asked Secretary Carrie LAM a question about tree pruning here. At that time, I showed her a stunning photo taken in 2006 in which a tree was pruned in a beheaded style. Unfortunately, I have recently come across another tree outside the Government Secretariat, which was also pruned in the same beheaded style, as shown in this photo taken in 2009. President, you can see that the tree has basically been chopped twice: Its crown has been chopped first, then this new part has been trimmed the second time around. If a closer look is taken at the part which has been trimmed, we will find that it has been chopped twice. Obviously, the first chop was made horizontally from here before the trunk was discovered to be too hard to saw off. The operation then started afresh from the top. Recently, we have found that the tree has been ruined by mildew and some fungi have grown. In this connection, we have consulted some experts who advised that the tree was basically beyond cure because without the crown, it could not manufacture nutrients and might wither soon.

I believe the Government is also aware of the shortcomings of its tree pruning work. So, in the Report, the Chief Secretary has proposed that an across-the-board upgrade of the professional standard of the tree management team is necessary. President, I think enhancing the training and supervision of the front-line staff is of significant importance and top priority because they are the ones who actually do the job. Unfortunately, the Report only says that some specific training programmes will be run by the TMO, without any mention of the most basic requirements. In our opinion, staff at the front-line and supervisory level should basically acquire qualifications of arborists in the future. Furthermore, private arboriculture companies and their employees should be regulated through a licensing system to ensure the standard of the industry as a whole.

President, the enactment of legislation on trees is the consensus of all political parties and green groups, and it is also the only way to solve the current problem of tree preservation in Hong Kong in a proper and comprehensive manner. I hope Secretary Carrie LAM can tell us later the Government's next step in the legislative work and under what circumstances the Government will consider the enactment of legislation.

President, if the enactment of legislation is a long-term goal, then the short-term goal, in my opinion, is to impose heavier penalties on those who have committed cutting or pruning of trees in a reckless manner. Only in doing so can the healthy growth of trees in Hong Kong be safeguarded. I so submit.

MR WONG KWOK-HING (in Cantonese): President, today, I speak to urge the Government again to consider the enactment of legislation on trees. I think this is the core and focus of this adjournment debate. From a newspaper cutting, I saw a remark in the Hong Kong Letters by Chief Secretary Henry TANG on 4 July. In his opinion, the enactment of legislation on trees is "doing a disservice out of good intentions", and therefore the Government has not prepared to do so. Does this mean a death sentence to trees? I hope a response will be given by the Government later.

In the Hong Kong Letters, Chief Secretary Henry TANG said (I quote), "Who will pay the additional costs incurred if more stringent liability in respect of tree protection is imposed on private property owners? Will this lead to a lot

of unnecessary lawsuits? Will a small number of property owners remove the trees before the implementation of the relevant legislation in a bid to avoid being subject to regulation, thus resulting in 'a disservice out of good intentions' on our part?" (End of quote).

In my opinion, Chief Secretary Henry TANG can adopt an open attitude when putting forward such an argument. Why can the Government not conduct a public consultation to gauge opinions from all quarters? The Administration, precisely because of the misgivings as held by Chief Secretary Henry TANG that I mentioned just now, has pronounced a death sentence to the legislation on trees, meaning a refusal to enact any legislation. Does this mean that the Government has adopted closed-door governance, refusing to consider the public views? Such an approach is improper. The issue concerning legislation on trees, which is a subject of frequent discussion in the current term of Legislative Council, has also been discussed time and again in our previous four-year term leading to the passage of a relevant motion. I think the Administration should not be so subjective and pronounce a death sentence to the legislation on trees arbitrarily, without giving it any consideration. The Government should at least conduct an open consultation, listen to the public views and consider all the pros and cons before making a decision.

President, as an elected District Council Member for 17 years, I understand from the perspective of the grass-roots level that without legislation on trees, there will not be any long-term development for Hong Kong's greening environment. In retrospect of my 17 years' service as a District Council Member, I have pursued with the Government to plant a tree in North Point. But I have had to overcome all difficulties and made tremendous efforts in order to increase the number of trees to be planted. The number of trees in the district has increased from three to more than 100 when my 17 years' service with the District Council came to a close. However, whenever I fought for the planting of one tree, I had to go through seven or eight departments and a number of public organizations as if I had to go through a process as harsh as a steeplechase. Besides, I have also found that the giant tree growing on the original site of the North Point Estate withered and died after the Government has taken over the land. So far, the cause of the death has remained unknown. All these problems have shown that in the absence of a standardized legislation on trees, the enforcement of different regulations on trees by different law-enforcement departments will only result in different policies from different departments without any co-ordination at all. Despite the proposed establishment of two

offices to co-ordinate the relevant work, I think this is only a measure by the Government to cope with the current pressure of public opinion. It is not a long-term approach after all. Therefore, I hope the Government can govern the issue by means of legislation and policy, and give consideration to the enactment of legislation.

DR PAN PEY-CHYOU (in Cantonese): President, the Government has recently published the Report of the Task Force on Tree Management and identified the Development Bureau as the policy bureau responsible for co-ordinating the greening policy. It is also recommended in the Report that the Tree Management Office and the Greening and Landscape Office be set up under the Bureau to deal with matters relating to trees and greening and landscape respectively.

The Federation of Trade Unions (FTU) welcomes that the co-ordination of tree management be taken up by a policy bureau because we know that tree management is a very complex task and a number of government departments are involved. Therefore, a high-level leadership at the top echelon of the Government is essential to the good management of trees.

The Report proposes the setting up of two dedicated offices to manage trees and greening respectively. I think this is a reasonable approach because tree management itself is already a cumbersome task which goes beyond the scope of greening. Therefore, although the duties of these two offices are duplicated to a certain extent, their portfolios are different. Precisely because of the reason that the two departments may overlap in terms of duties, powers and responsibilities, we suggest that the powers and responsibilities of these two offices be defined clearly upon their establishment and the effectiveness of such an institutional framework be reviewed after operation for some time.

However, as Mr WONG Kwok-hing mentioned earlier, the FTU holds different views from the Report in some areas. Let me talk about the enactment of legislation on trees.

It is recommended in the Report that the Government be responsible for the management of trees growing on Government land. As for trees growing on private land, there is no recommendation on regulation through the enactment of legislation. The Task Force considers this a respect for private property rights.

Besides, relevant regulations have been provided in the current land leases. Let us check what the relevant regulations are. In fact, in the 1970s, the Government introduced in the land leases some so-called tree protection provisions which were in fact just a few sentences, mainly covering some simple regulations such as: The landlord who has cut the trees is required to plant some other as replacement, and the landlord must make sure that felled trees will not block the passage. Strictly speaking, these provisions do not aim at protecting trees. They merely say that new trees should be planted to replace those which have withered or died. Meanwhile, tree preservation is absolutely not the starting point.

In fact, trees growing on private land are often not properly taken care of. Owing to limited knowledge and financial means, owners of private land usually cannot take proper care of the trees. In the North District where I live, I often see a common phenomenon along the way from my home to a village: The ground surrounding the trees is covered and sealed completely with concrete. Unable to absorb enough oxygen by their roots, the trees are sick and left unattended, dying sooner or later. If they collapse, they will pose a threat to the local residents. What can be done then?

So, I understand that the Government may not intend to enact legislation on preservation of trees at the present stage, but the Government should adopt an open attitude, encourage the public to hold more discussions on the matter, and try to forge a consensus from different perspectives.

In addition, we object the outsourcing of tree management. Tree management, which is actually a very complex job, will require expertise and experience. Under the outsourcing system, the contractors usually will not hire qualified and experienced employees for cost's sake. But this will greatly compromise the quality of tree management.

Hence, to adhere to our long-time anti-outsourcing stance, we particularly wish to remind the Government that tree management should never be outsourced.

I so submit.

MRS REGINA IP (in Cantonese): President, first of all, I would like to thank Miss Tanya CHAN for proposing this motion on adjournment so that we may discuss the issue of tree management. After reading the Government's press release, I really have mixed feeling on the establishment of the two new offices on management of trees, namely, the Tree Management Office (TMO) and the Greening and Landscape Office (GLO).

First, there are in fact a lot of matters which need inter-departmental co-ordination by the SAR Government such as women's issues, family and children's issues mentioned by many Honourable colleagues. But why does the Government not set up some task forces on family or children? On the contrary, trees have been given exceptional attention. We are aware that this is due to a tragedy, in which a university student, the daughter of a doctor, has been crushed to death by a tree. Of course, we cannot even afford to lose one human life as a result of such an accident. Hence, the Government has set up such a task force on tree management. However, in comparison, why does the Government not set up task forces to deal with issues which require inter-departmental efforts to solve problems causing loss of human life, such as incidents of Lehman, minibonds and ELN which have dragged on for nine to 10 months? Why has the Government only paid special attention to trees?

After reading this press release, I am still very disappointed at the measures proposed by the Government. The Government has only set up two offices. And coincidentally, the TMO and GLO are under the Development Bureau. I really do not understand why the Development Bureau is responsible for everything. The recently-established Development Opportunities Office is also under the purview of the Development Bureau. Is this because of a myth in the Government that we have a very "courageous and capable" Bureau Director and so everything is given to her perusal? We are certainly very glad to have such a "courageous and capable" Bureau Director. However, this is unhealthy. Among the three Secretaries of Departments and 11 Directors of Bureaux, is there only one Policy Bureau which can take on this responsibility?

According to my understanding in the past, should the Leisure and Cultural Services Department (LCSD) not be mainly responsible? According to the e-mails and messages which I keep receiving, and as pointed out by many Honourable colleagues and the public, the one who has held strong views on matters concerning tree management is the staff union of the LCSD. It has sent out a lot of messages pointing out that the tragedy in which a person is crushed to

death by a tree is due to a mismatch of resources and the implementation of a new management mechanism by the Government a few years ago, under which some grades are not taken seriously. Another contributing factor is that, staff at the front-line have not been provided with professional training in tree management, neither have staff at the managerial or supervisory level. In addition, there is a lack of necessary support in resources. In response to the views of the staff union, I have consulted some senior officials in the Government Secretariat. In their opinion, they can simply ignore the staff union, given its mere 1 000-odd membership, and secondly, the leaders of the staff union are so angry simply because they cannot get promoted under the new management mechanism. What I said is true. I really have heard such explanations.

Are these 1 000-odd front-line staff talking nonsense? Are their words totally unjustified? Is there really a mismatch of resources? Secretary Carrie LAM has answered this question on a previous occasion and pointed out that the 60 arborists' qualifications are merely optional and acquired through self-study. They are not necessarily working at the front-line, nor are they responsible for supervising the work of front-line staff. After the setting up of the TMO and GLO, what improvement will be made? The Government has issued press releases and I have been receiving e-mails, saying that trees have again collapsed somewhere in Eastern District, fortunately causing no injury. As we all know, in the past few months after the establishment of TMO, incidents involving collapse of trees have occurred from time to time and a taxi has even been crushed. These incidents have still occurred frequently, fortunately causing no casualty.

The Government has started all over again by the creation of a post at D2 level and the setting up of two offices on tree management under the Development Bureau. When more and more dedicated offices are set up in a policy bureau under the same Bureau Director, I find it hard to imagine how she can deal with them all. This is unhealthy. Moreover, the Government cannot put forward convincing arguments against legislation on tree management. Therefore, I have reservations about the proposed creation of 20 additional posts, particularly a post at D2 level. I will listen with all ears to the justifications of the Government for not enacting legislation on tree management.

I so submit. Thank you, President.

PROF PATRICK LAU (in Cantonese): President, my sector and I have always been very concerned about tree management and tree preservation. We have requested the Government to formulate a comprehensive tree management policy. The Hong Kong Institute of Landscape Architects (ILA) sent me an e-mail, saying that the Government would surely formulate a comprehensive landscape and greening policy.

But in the meantime, the ILA has also pointed out that an efficient management framework is of the utmost importance. It considers that an office with substantial powers capable of co-ordinating inter-bureaux efforts, instead of a special framework claiming to be capable of co-ordinating different departments, can truly get things done. The ILA is doubtful about this.

The ILA has also mentioned that, apart from a specific landscape policy, a coherent, holistic and consistent strategy starting from planning at the initial stage to preservation and management at a later stage is equally important. Most importantly, a design of open space complemented by landscape and greening must be ensured to achieve a greening effect which focuses on both quality and quantity.

President, some architects have told me that apart from the formulation of policy, good training for staff to make use of the advanced equipment for inspecting the health conditions of trees, coupled with enhanced transparency to ensure instant warning to the public to keep clear of trees which may pose danger of collapse are also very important. Besides, the practices in many countries are also worthy of our reference. Therefore, when the Government has decided that trees be removed in view of imminent danger, notices should be put up warning the public not to approach such areas, or hoardings should be erected in the same manner as construction sites with works in progress.

As we all know, before the accident caused by the collapse of a tree in Stanley, the Government has not put up any warning notices beforehand. Moreover, before its collapse, the tree has even been inspected and considered to be safe. However, as many Members have mentioned earlier, I think the most important thing is whether sufficient information is available to enable the experts to make a proper diagnosis.

President, like human beings, trees need a favourable growing environment. Sunshine, soil and water are the most important elements for them to complete the life cycle of birth, ageing, illness and death. While different

species of trees have different life cycles, changes in the growing environment will also affect their health conditions. Timely treatment is essential for sick trees, or else there would be accidents. As Dr PAN pointed it out very clearly earlier, an illness should be treated at the early stage. The same goes for trees. Only in doing so can we ensure good management of trees.

In my opinion, tree management should be divided into two parts, namely, old tree management and new tree cultivation. To ensure good management of old trees, different departments should co-ordinate their efforts so that a detailed record of species, ages and health status of each tree is kept when carrying out inspection. With the establishment of a comprehensive database of trees, experts can then make preliminary assessment on the basis of such basic information. When old and high-risk trees are identified, treatment should be immediately given in order to diagnose their problems. When a tree is found to have some special problems, it should be removed expeditiously to avoid accidents.

Given the humid climate of Hong Kong, premature "retirement" of trees due to bacteria infection or other illnesses are not uncommon. Therefore, the most important thing is to cultivate new saplings as "successors" according to plan. Only in doing so can a sustainable greening policy be pursued. A common practice in foreign countries is that, through a so-called "tree replacement plan", trees are grown in advance according to plan and are transplanted to appropriate locations when needed. Insofar as Hong Kong is concerned, there are a lot of vacant Government lands or private lands which can be used for growing saplings. When these saplings have grown to a certain size, they can be used to replace the withered trees. I think this can ensure that there are always trees flourishing along the streets and in the urban areas.

President, a comprehensive greening policy should aim at realizing the concept of sustainable development through short-term, medium-term and long-term planning. The growing of new successor trees will need long-term peripheral support planning in order to achieve a comprehensive effect. Besides, our underground pipes should also be subject to review. We can see that nowhere along the streets in Hong Kong is suitable for tree planting. So, I hope (*The buzzer sounded*)

Thank you, President.

MS AUDREY EU (in Cantonese): President, the Chief Secretary has presented us an exquisitely-made report, but I see that many of the comments in it are mostly disappointing. I would like to point out that — due to the time constraint, it is difficult for us to discuss it in detail — there are at least three major shortcomings.

The first major shortcoming, President, is that the Chief Secretary has really failed to conduct any open consultation during this period of time. Even when he came to the Legislative Council, he did not attend any Panel meetings. The only occasion on which we could put questions in a short while was at a House Committee meeting but this could not be regarded as an exchange of views. Although we have not seen any open consultation being conducted during this period of time, we have seen that the Chief Secretary has made seven visits outside Hong Kong, including visits to nine cities in the Pearl River Delta and Sichuan in the past three months.

Moreover, the second shortcoming — President, as many people have pointed out — is his refusal to enact legislation on trees. Of course, we know that there are at least eight ordinances relating to trees in Hong Kong, but most of them are about prohibiting damage of trees. However, prohibiting damage of trees is definitely not equal to tree management or tree tending. We really need a comprehensive law on trees in order to lay down some basic and objective criteria on matters such as the heights and species of trees, and under what circumstances trees can be relocated, felled or pruned.

However, in the Hong Kong Letters, what justifications have been offered by the Chief Secretary with regard to his decision not to enact legislation on trees? Perhaps Mrs Regina IP should listen to this. The reason is: It will lead to unnecessary litigation and, as he said, it will do a disservice out of good intentions. *(Laughter)* This is really puzzling. He said that as private property should be respected, the enactment of legislation would affect the trees on private lands.

President, a lot of our legislative work such as legislation on fire services, building safety and dangerous signboards will also affect private property. The falling down of a signboard or the collapse of a tree may hurt the passers-by. How can he say that the matter cannot be handled on the pretext that private property is involved? His words have reminded me of the same argument he raised when we discussed legislation on the regulation of fly-tipping many years ago. He said that the land in the New Territories was private lots and so not

subject to regulation. What has happened eventually? All illegal dumping activities have taken place in the New Territories and now the Government has realized the problem. When a lot of public hygiene problems have arisen, consideration is given to identifying departments to handle them. Now there are discussions about whether dumping should be licensed by the Environmental Protection Department.

In fact, there are a lot of these problems. But we cannot say at the very beginning that there are blind spots and let the problems drag on. Owing to such an attitude, the surrounding environment of the land in the New Territories has often been adversely affected. The same goes for trees. If we let the matter drag on, problems concerning tree tending, felling or relocation on private lands cannot be resolved.

President, the third shortcoming is that the Chief Secretary has not undertaken to set up a registration system for tree tending and management personnel, or formulate a comprehensive mechanism to attract professionals to deal with or study tree management and planting. Tree management does not only mean felling a tree when it poses a threat, but also professional studies of the soil or environment for planting trees.

We can see that "tree doctors" are not enough in Hong Kong. Even today, the Government is still reluctant to consider — for instance, whether or not "tree doctors" or arborists should be employed for some works projects. In this regard, can a professional hierarchy be established? Many Honourable colleagues and Mrs Regina IP have also mentioned in their speeches that the staff at front-line level of the Leisure and Cultural Services Department have made a lot of complaints because they are actually not professionals in this area. They should be responsible for the management of swimming pools or activity venues. But they are assigned to inspect the trees instead.

In the long run, if we really want to do a good job in tree tending, we have to rely on professionals and provide a promotion ladder for them. In this regard, even though we have a very capable and competent Bureau Director, I hope that we should not put all duties on her. However, President, I hope that she will continue to look into this matter. Of course, I also hope that the Chief Secretary will continue to examine the legislation on trees and the professional hierarchy for "tree doctors". Thank you, President.

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

MR ALAN LEONG (in Cantonese): President, sometimes, I really doubt what the SAR Government would have become if Secretary Carrie LAM were not here.

President, let us get down to business, Miss Tanya CHAN described the report submitted by Chief Secretary Henry TANG on the review of tree management as "running to a standstill and letting slip a golden opportunity". I would like to contribute two more phrases to the Government regarding this report, that is, it is actually "sticking in the old rut and persisting with its stubbornness". The entire report fails to propose the right remedy for the problem. The tenet of the problem on tree management has not been dealt with at all. On the contrary, the bureaucratic practices and maladies of the Government are prominently displayed.

President, right from the beginning, there is a structural problem with the tree management work of the Government. The 16 departments initially responsible for tree management are each acting in their own way, causing complete confusion, but Chief Secretary Henry TANG dares to say that the system is proven to be effective. Now, two more offices, the Tree Management Office (TMO) and the Greening and Landscape Office (GLO), will be introduced, increasing the number of departments involved from 16 to 18. Have the officers-in-charge of the offices been conferred the statutory power that enables them to effectively co-ordinate other staff members from the bureaux and departments participating in tree management work? This is still open to question. Now, before our eyes is that the Government not only sticks to the old rut and refuses to set up an independent yet centralized department, but even does the opposite by introducing an additional level of administrative units. The arrangement will not only create a more superfluous framework on tree management, but will also make the communications between different departments more complicated, which will impair rather than enhance the efficiency of administration.

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

Chief Secretary Henry TANG said that enquiries and complaints about trees made by the public would be handled via the 1823 hotline. But those issues are already handled via the hotline at present, so it is not a new initiative. Deputy President, how enquiries made by the public on trees are handled via the 1823 hotline? Let me tell Chief Secretary Henry TANG. Earlier on, a resident in Kau Lung Hang, Tai Po, discovered a crack on the trunk of a 20 ft-tall tree at the doorstep and two of the branches of the tree had withered. He then called 1823 for help. The call was first connected to the Agriculture, Fisheries and Conservation Department (AFCD), which directed him to call the Lands Department. The Lands Department said that it was beyond their purview and asked the resident to contact the Leisure and Cultural Services Department (LCSD). At last, the LCSD agreed to send its staff to inspect the case. After the inspection, the staff member from the LCSD indicated that since the tree was located at a private land, he had to examine how the case should be handled after returning to his office. However, no one ever contacted the resident again. Until one day, the tree became so shaky that the resident worried that it might fall. He could not help calling the police. In the end, firemen arrived at the scene and considered the situation dangerous, some branches were cut off and the trunk was stabilized with ropes. Calling 1823 for help will end up in this pass. Given the lack of co-ordination among various government departments, how can Chief Secretary Henry TANG still say that the system is proven to be effective?

Deputy President, the Government says repeatedly and loudly that it will respect public opinions and draw reference from the recommendations made by experts and the Coroner's Court, but the Government's stubbornness and obliviousness to the actual situation are before our eyes. The Coroner's Court criticized the staff member of the LCSD as lacking expertise, and suggested that training be stepped up and an independent department designated for assessment of risk posed by trees. But the greatest discontent is that the authorities have not responded proactively to the above recommendations, they have even tried to dodge the issue.

Deputy President, Chief Secretary Henry TANG stressed that in the past three years, despite the removal of about 10 000 trees annually for development needs, over some 60 000 trees had been planted annually in replacement, which meant around 6 trees planted for each tree felled. If trees are treated equally as men, both of which have lives, the lives of the two should both be respected. We cannot say that the killing of one man can be offset by the birth of six babies. We have to respect the individual life of every man and every tree. If trees are

kept healthy, they will not fall. The target of fostering harmony between men and trees can then be achieved.

Deputy President, we are deeply disappointed with this report titled "People, Trees, Harmony". The Civic Party always considers that legislation on trees should be enacted for the proper management of trees. We thus find the report terribly disappointing.

I so submit.

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

MR LEUNG KWOK-HUNG (in Cantonese): Deputy President, as I mentioned before, the situation now prevails in Hong Kong is best described by a famous saying, but in an inverted sense. The famous saying is "given the enormous change men undergone, the case of trees becomes self-explanatory", but this should be presented in an inverted sense, that is, "given the enormous change trees already undergone, the case of men becomes self-explanatory". Am I right? Why will we come to this pass? The SAR Government claims that it governs Hong Kong according to law, but on the management of trees, no legal framework has been laid down. Then how can the work be executed? How can the Government be subject to regulation? In the absence of relevant laws, how can the code of practice or code of ethics be put in place? The arrangement is after all unnecessary, only kind of empty talk. In the wake of the spate of events, the Government decides to set up two offices — "handling special cases with special methods".

Let me present a piece of doggerel to the Government: "The Tree Management Office, the Greening and Landscape Office, all fail to provide effective service; the Chief Secretary for Administration, the Secretary for Justice, for what are they responsible?" They look more like a log sideways, or just a large piece of wood. I am more than correct to say that. The Chief Secretary has been appointed to do the co-ordination work, but he has made the situation even worse. He has assigned the "courageous" Secretary to set up two offices. But in the end, nothing will be achieved. Why? Since there is no legal foundation in this respect, how can the work be carried out? How can the acts of the public be subject to regulation? How can the public know the rules they have to comply with? What will be the internal guidelines of the

Government? Should the words of Chief Secretary Henry TANG or those of the "courageous" Secretary be followed? The ambiguity in power distribution is demonstrated.

The second line of the doggerel reads, "the Chief Secretary for Administration, the Secretary for Justice, for what are they responsible?" All of a sudden, WONG Yan-lung was given the order to undertake anti-drug duties, and so he followed. However, regarding my request for the follow-up of the legislation on the interception of communication, he only took action after my relentless pursuit. Insofar as radio broadcast is concerned, he still adopts the poorest legislation to exercise regulation on me. I will be on trial at the Court in September. The Secretary for Justice is the legal adviser of the highest rank in the Government, who should formulate legislation according to the will of the Government in treating trees and conducting greening and conservation, but he does not do so.

With regard to the Chief Secretary for Administration, his performance is even more terrible. The Chief Secretary for Administration is the head of all officials, comparable to a prime minister. In order to pave the way for his sworn brother, that is, Baxiongdi ("把兄弟") in Chinese — I used to call him Qidi ("契弟"), which is incorrect and should be Baxiongdi — Donald TSANG removes the prime minister from power by ordering him to oversee the management of trees and confers his power to other people. Secretary, you should have heard about the situation during the Cultural Revolution, where young people were ordered to do hard labour in rural areas. I have seen a picture depicting a woman holding a tool looking like an electric saw in a large forest, her "determination to realize her aspiration in the thick forest" is expressed unrestrainedly and boldly. Now the Chief Secretary also needs to have the "determination to realize his aspiration in the thick forest", for he is banished to the distant boundary area. Political struggles are really cruel.

As a result, these two Secretaries of Departments have nothing to do, and the "courageous" Secretary is the only one left behind. I do not know if she is really "courageous", but I have to tell the Government that it must set an example, good or bad, it has to do something after all. Take women affairs and discrimination as an example. I have requested the Government to set up a commission or kind of that, but it ignores my request. I asked the Government to undertake the co-ordinating role, but it refuses to do so. Now that the situation deteriorates, it enlists the most "courageous" one and delegates an

important mission to her to salvage its plunging popularity rating. Secretary, though you are "courageous", you will feel tired, for even metal will wear out. You have to take good care of your health. Otherwise, you may work yourself to death.

I am no longer interested in pursuing this. I come to the conclusion that: "The Tree Management Office, the Greening and Landscape Office, all fail to provide effective service; the Chief Secretary for Administration, the Secretary for Justice, for what are they responsible?" (*The buzzer sounded*)

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

MR LEUNG KWOK-HUNG (in Cantonese): "A huge log".

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

(No other Member indicated a wish to speak)

DEPUTY PRESIDENT (in Cantonese): Members have already spoken in this session. I now call upon the Secretary for Development to reply.

SECRETARY FOR DEVELOPMENT (in Cantonese): Deputy President, the Task Force on Tree Management formed by the relevant bureaux and departments and led by the Chief Secretary for Administration completed the review within three months as per the original schedule. The report was submitted to the Chief Executive on 29 June and released to the public on the same day. Since it is the aspiration of society that the report be completed within a very short time, the consultation conducted during the course may not necessarily be highly extensive as those we used to conduct. However, I must stress that the Chief Secretary has chaired every working meeting of the review and met with the tree experts concerned in person, and he has also carried out on site inspection on the tree management work carried out by the relevant departments.

I have to thank Miss Tanya CHAN for proposing a motion on adjournment to discuss this issue today. Actually, at the meeting of the Panel on Development on 28 July, we will again listen to the views of Members on the report on tree management. Please allow me to respond to three points in today's discussion. First, it is the positioning of tree management set in the review. Second, it is about the enhancement of the institutional framework of tree management, which refers to an "integrated management mode" rather than relying on a single department as certain Members proposed. Third, it is about the enactment of new legislation on trees, a discussion mentioned nearly by every Member spoken earlier.

Though the review this time around was conducted out of the concern of public safety, the Task Force understood full well in the course of deliberation that, as mentioned by Dr PAN and Prof Patrick LAU earlier, tree management and conservation alone, without supporting policies on the greening and landscaping of Hong Kong, could not address the safety issues on trees. Simply put, if unsuitable species of trees are planted in inappropriate locations with inadequate soil room and sunlight, the healthy growth of trees would be hampered, making it more difficult, challenging and resource-intensive to manage and maintain them in future. Therefore, the Task Force has suggested that trees be managed in a more comprehensive and sustainable approach. With appropriate planning, proper identification of planting locations, suitable design and careful selection of species, we would be in a better position to ensure that trees planted will be sustainable in terms of health, aesthetic quality, livability, ease of future maintenance and public safety. Exactly basing on this vision and the positioning of tree management, the Task Force proposed that a policy area on greening, landscape and tree management be introduced under the purview of the Development Bureau, and that two offices be set up to oversee the greening and landscape work and tree management respectively under this policy area.

To ensure that tree management is holistic, we must take into account public safety, while public interest is a factor we have to consider in the implementation of any policy. Surely, when a tree suffers from problems, we will take remedial measures to save it. However, if the tree can no longer be saved, or that the tree locates in a high pedestrian activity area, posing danger to the public, safety concern should come before other factors and the tree has to be removed.

Regarding the work on other aspects, we have to balance various factors. We have to consider the health conditions of the tree, the value of the tree, the expected chance and duration of survival upon taking of remedial actions on the one hand, and the costs and effort on the other. Another factor we have to take into consideration is the development needs of Hong Kong, a society that has to continue to develop. For this reason, when we press ahead with infrastructure projects to promote the economic development in Hong Kong and maintain its competitiveness, we should ensure that the development is sustainable and balanced, and that we have exercised proper care on environmental protection to offer our people a quality city life. Hence, though we treasure every single tree, we cannot guarantee that no tree will be removed. In the implementation of public works projects, the removal of trees is inevitable, but we will ensure that appropriate measures will be taken to make up for the tree loss. As a Member mentioned earlier, in the past three years, while various works departments have removed about 10 000 trees annually for development needs, some 60 000 trees have been planted during the same period as replacement.

A recent incident may well demonstrate the various considerations I mentioned above and the positioning of tree management proposed this time around. As an old student of the University of Hong Kong (HKU), like many of you in this Chamber, I received an email issued by Professor JIM Chi-yung from the HKU to all members of the HKU alumni. He mentioned in his email that an over 40-year-old candlenut tree at the Sun Yat Sun Plaza of the HKU has to be removed because of fungal infection. I now quote from the email of Professor JIM, which is written in English — Professor Jim said that it was irresponsible to keep such an unsafe tree with a very high probability of collapse in a busy part of the campus, and that basing on scientific evidence and the risk to life and property, he recommended that the tree should be felled by the HKU without delay. Certainly, the crucial wordings are scientific evidence and the assessment of risk, so that conservation work is carried out in a responsible manner.

The report on tree management released by the Task Force led by the Chief Secretary for Administration this time around exactly aims at introducing scientific evidence to reinforce the assessment of risk posed by trees, so that tree conservation can be carried out properly in a manner responsible to the public.

Second, it is about the suitability of the arrangement on the institutional framework proposed by us. Some Members queried whether we should create two more offices in addition to the various departments now undertaking tree

management work. They queried would such an arrangement be effective or superfluous. In this connection, a totally centralized approach in which tree management will be taken up by "one single government department" is neither desirable nor practical given the large number of trees all over the territory. Deputy President, you probably understand that. For instance, under the current "integrated management approach", staff of the Agriculture, Fisheries and Conservation Department (AFCD) will take care of trees in country parks in conjunction with the carrying out of their usual duties in patrolling for fire prevention purpose and maintenance of recreational facilities like barbecue pits. However, if the "single department" approach is adopted for the management of trees all over the territory, it means that staff from another department will be appointed to oversee the trees within the country park boundaries. To consider it from another angle, if all the trees planted on Government land are to be grouped under the management of a single government department, this "single department" will have to undertake the management work of the tens of millions of trees on all country parks, public housing estates, roadside, parks, artificial slopes, as well as all unleased and unallocated Government land. This "single department" will have to collaborate with departments originally responsible for the management of those facilities, which will result in resource duplication and wastage. Besides, the arrangement can in no way tie in with the existing framework of the Government.

In the course of discussion of the institutional framework, the Task Force has drawn reference from the slope management work and experience in Hong Kong. Members may perhaps recall the serious landslides occurred during the 1970s in Hong Kong. At that time, a review committee was set up to deal with the issue. Coincidentally, the recommendation put forth by the review committee at the time is similar to the one we proposed today. The committee proposed that a centralized organization should be set up within the Government to co-ordinate issues relating to slope safety and geotechnical works, which included arrangements relating to the inspection, design, monitoring and repairs of slopes. That office is actually the Geotechnical Engineering Office (GEO) under the Civil Engineering and Development Department today. After more than three decades of hard work, the office has established undeniable authority and credibility. A point worthy of attention is that up to day, the Government has not adopted the "single department" approach in slope repairs and management. Rather, the integrated management approach is adopted. Slope repairing work will be assigned to departments responsible for the relevant facilities where the slope required maintenance located. The GEO will only

play a central co-ordination role, providing expert advice to the departments concerned. But, definitely, the GEO's authority and credibility are established over the past three decades, and whether the proposed Tree Management Office can make the same achievement, we will have to wait and see.

Hence, the Task Force proposes to enhance the existing institutional framework by establishing a team on greening, landscape and tree management under the Development Bureau, which actually coincides with the proposals put forth by Mr CHAN Hak-kan. The only difference is that we propose the establishment of two units under the team; one is responsible for greening and landscape work while another is responsible for tree management. The framework and ranking of the team leader of the management team in conception are identical with the Commissioner for Heritage's Office, which was set up a year or so ago with the support of Members. However, we have not used the title "Commissioner" this time. Therefore, Mr CHAN can be rest assured for we also have the experience in work integration and distributing duties.

I would like to respond in particular to the recommendations of the Coroner's Court mentioned by two to three Members earlier. The proposal we put forth today conforms fully with the recommendations of the jury. One of the four recommendations made by the jury at the time stated that an independent department should be set up to handle all the tree risk assessment work in the territory, while management departments should refer any emergency case to this department. In other words, the jury of the Coroner's Court acknowledged that there should be a management department responsible for tree management and an independent department responsible for risk assessment, and there should be a referral of cases between the two separate departments.

The third point is surely about the need to formulate a "tree law", which is heard most often during the debate. I may tell Members here that during the course of review, this has also been a topic the Task Force has had the most intense discussion. We have thought about it over and over. We have kept asking ourselves: Is the existing legislation applicable to the protection of trees adequate? Which items in the various areas in tree management have to be addressed by means of the enactment of new legislation? What practical effect will the enactment of a "tree law" bring, which cannot be brought about by existing legislation and administrative measures in effect or planned to be introduced? In the protection of trees against deliberate damage, relevant existing laws are applicable to trees on Government land, while some of the laws are also applicable to trees on private land. Given the cases of successful

prosecution in the past, it is evident that the relevant laws can in general provide effective protection for trees. Moreover, the penalty laid down in law is appropriate. According to the record, the Court has never sentenced the maximum penalty imposed under the law.

Trees grow either on Government land or private land. For trees on Government land, the authorities have adopted a series of administrative measures to ensure that the trees are well protected. As set out in the technical circulars issued by the Works Branch under the Development Bureau, no trees should be unnecessarily felled due to the implementation of public works projects. Project proponents should first consider retaining the trees at their existing locations, and if this is not possible, consider transplanting the affected trees. Felling of trees should only be considered as a last resort, and compensatory planting is required. All government departments will continue complying with the relevant requirements strictly and implement the various improvement measures proposed in the review report this time. Hence, insofar as trees on Government land, the enactment of legislation deems uncalled for.

For trees on private land, the Task Force noted that since the 1970s and mid-1980s respectively, the Government has already included "tree preservation clauses" and "landscape clauses" in land leases. In the case of redevelopment of such land, the Government will have the opportunity to impose new requirements regarding tree preservation via the planning regime or through the process of lease modification. In the present case, there are certainly land leases that do not include clauses on tree protection. Right, it seems inadequate. But as we point out in the review this time, if the formulation of the new "tree law" is to focus on trees on private land which are beyond the scope of "tree protection clauses" in the land lease, it will exactly involve the issue of private property right, as mentioned by Chief Secretary Henry TANG and quoted by Members. Hence, the issue has to be handled with extreme caution. To give a clearer response to Members on the enactment of legislation, we have not pronounced a death sentence on it. In the relevant chapter of the report, it is stated that: "After careful consideration, the Task Force considers that there is no need to introduce any legislative change at this stage and efforts should instead be channeled to the administrative means proposed to improve co-ordination, enhance tree risk assessment, upgrade expertise and involve the community. It would be better to see how the administrative measures work in reality before we consider the need for legislative amendments." Hence, reviews will surely be conducted from time to time in response to the operation situation.

As pointed out by the Chief Secretary for Administration in the Foreword of the report, this report is just a start. The implementation of the relevant measures relies very much on the follow-up work, as well as the support of all sectors of society and the participation of the public. As to whether we can capitalize on the opportunity arises from this report to enhance our tree conservation work in Hong Kong, I hope all of you will have confidence in us and give us support. Thank you, Deputy President.

DEPUTY PRESIDENT (in Cantonese): We now proceed to the second session, that is, to debate "persistent rent increases by The Link Management Limited and the substantial layoffs upon the change of service contracts for its carparks raised by Mr WONG Kwok-kin".

Members who wish to speak on the issue will please press the "Request to speak" button.

MR WONG KWOK-KIN (in Cantonese): Deputy President, first of all, I have to thank Honourable Members for supporting this motion on adjournment, which allows us the opportunity to express our views on issues related to The Link Management Limited (The Link). I would also like to thank the official of the relevant policy bureau for attending the debate to listen to the views of Members.

Deputy President, The Link was listed in 2005. Since then, it has attracted much criticism from society. In a nutshell, the company has been striving for profit by continuously jeopardizing the interests of small traders and the grassroots. The profit increase of The Link is made by increasing rent, pressurizing small traders and exploiting grass-roots workers. Last month, the Hong Kong Federation of Trade Unions (FTU) received a complaint from staff of The Link, saying that upon the signing of the new contract for the security service for a hundred or so carparks of The Link in July, the original three-shift system of security guards would be changed to a two-shift system. The change was tantamount to an extension of working hours. And surplus staff would be laid off, resulting in a thousand or so employees losing their jobs. But employees staying behind are no better, for their hourly wage will be reduced from \$28 to \$23.3.

Since the middle of last month, the FTU has been exerting pressure on The Link. We led workers to demonstrate at the shareholders' meeting of The Link, and requested the intervention of the Housing Authority and the relevant policy bureau to exert pressure on The Link. We even surrounded to its headquarters to demand for negotiations. After one month's efforts, together with the pressure from public opinion, we have eventually made The Link withdraw the announced decision the day before yesterday. It undertook to resume the three-shift system, stop laying off staff and instruct the contractor to reinstate workers who have been laid off. The effort of The Link to hold back its plan at the last moment should be acknowledged. However, we request The Link to honour its promise. We do not wish to see the recurrence of similar incidents in which "the company fattens itself at the expense of its employees" in future. More importantly, it should review the guiding principle of its operation.

Deputy President, according to section 4(1) of the Housing Ordinance, shopping arcades in public housing estates are built as ancillary amenities to provide daily necessities and essential services to grass-roots residents in public housing estates. However, in recent years, the management of The Link has transformed shopping arcades in public housing estates into high-end malls. Large-scale chain stores and even shops selling famous brand products are introduced to these shopping arcades. The products sold in these shopping arcades have far exceeded the affordability of the residents. Under the management of The Link, the grassroots no longer find the shopping arcades in public housing estates places they can afford to go shopping. Worse still, small shops and kaifong businesses used to operate in these shopping arcades have been driven out of business.

The shopping arcades in public housing estates in Kowloon East were the first to be transformed by The Link, and problems relating to substantial rent increases and forced removal of small traders were particularly prevalent. Over the past few years, the FTU has followed up many cases relating to non-renewal of lease, substantial rent increase or forced relocation to corners of shopping arcades involving traders in the wet market of Lok Fu Plaza, Wong Tai Sin Centre and Tsz Wan Shan Shopping Centre, and so on. Actually, for small traders relying on the patronage of kaifongs, a lease expiry now means closing down and vanishing from the arcades. If they are lucky to stay, they have to accept a rent increase of 30% or above. According to some small traders, in the renewal of lease, The Link will now request traders to submit financial statements, as well as development plans that chime in with the image of the

shopping arcades concerned. These approaches on tenancy matters applicable to large shopping malls are in no way appropriate for kaifong business operated in public housing estates. Besides, small traders who live on their business will find it difficult to survive.

Deputy President, after the facelift, shops target at kaifong business can no longer be found in the shopping arcades of The Link. Instead, there are only shops of major groups and chain stores. The entire shopping arcade has a frigid atmosphere, with only standardized products for sale. Great value products in the past can no longer be found.

The Link, for the purpose of reaping profit, incessantly increases rental, forces small traders out, lays off staff, cuts wages and extends working hours. These acts will not only affect the lives and means of living of the grassroots, the adverse impact and grave consequence brought about will have to be borne by society as a whole. That is why the community has developed a sense of disgust towards The Link. The Government and the Housing Authority, the culprit of this mess of The Link, are obliged to stop these unscrupulous acts of The Link by all means, including buying back The Link. Otherwise, this time-bomb may at anytime explode.

Deputy President, I so submit.

MR TOMMY CHEUNG (in Cantonese): Deputy President, the Liberal Party is a right-of-centre political party. I always believe in the free market. Hence, over the years, insofar as commercial decisions of private companies are concerned, I have adopted an attitude of respect and non-intervention. However, I have been criticizing and reprimanding The Link, a listed private company, which is rare for me to do so. I am not acting in contrary to my belief, for The Link, unlike other private companies, is obliged to honour its undertakings.

Four years ago, The Link came to the Legislative Council to lobby for support for privatizing its assets, including shopping arcades and carpark in public housing estates, by seeking listing. The leadership of the company at the time promised the Legislative Council that it would take into account the affordability of tenants, and no rent increase would be imposed if there were no increase in customer flow and turnover. The same promise was made at a meeting with a trade deputation led by me. I know that the leadership of The Link has now changed completely. However, as a company with credibility, no

matter who are at the helm, they are speaking on behalf of the company. They should thus assume collective responsibility and honour the promises made, rather than kicking down the ladder.

Regrettably, the rent increase policy adopted by The Link has repeatedly been disappointing. At the end of last year, global economy slumped due to the financial tsunami, resulting in a substantial decrease in the spending power of the public. However, for the year ended 31 March 2009, the profit over expenditure recorded by The Link was as high as \$1.819 billion, 13.5% higher than the profit for the year 2007. The letting rate of the properties of the company reached 87.4%, with an average increase in rent from \$27.7 per sq ft last year to \$30.9 per sq ft, representing an increase of over 10%. Besides, the retention rate for the year stood at 72.8% and the average rate of rent increase is as high as 25.2%.

The Link has stressed that rental income from large-scale chain store tenants only accounts for 30% of its total income, while the remaining 70% of its income comes from individual traders. These figures are cited to justify the rate of its rental increase, showing that small traders are willing to renew their leases in the shopping arcades of The Link. But The Link has not disclosed in detail that small traders fail to compete with large-scale chain stores. In order to stay in the shopping arcades for the businesses from frequent customers, they are forced to move from large shops to smaller ones, from upper floor to lower floor, from front shops to back shops, and from busy locations to quiet locations. Only in this way can they afford to renew the leases.

Small traders have no choice but to tolerate the high-handed rental increase policy of The Link. Should they wind up their business and return to the job market competing fiercely with the large number of the unemployed? Therefore, despite the sharp increase in rent, and the meagre profit that can barely make ends meet, they have to put up with it.

Nonetheless, as far as I understand it, many food establishments, restaurants in particular, which have operated for years, have long winded up their business in the shopping arcades of The Link. It is because relocation will incur extra renovation costs, and it will take a long time to apply to the Food and Environmental Hygiene Department for plan alteration, they do not want to take the risk.

To put it straight, despite the present downturn in the economy, The Link can still impose substantial rent increase because the rent of these shopping arcades and properties in the public housing estates which used to be managed by the Housing Department, has all along been far below the market rent. As such, the incessant increase in rent has only brought the rent charged by The Link closer to the market rent. Hence, it has never been a concern to The Link that shops will be left vacant because of the rent increase imposed amid the sluggish market. On the contrary, in signing new leases, even when the economy is bad and the turnover of the shopping arcades is poor despite the great number of shoppers, The Link may impose substantial rent increase on the grandiose excuse that the shopping arcades will undergo renovation. Traders can only take the increase lying down. The arrogant and high-handed manner of The Link has provoked widespread discontent among traders.

To be honest, we are in no position to change the operation tactics of a private company. After learning this lesson, we can only stop selling the remaining shopping arcades and carparks in the public housing estates. Nonetheless, it does not mean that the authorities can turn a blind eye to the problem. The Liberal Party and I consider that the authorities must come to the fore in exceptional times. They should take the lead to cut rent and step up its efforts in improving the business environment of the remaining shopping arcades in public housing estates and public markets to provide a greater number of better business locations for small traders, so that they can have more choices and do not have to submit to the rent increase policy of The Link.

The Liberal Party and I thus earnestly hope that the Government will extend the 20% rental concession for three months, one of the supplementary relief measures introduced lately, to shopping arcades and markets of public housing estates of the Housing Department to induce The Link and other real estate developers to follow suit.

I would also like to take this opportunity to advise The Link not to add burden to the plight-stricken tenants for its own short-term interest, for this will not only tarnish the image of the company, but will also undermine its partnership with the tenants. Thank you, Deputy President.

MR ALAN LEONG (in Cantonese): Deputy President, recently, a group of contract security guards at the carparks and shopping arcades of The Link have closely been made the sacrifices. The Link made an unilateral attempt to alter the employment contract to increase the daily working hours of its staff from 8 hours to 12 hours, but the hourly wage was reduced from \$26 to \$23. The duty system of security guards was changed from three shifts to two shifts, which in a way means a drastic cut in the number of contract security guards at its carparks and shopping arcades. It was estimated at the time that The Link would cut more than 100 employees for this reason.

In the face of the financial tsunami, The Link has still managed to reap profit despite the sluggish market. But its planned "slashing" of the security guards is totally unscrupulous. It has also turned a blind eye to the potential security risk posed to carparks due to the reduction in manpower.

The Civic Party is more than happy to see that the incident of the two-shift duty system was settled this time. The Chief Executive Officer of The Link, Ian David Murray ROBINS, eventually bowed to public opinion by resuming the three-shift system and undertook to request the contractor to reinstate workers being laid off previously. However, the public still has no means to monitor the operation of The Link. There is no guarantee that The Link, which operates under the guiding principle of money comes first, will stop disregarding its corporate social responsibility and formulating once again policies jeopardizing the interest of the public.

Deputy President, the ridiculous rental increase is a typical example. Earlier on, The Link announced its annual report for the year 2008-2009, in which the total distributable income exceeded \$1.8 billion, representing a year-on-year increase of 13.5%. The Link has managed to make fat profit amid the sluggish market, for rental revenue is its main source of income. According to the brief of The Link, the monthly unit rent per sq ft for shopping arcades of The Link last year increased by more than 10%. Though small traders are in deep water, facing difficult business environment, The Link has no intention to provide rental cuts or other concessionary measures.

Shopping arcades and carparks in public housing estates of the Housing Authority were sold to The Link in 2005. Since then, The Link has been conducting its business entirely on the basis of commercial interests at the expense of corporate social responsibility. Worse still, the incessant rent

increases imposed on the shopping arcades by The Link have driven many small traders out of business, for they cannot afford the exorbitant rents.

Deputy President, according to the briefing papers on The Link's business strategy, we can see that a lot of investment has been made in the renovation of shopping arcades, holding of large-scale activities, enhancement of the air-conditioning systems, revitalization of "mushroom-shaped food kiosks" and so on. The Link has adopted this strategy hoping that these improvements will provide it with justifications for rent increases. Recently, large-scale renovation work has been carried out in the Lok Fu Plaza by The Link. Nine out of 10 shops in the arcade will be left vacant for as long as a year, which has seriously affected the daily life of the residents of the public housing estate. If you visit Lok Fu now, you can hardly find an eatery. Residents in Wang Tau Hom Estate are actually being deprived of the right to use the ancillary facilities of public housing estates.

Deputy President, as we all know, "fleece comes off the sheep's back". All the renovation costs of shopping arcades will be passed on to the rents of the traders, which will in a way eliminate the less competitive small traders. It is expected that upon the completion of the renovation work in Lok Fu Plaza, many large consortia will move into the arcade and the product prices will be on the increase. This will on the one hand seriously affect the room for self-employment of the grassroots, and on the other hand damage the inexpensive consumption environment enjoyed by residents of public housing estates in the past.

Deputy President, the problem concerning The Link will continue to deteriorate. Back then, the Government acted irresponsibly by allowing The Link to seek listing. This act of maladministration has made the most profound impact on the grassroots. The Civic Party has long proposed that the Government should buy back The Link to demonstrate its commitment to and responsibility for people of the lower strata, particularly residents of public housing estates. We are not asking the Government to intervene in the market lightly, but when the Government is kept hamstrung on the issue of The Link, the issue should be discussed from the perspective of "rectifying maladministration", which should serve as the basis and starting point for considering the most feasible option, taking responsible actions to protect the rights of public housing residents. Thank you, Deputy President.

MR WONG SING-CHI (in Cantonese): Deputy President, the Democratic Party greatly welcomes the withdrawal of the decision by The Link. However, regrettably, on many issues, The Link only listens to some of the views when the opposition voice is loud. But still, it will not fully accept the views, and sometimes it even turns a deaf ear to them. Hence, the image of The Link is extremely poor. Since we are only allowed to speak for five minutes, it is far from adequate to list all the allegations against it, which probably may take five hours.

Deputy President, The Link submitted a paper to the Legislative Council in 2006, stating that on the premise of maintaining the quality of service, the duty system would generally remain unchanged. Moreover, a joint meeting was held by the Panel on Housing and Panel on Manpower. At the meeting, when the issue of the duty-shift arrangement of non-skilled workers employed by The Link was discussed, the then Chief Executive Officer Victor SO said that, to attain the quality of service the contract required, service contractors of The Link must pay appropriate wages and set reasonable working hours. He went on to say that all estate facilities under of The Link would adopt a three-shift duty system. This was stated crystal clear by him at the time. He then said that The Link had taken the initiative to reinforce the protection of the rights of the workers, and that The Link would continue monitoring its service contractors closely, and the monitoring system would be improved where necessary to fortify the deterrent effect. Not long had these remarks been released, The Link changed its duty-shift system. But, fortunately, with the Legislative Council following up the issue, the old system has been reinstated.

The above remarks were made by Victor SO on 5 June 2006. Three years later, The Link said that its management service had all along been contracted out and the number of staff employed was determined by the contractor according to the actual situation, and The Link would not interfere. These remarks are obviously in contradiction to the previous ones. Will The Link monitor the manpower of its contractors? He undertook earlier that it would do so.

Besides, in the Annual Report of The Link, it reads, "The management is continuing to review the overall revenue and cost structure of the carparking business". I hope that from today onwards, The Link will also pay more attention to the security of its carparks. Otherwise, despite the provision of the concessionary parking scheme, the One-Link Pass, no vehicle owners dare to

park their cars in the carpark of The Link. If the security of a carpark is in question, how can they park their cars there?

In the Chairman's Statement in the Annual Report of The Link, there is a statement saying that they have all along been undertaking social and corporate responsibility. I hope that it is not just a statement made for window dressing. But what we have seen so far speaks volume that The Link is only paying lip service rather than taking practical actions. Let me cite a simple example to illustrate this. In 2007, that is, the year before last, as mentioned by Mr Alan LEONG earlier, the shopping arcade in Choi Yuen Estate, like Lok Fu Plaza, underwent large-scale renovation, and even nine out of 10 stalls in the market were left vacant. The Choi Yuen Estate has been built for 30 years. During the course of renovation, many elderly residents had to beat the blazing sun and lashing rain to walk to Shek Wu Hui to do their shopping. They had to make strenuous effort to put up their umbrellas and limp a long way just to buy some vegetables or fish. It was extremely inconvenient. Some elderly came to me, lamenting in tears their helplessness. We made every effort to fight for them, and The Link eventually set up one to two stalls in the market.

Now that the reconstruction of the shopping arcade is approaching completion, traders who have endured all the plights during the course of renovation expect that their business will fare well upon the completion of the renovation, and they may consider it worthwhile to withstand all the suffering over the past two years. But it turns out to be the opposite. The Link now decides to "remove the market". In March next year, the market will undergo renovation again. However, traders who have paid the rents and withstood all the sufferings during the renovation of the shopping arcade are only offered a lease of seven months by The Link. Why a lease contract of only seven months is signed? That means by March next year, traders in the market will all be driven out. Such a practice is extremely unscrupulous. If such is the case, The Link does not deserve to claim that it has fulfilled its social responsibility.

I hereby implore The Link to stop increasing rent immediately, for those traders are now facing rental increase in addition to the limited lease of seven months offered by The Link. The Link should stop increasing rent and do not remove the market. In the near future, upon the completion of the improvement work of the market, The Link should consider giving priority to existing traders for in-situ operation. If the market is removed, the elderly can go nowhere to do

their shopping in future. They will complain to me in tears that they have to beat the blazing sun and lashing rain to make a tiring trip to shop at Shek Wu Hui.

Thank you, Deputy President.

MR RONNY TONG (in Cantonese): Deputy President, The Link is the most glaring proof of the SAR Government's guilt about abdicating its governing responsibility. The recent incident of "changing the duty system from three shifts to two shifts" has highlighted that the function of the Legislative Council is indeed less effective than industrial actions or the people's power.

Deputy President, before the adjournment debate is held, the issue has been settled. Sometimes, we doubt whether the Legislative Council can effectively fulfill its function of monitoring the Government. However, is industrial action a solution to problems arising from operating practices which are absolutely in defiance of social righteousness? Deputy President, I am in doubt about that.

I wish to tell Honourable colleagues some alarming figures. A toilet cleaner working in Tai Wo, Tai Po is only earning a monthly salary of \$3,400, which is \$14.2 per hour. Secretary CHEUNG, please listen, it is \$14.2. The worker has to buy hygienic items, such as gloves and masks, out of his own pocket. In an affluent society like Hong Kong, such a situation is indeed a shame to everyone.

On the other hand, the figures in the report of The Link are also very stunning. In the year 2008-2009, The Link posted an annual earning of \$4.5 billion, an increase of 72%, and the net income from properties reached \$2.805 billion, with a year-on-year growth as high as 10.6%. Last year, the monthly average base unit rent was \$30.09 per sq ft, an increase of 11.6%. The composite reversion rate for the year was 25.2%, an increase of 2.7%. The retention rate for the year was 72.9%, an increase of 1%. For carpark income, the average income per bay per month was \$1,029, an increase of 5.1%. The distributable income of The Link REIT last year was \$1.819 billion, an increase of 13.5%.

Deputy President, where did the money come from? From the grassroots of Hong Kong, from the small traders of Hong Kong. The increasing profits of The Link are gained at the expense of the interests of some members of public in

Hong Kong. First, by means of renovating public housing shopping arcades and markets and increasing the number of shops, The Link imposes drastic rent increase. The so-called marketing strategy of The Link is to have profit as its top priority. By introducing large chain stores into the shopping arcades, The Link increases the rent by 120% to 150% to drive away small traders. Moreover, alteration is made to the public area in the shopping arcades of public housing estates to increase the number of shops available for letting. As a result of these renovation works, the space originally enjoyed by public housing residents at leisure are substantially reduced. In the past, neighbours could sit around to chat and play chess, but they can no longer do so now. As for small traders, in the face of the various kinds of tactics employed by The Link to force them out and the increase in rent, they are completely "exhausted and drained" and they cannot but wind up their operation and leave.

Some traders said that The Link requested them to renovate the shops at their own costs to get a lease renewal, while others had to accept the "turnover-based commission" system as a condition for lease renewal. According to the 2008-2009 report of The Link, at present, almost 2 000 traders have already accepted the so-called commission system. As at 31 March 2009, the number of lease renewals concluded under this system has doubled to a total of 1 996.

Deputy President, these figures show us that commercial interest and social responsibility are mutually exclusive. Deputy President, social responsibility is basically the responsibility of the SAR Government, which cannot be neglected nor compromised. Selling such responsibility at a pathetic price is tantamount to a sell-out of one's conscience.

Today, we speak with one voice to reprimand The Link. But, Deputy President, I at the same time implore colleagues to severely reprimand the SAR Government for abdicating its responsibility to deliver governance.

MR LEUNG YIU-CHUNG (in Cantonese): Deputy President, regarding the recent incident that workers at shopping arcades and carpark of The Link can be spared from the change of the duty system from three shifts to two shifts, it is actually a matter of luck.

First, thanks to luck that the workers can unite as one and come to the fore to fight for their own rights. Otherwise, they would have a hard time. Second, thanks to luck that the trade unions can persevere with the fight against the unscrupulous businessman with the workers without making any compromise. Third, thanks to luck that the system involved is not only regressive but also one that provokes opposition and strong rebuke, resulting in the public condemning the management level with one accord. Fourth, thanks to luck that the image of The Link has all along been unfavourable, both in terms of commercial competition and in the treatment of staff. The practice of The Link has thus failed to earn the sympathy of society. In the face of an avalanche of rebuke and criticisms, The Link cannot but back off and accept the demand of the workers.

Deputy President, this time around, even before the intervention of the Labour Department, the labour disputes are settled. Really, it is all out of luck. However, without the pieces of luck mentioned above, if the labour dispute occurs between the employer and the employees of an ordinary organization, what will happen? Actually, this phenomenon is not uncommon in many management companies. Even though the duty system of the staff has not been altered from three shifts to two shifts, the wages they earn are extremely low. Under such circumstance, the Government can do nothing to help. Since the company concerned is a private company, when a labour dispute breaks out, the Labour Department can at most play the role of a co-ordinator or a mediator, for it has no power to restrict or instruct the management to meet the request of the employees. Take this incident as an example. Actually, the Labour Department is really lucky, for the dispute is settled without its intervention. But what would happen if it has to intervene? It can indeed do nothing more than giving advice.

In the final analysis, since The Link is a private organization, the Government is kept hamstrung. The saddest thing is: Why have carpark and shopping arcades of the Government become private enterprises? It is because our Government sold its assets at a pathetic price a few years ago. These assets were sold at a really pathetic price, for the market price at the time was only set at a 15-year rental value. It is really heartrending that we come to this pass today.

Many colleagues mentioned one issue earlier: What are the consequences of selling assets at a pathetic price? Not only that this group of workers are suppressed and exploited, small traders are subject to intimidation, and residents are forced to buy expensive goods, and even deprived of shopping for daily

necessities. Such a situation is common. Apart from these problems, there is something even more ridiculous — I wonder if the Secretary knows that — the Housing Department (HD) has no say even on the provision of cover for the open space in the housing estates. This is because The Link is also the owner of the housing estates, so such works can only be carried out with the consent of The Link.

Though part of the cost of such works has to be shared among the owners, The Link refuses to pay on the grounds that those works are unnecessary when the HD proposes to carry out various works in the housing estates. As a result, the works are delayed and the residents are affected. It turns out that the Government's move to sell shopping arcades and car parks does not only affect the residents, but also the provision of facilities in the housing estates. Why bother to do so then? Why wreak havoc among the people, putting pressure on their daily life?

Insofar as the incident today is concerned, I think it is a wrong approach. Hence, the Government must apologize to all the people of Hong Kong, including workers, residents and traders. It should admit its fault that our assets should not be sold at a pathetic price. At the same time, such governing power should be recalled when appropriate to allow the Government to resume such power. Otherwise, a lot of problems will arise in future, for we may not be lucky like this time around. This is the most important point of the adjournment debate today. The Government must admit that the selling of assets at a pathetic price is absolutely a great mistake and it must make an apology to the public.

Deputy President, I so submit.

MR WONG YUK-MAN (in Cantonese): Deputy President, my assistant has drafted an article for me in respect of the adjournment debate today. The title of the article is: "The indecisive politicians and the villainous Link". I think both Directors of Bureaux should know the meaning of that title. When the Chinese try to talk a person out of doing evils, they will sometimes offer him warm praises and sincere blessings. They will also advise him that good will be rewarded with good while evil with evil, and that he should believe in destiny. But more often than not, good is rewarded with evil while evil with good. In the face of this brutal reality, what can we do? However, the Chinese have provided their own explanation about this. They say, "Good deeds bring prosperity, if not, it is

because his ancestors have done so many evil deeds that the sufferings overspill to this generation, and he will prosper after the sufferings end." If one has done good deeds, he will definitely prosper, but if this is not the case, it should be attributable to the evil deeds done by his ancestors, that the sufferings so brought have not come to an end and passed to this generation. But after the sufferings end, he will prosper. In other words, he is advised not be frustrated about his sufferings for he will eventually be rewarded. Evildoers will be wiped out. If not, why? It is said that evildoers will surely be wiped out. But if an evildoer has not been wiped out and prospered instead, it is only because "his ancestors have done so many good deeds that the blessings overspill to this generation, and he will be wiped out after the blessings end." These are the attitudes adopted by the Chinese, and that explains why they fail to get rich in their lifetime.

In Hong Kong, a society that holds onto capitalism and free market as its absolute values, no one will discuss these issues. Only those who can make money, those who know all the stratagems to reap profit and those who get rich will be praised. Am I right? When a person can charge \$680 million for digging one hole, many people will definitely envy him. Am I right? Hong Kong is it, a society that gives capitalism, free market and utilitarianism the highest priority. In preparing for this adjournment debate, I include in my article the gist of speeches made on 1 December 2004 and 1 June 2005 on an adjournment debate related to The Link and a motion demanding the suspension of privatization respectively.

Today, the adjournment debate is proposed by Mr WONG Kwok-kin from the Hong Kong Federation of Trade Unions (FTU). I think it is really meaningful. Members will be reminded of who have been indecisive and who have caused us to come to this pass today. As the teaching goes, everything has a cause and an effect, while every matter has an end and a beginning. Let us discuss the causation of the incident. Only one Member from the Democratic Party is here in this Chamber. He supported the listing of The Link and opposed the motion proposed by Albert CHAN on 1 June 2005 demanding the suspension of privatization. Am I right? Not long ago, the Chairman of this Party, Albert HO, made a public apology on this issue. But it was already too late. Today, WONG Kwok-kin brings to light the plights of those workers and traders, right? The League of Social Democrats was not yet established at that time. But two of our members, LEUNG Kwok-hung and Albert CHAN, who were Members of the Legislative Council at the time, as well as Albert CHENG and CHIU Chak-yan and TO Kwan-hang from the Linkwatch, opposed the listing of The

Link, and they, like disgusting mice on the streets, came under savage attack for their stance.

I remember on 1 January 2005, the New Year's Day, the Hong Kong Securities & Futures Industry Staff Union, an affiliated union of the FTU, organized and mobilized people to join the ten-thousand people march. They chanted the slogan of overthrowing "the wicked guy" Albert CHENG, and even killing Albert CHENG. CHIM Pui-chung was also at the scene. For the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), CHOY So-yuk not CHOY So-yuk — sorry, it should be IP Kwok-him and CHAN Kam-lam, they were also at the scene. The relationship between the DAB and the FTU is bizarre. But, up to day, by this session, their stances are made clearer. One of them is center-right. For the FTU, it has no choice, for it inherently has to defend the interests of the proletarians and safeguard the interests of workers. They are given no opportunity to change their original stance, am I right?

Therefore, in 2005, CHAN Yuen-han supported the privatization she supported the motion demanding the suspension of privatization. WONG Kwok-hing did the same and KWONG Chi-kin did the same. All members of the FTU supported Albert CHAN's motion on demanding the suspension of privatization. However, another leader of the FTU, who was also the leader of the DAB, TAM Yiu-chung, could not be located at the time. The former chairman of the DAB, Jasper TSANG, could not be located too. Both of them did not cast their votes.

Against this background, Members will know that when we reprimand the Government and the Housing Authority, we should at the same time reflect on ourselves. I have no intention of criticizing my colleagues here today. However, those traders and workers have to face such a miserable situation today because we were too lenient to the wicked elements, allowing evil a chance to nurture and capitalists to reap fat profit with cunning tricks. Surely, the officials now in this Chamber should shoulder the greatest responsibility. Am I right? Sometimes, when we come to this issue, I cannot help mentioning two Members of this Council, LEUNG Kwok-hung and Albert CHAN. As I studied those speeches in the past, I am proud and honoured to be their comrade, for they hold fast to their principles with perseverance, following the same path all the way to defend the interests of the grassroots. Thank you, Deputy President.

MR LEE CHEUK-YAN (in Cantonese): Deputy President, regarding The Link Management Limited (The Link) incident, first of all, I have to salute the car park workers. I remember that when I helped them organize the strike, many workers told me that their supervisors had threatened to fire them if they joined the strike. Despite being threatened, they were still very brave because they thought that it was downright impossible to work 12 hours. That is why they still stood up, though being threatened, and took part in the strike until the demands were met. Under the pressure of the strike and the force of the workers, the first negotiation among The Link, the relevant affiliates of the Hong Kong Confederation of Trade Unions and workers on strike took place. I recall that at our first meeting with The Link, its representative Ian ROBINS even brought up the case of the MTR Corporation (the Corporation), in which Secretary CHENG had a part to play. He said that he had nothing to do with this matter and had learnt from other operators that the two-shift system had been adopted across the trade. All major companies were working on a two-shift system, so did the Corporation. What immediately came to my mind was that, should the Corporation adopt a two-shift system, I would definitely fight against it. So, I wish to notify the Secretary in advance that, being a director of the Corporation, she should also keep an eye on its situation. Should the Corporation's car parks really adopt a two-shift system, I will definitely not let it go.

(THE PRESIDENT resumed the Chair)

I told The Link that needless to ask the operators, everyone knew that the two-shift system was a market practice. There was no need to use the operators as an excuse. It was common knowledge that the two-shift system was less costly than the three-shift system. The workers said that their working hours would increase by four hours from eight hours to 12 hours, but their salaries would only increase a few hundred dollars. I have done some calculations and found that the hourly rate is \$5. How harsh this is! While the workers have to work four more hours at an hourly rate of \$5 only, 650 jobs have also been cut. The remaining 600-odd workers are required to work in two shifts. What will happen to their families? This is the first question I put to Ian ROBINS in the first negotiation.

The second question that I put to him was, according to the record of the Legislative Council — it is fortunate that a joint meeting was held between the

Legislative Council Panel on Housing and the Panel on Manpower, we can therefore see clearly from the minutes that — The Link's then Chief Executive Officer (CEO) had undertaken to adopt a three-shift system and even wrote to the two Panels explicitly stating the adoption of the three-shift system. Ian ROBINS said at the time that as this was a new piece of information, he needed to go back and make a good study of it. He merely reiterated that this was a commercial operation. It is a good lesson for us to learn that asking such enterprises to discharge corporate social responsibility is like asking a tiger for its skin.

In the end, we surrounded The Link again. It finally made a concession and agreed to abandon the proposed change from a three-shift system to a two-shift system only when some 100 to 200 workers marched to Queen's Road Central again. In the course of it, I was very grateful to the Board of Directors. This is a very special incident. I seldom do this because I think it is useless to do so. On this occasion, I rang up the Directors one by one, and found that not all of them agreed to the proposed change. It was indeed "a pleasant surprise" to find that the Directors had divergent views. We then requested them to exert their influences as far as possible, so as to stop the CEO from adopting the two-shift system. Here, on behalf of the workers, I wish to openly send my sincere gratitude to those Directors who have rendered their support in opposing the two-shift system. They have indeed acted in accordance with their conscience.

Honestly speaking, however, it is very difficult for an enterprise to act on conscience after it was privatized. I therefore consider it impossible to talk about social responsibility. I always say that it is only a matter of degree, going from an extremely bad state to the current mild state. Ian ROBINS wanted me to give some fair comments, and I said that fair comments would be made if he adopted a more balanced approach. I think that though the present approach is more balanced than before, The Link may still substantially increase rents by hook or by crook in future to push up its share price. In the end, it is the traders and residents who suffer because prices will certainly go up. As evident in this case, while The Link has benefited from the two months' rental waiver of the Government, it has nonetheless slapped the Government on its face by throwing 600-odd workers into unemployment. Since it will do the same to the shopping arcades in future, thousands more workers will be thrown into unemployment. Is this not even worse? Yet, The Link has benefited from an immediate increase

in income as a result of the two months' public housing rental waiver. Therefore, asking it to discharge its corporate social responsibility is tantamount to asking the tiger for its skin.

MR LEUNG KWOK-HUNG (in Cantonese): Concerning 1 January 2005, I have never seen such a fierce demonstration before. Not only were there detailed illustrations of how my arm or that of "Tai Pan" was chopped off and how I was deep-fried, but there were also more than a hundred people who were unaware of the truth running towards me to beat me up. In order to protect me, a security staff of this Council was elbowed onto the ground by a policeman who came to arrest me, alleging that I had stirred up the emotions of the people present and hence posed a threat to public order. I am sure that among the crowd were members of the Hong Kong Federation of Trade Unions (FTU), and I saw that CHOY So-yuk was also present.

I do not want to haggle over the past because it is most important to face and correct one's fault. I just want to ask: Why did they want me dead? Why did they want to deep fry my arm? Please do justice to me, "bro". My arm is very precious because I use it to write.

Why did the FTU do so? Firstly, it is a workers' association, hence it cannot go too far. However, they did so because an instruction had been handed down to uphold the reputation of TUNG Chee-hwa, which might as well deal a blow to us. How sad this is! And yet, I am not going to pursue the case.

Here, I just want to say that on that day, what I said was being a social democrat, it was absolutely impossible for me to vote for the privatization of public properties for the workers and the general people would suffer as a result. Today, my stance remains unchanged.

When I heard Mr WONG Kwok-kin talk about layoffs, salary reduction and longer working hours, I suddenly got inspiration and wrote a doggerel. It reads, "Taking the lead to lay off workers, cut salary and increase working hours, and gathering all evils to increase rent, force out traders and reap huge profits." The title is "Government-business collusion". Since The Link was established, I have made many contributions, either big or small. For instance, as a result of the disturbances caused to the traders of the Hau Tak Estate, I frequently staged demonstrations at The Link's headquarters opposite to my office. People who

saw me there would say, "Mr LEUNG, you again?" Then, I would say, "No, my office is just on the opposite side."

What makes The Link? It is the outcome of the Government's heavy reliance on the market but not justice, and a lack of commitment in policy administration but merely shirking responsibilities. It is also attributable to the globalization policy introduced by the TUNG Chee-hwa government after recruiting Antony LEUNG. Realizing now that one has been wrong in the past, I hope that this Council will not do this again. Just let them do whatever they want, but we will absolutely not give them our vote again. This is the first point.

The second point is, I think that the Government is obliged to buy back all sold assets amidst this financial tsunami when there is considerable surplus, so as to discharge its social responsibility. It is a complete nonsense to issue bonds for the sake of issuing bonds. Buying back assets by issuing bonds is indeed the right thing to do, though the issuance of bonds is considered unnecessary given our abundant capital.

Today, I am not going to find fault with anyone. I just want to say that, being the middleman, workers of the FTU and I attempted to change into The Link's meeting venue. I tried to push open the door, which was indeed very dangerous. Did they understand that the listing of The Link at the time is like "a blind man riding on a blind horse at the verge of a deep pool in the middle of the night"? Now, he has finally fallen into it.

Secondly, I wish to set the record straight. After exposing to the sun for several hours, workers of the Hong Kong Confederation of Trade Unions (CTU) and I successfully secured an apology from Ian ROBINS, so I think that the CTU took on a lot of responsibilities in this case. So did the FTU. Just as I have said time and again, in this Council, organizations of the working class should fight for the benefits of the workers, so I hope that Members would bear this in mind and not to join the wrong queue.

MR IP WAI-MING (in Cantonese): President, after listening to so many speeches on The Link Management Limited (The Link), I think that it is indeed a victory of workers' unity that has made The Link alter its course by reverting from a two-shift to a three-shift system. When we learnt on the 12th of last month that The Link would change its work-shift system from three shifts to two

shifts, which would result in layoffs, salary cut and longer working hours, the Hong Kong Federation of Trade Unions (FTU) was the first to stand up against its arrangement. It is also the first labour organization to organize workers to fight for their rights.

Over the past three weeks, we have organized six protests. We were soaked in sweat with the workers, and even negotiated with Ian ROBINS together. Being a labour organization, the FTU is duty-bound to safeguard workers' rights and interests, which is also our innate duty. We therefore hope that other Members will respect what we have done in this regard.

(Mr LEUNG Kwok-hung rose)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, do you have any question?

MR LEUNG KWOK-HUNG (in Cantonese): I would like to know which colleague did not respect him.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, your speaking time has been exhausted. According to the rules of a motion on adjournment, each Member may only speak once in each session.

Mr LEUNG Kwok-hung, if all Members rise to express dissatisfaction over the remarks made by another Member in the middle of his speech, our debate will never end. Mr IP Wai-ming, please continue with your speech.

MR IP WAI-MING (in Cantonese): Thank you, President. We have organized six protests and successfully forced The Link to alter its course. In fact, I also wish to point out that when The Link was first established, one thing very clear was that FTU's 200-odd affiliates and the then Legislative Council Members WONG Kwok-hing, KWONG Chi-kin and CHAN Yuen-han were in opposition to its establishment or listing. I believe the FTU has been holding fast to the stance that the listing of public organizations should be opposed.

I recall that when the Government intended to have the Hong Kong Airport Authority privatized or listed a few years ago, the FTU and its affiliate, the Staffs and Workers Union of Hong Kong Civil Airlines, were also the first to rise against the proposed listing. Our stance in this respect is therefore clear enough. We opine that the Government should ensure that any privatization plan involving public interest is for the benefit of the general public and must be subject to public scrutiny. Our stance towards such privatization plans is therefore crystal clear.

Secondly, we have particularly objected to the change of the work shift system from three shifts to two because in the fight for minimum wage, we have insisted to prescribe standard working hours. Many workers can hardly handle 12 hours of work as it is downright impossible for them to take care of their families. What is more, after deducting 12 hours' work, travelling time and rest time, there is actually not much time left for the workers. This will give rise to many problems. We have all along requested the Government to pay attention to the problem, but it always says that this is market-led and hence could not care less. Long working hours will result in deteriorating health of workers and even family problems. Very often, what makes me so upset is that the Government has not only ignored the implication of long working hours on workers in the absence of child care services, but it has even arrested parents who have been unable to take care of their families because of work. What kind of Government is this? We often doubt what the role of the Government is. What have the Transport and Housing Bureau and the Labour and Welfare Bureau done in The Link incident this time around? Have they ensured that The Link honours its previous pledge to adopt a three-shift system? The Government only said that this was The Link's own matter and it was therefore in no position to intervene. The FTU was particularly dissatisfied with the role played by the Government in this case.

DR LEUNG KA-LAU (in Cantonese): President, what is the problem with The Link? How unscrupulous is it? Our colleagues have already mentioned a lot just now, so I am not going to say anymore. The question is how the problem can be resolved in the long run. I think that the first step is to foster a consensus in this Council.

I moved a motion on "Buying back the shares of The Link" half a year ago, which received nine votes of support from Members returned by functional

constituencies. Although the motion was not carried by a narrow margin of two votes, it was indeed not bad to have nine votes. Now, I am soliciting colleagues' support again, especially those from the Democratic Alliance for the Betterment and Progress of Hong Kong. However, only "IP sir" is present at the moment.

First of all, criticism cannot solve problems. The most important point is that supporting the listing of The Link in 2005 does not mean the buy-back proposal cannot be supported now. They are independent. The situation in 2005 was different from now. If I remember correctly, the Government was rather poor in 2005, so did the Housing Authority. Furthermore, a lot of undertakings were made by The Link at that time. While the Government is no longer poor and has even become rich now, The Link is not doing well. Hence, the case should actually be given a second thought. Because of changes in the situation, this is not a sheer reversal at all.

Earlier on, a colleague reminded me that I could not answer all questions with just one mouth. At that time, a colleague asked me if the Government should buy back public organizations when they failed to operate properly. Certainly not. How can the Government buy back so many of them? Nonetheless, the Government does have different ways of exerting its influence on them. For instance, the power companies are governed by the profit control scheme and are subject to control no matter people like the scheme or not. Fare increase by bus and ferry companies must be approved by the Government, and they are also subject to control. In other words, the Government does have influence to a certain extent. Even in the case of the two railway corporations, though the Government has indicated that it will not intervene in their operation, it does have some influences given its status as the largest shareholder.

Then, how does it influence The Link? In fact, I have adopted an open attitude. I do not mind what method is adopted. The buy-back proposal is one, but other methods, if available, can also be tried.

Furthermore, it is said that while shopping arcades in public housing estates under government management are poorly managed, management of The Link is pretty good. I am not saying that The Link should not be allowed to manage, but being a shareholder, the Government should at least exert some influences. The Link should know who the boss is and what to do. In fact, there is no problem at all allowing The Link to continue managing the shopping arcades.

Secretary CHENG is not my target because the matter is not necessarily within her purview. My target is probably the Financial Secretary because money is in his hand, and the case in question is, after all, an investment.

There was another argument at that time, and that is, is it not subsidizing the residents and traders with public money by buying back the shares of The Link using public money? Members should not forget that when the Government sold The Link, it had received \$34 billions and the money is still there. What is more, buying back the shares of The Link using public money is different from providing tax or rates rebate when the money given out is gone. Buying back the shares of The Link is like buying some "bricks", which is very real and concrete. It is, after all, an investment which yields pretty good return and is not like throwing money into the sea. Six months ago, the stock price of The Link REIT was \$13 per share, and just now I saw that it is \$17. We could have made a fortune if we had bought it. This is a much better investment than the Disneyland. Will the Government dare to say that investing in the Disneyland can yield a return of 33% in six months? This is impossible.

Last of all, it is the practicability. Is the proposed buy-back practicable? Honestly speaking, I am not so sure. Perhaps it is no longer profitable because it was as low as \$13 at that time, but has become more expensive now at \$17. Furthermore, according to the constitution, one must obtain 70% of the share rights in order to secure absolute control of the company. But a friend told me that except for TCI, such public organization as The Link does not have other single major shareholder. It is not necessary for a major shareholder to have 70% of the share rights. Like the TCI, it only has about 15% to 20% of The Link's share rights. But under social pressure, if you become the major shareholder of a public organization holding a mere 10% to 20% of the share rights, not many people will stand against you or do anything to compete with you. So, this is not a matter of practicability, but a matter of price and commitment. Thank you, President.

DR PAN PEY-CHYOU (in Cantonese): When Hong Kong was seriously disturbed by the financial tsunami last December, The Link Management Limited (The Link) crazily increased rents and led to a strong public outcry. I recall in this Council, I used the analogy of Mr SCROOGE, the main character of Charles DICKENS' famous novel *A Christmas Carol*, who is a profit-oriented,

unsympathetic and indifferent miser. In June this year, many Members pointed out the evil deeds of The Link, the details of which I am not going to repeat, and they include layoffs, changing the work shift arrangement from three shifts to two and reducing the hourly wage rate.

Following the outbreak of this incident in June, the Hong Kong Federation of Trade Unions (FTU) led a group of workers to stage a number of protests. Here, I consider that some contributions should go to the Hong Kong Confederation of Trade Unions. In fact, both of us have made a lot of efforts. As a result of the workers' strong protests, we succeeded in pursuing negotiations in a peaceful manner. In the afternoon of 29 June, it was our first time meeting the highest management of The Link. Subsequently, in the face of strong media pressure in society and repeated struggles of the workers, The Link eventually withdrew its decision this week and reverted back to the three-shift system. Laid-off workers were re-employed and their previous salaries were also reinstated.

In this case, I first consider that the workers of The Link are very respectable because given such pressure and working environment They were originally scattered in different places, but the incident has pulled them together to fight for their survival and living. I therefore think that the workers should be highly praised.

In fact, the majority of The Link's workers are grassroots living in public housing estates and most of them are housewives who have to take care of their children and families after work. If the working hour is to be extended to 12 hours, they will have no chance and will be unable to take care of their families. In the end, they can only give up their jobs. On the other hand, the hourly wage rate was reduced by more than 20%, which was as low as \$23. We find such a low rate intolerable.

In the face of the angry workers and immense media pressure in society, The Link has made a timely turn which certainly deserves our recognition. In the light of this incident, we will continue to monitor The Link in future to see if it will genuinely honour its pledges. The FTU has also established a concern group to follow up on the matter.

In DICKENS's novel, Mr SCROOGE had some bewildering experiences in Christmas Eve, which made him change from a profit-oriented and unsympathetic

man no one likes — just like The Link, which has been accused by many Members today — to a very popular person in the end.

In the real world, I am afraid that we should not look at The Link in such a naïve and optimistic way. However, deep in my heart, I think that people in this community, be they employers, the poor or grassroots, are actually in the same boat and should therefore demonstrate the spirit of helping one another.

In fact, many enterprises have manifested this spirit amid the financial tsunami and retained as many job as they can, which I think members of the public should have noticed. I hope that this spirit can be further enhanced.

In this incident, I also heard some voices blaming colleagues who had voted for the listing of The Link at the time. This matter, however, involved people across the political spectrum. Even though FTU's three Members voted against the listing at that time, we should not discriminate against Members who had voted for it because they did not know something like this would happen. Thank you, President.

DR PRISCILLA LEUNG (in Cantonese): President, regarding the move initiated by The Link Management Limited (The Link) to change the work shift system of workers from three shifts to two, I have a relevant personal experience. There is a car park operated by The Link next to my office, where I come across a middle-aged staff every day I go there to collect my car. During those few weeks, they requested me to voice their views, saying that they counted on us. They really could not work such long hours after the working hour was extended from eight hours to 12 hours. Judging from the age of those car-park workers, they are mostly housewives. They gave me a very deep impression, and I decided to fight for the interests of The Link workers. Of course, I welcome the undertakings made by The Link now to offer wages no less than \$6,500 and withdraw the previous proposal.

Insofar as The Link's development is concerned, I really think that the development and decision at that time were too short-sighted in view of the plight of the workers. Residents in public housing estates have actually grown up with Hong Kong over the past 40 years. I remember that when I was a university student, there were statistics showing that 50% of university students lived in public housing estates. I also grew up in public housing estates when I was young. I have found that some of the public housing estates which I visited

before have changed drastically. Not only is there no more store, but the local customs and practices also change completely.

Since we did not care much about the preservation of traditional culture a few years ago, the role used to be played by public housing estates was sold to the private sector in order to raise funds. Nowadays, I can see that our position is actually very fragile because a substantial portion of shares was sold to an overseas organization which has given us an impression that it is rather unsympathetic. And what surprises me is that in such countries as the United States and Australia, local enterprises do discharge their corporate social responsibilities. For instance, in the wake of the 911 incident, major enterprises made generous donations. But they have failed to respect local culture or appreciate local sentiment when they are in Hong Kong. Take the Disneyland as an example. When its management first came to Hong Kong, they were too arrogant to show any respect for Hong Kong people's views. Hence, some kind of touch-base feeling developed among us. Comparing this example with the Ocean Park, we can see that the latter's person-in-charge is indeed more popular. This is not a matter of nationality or blood tie, but whether or not the local development of the enterprise is welcomed by the people.

The Link we have perceived is unsympathetic and totally commercialized. It has increased rents against public views and market trend, completely running counter to the major situation. Even the Disneyland needs to change its style today. It is inappropriate to treat local people not as human being and discharge corporate responsibility only after they return to their own countries.

Therefore, the workers have not only sought help from the trade unions, but also from many Legislative Council Members, asking us to fight for them. I think that this is very much admirable. The workers have made a lot of efforts, which is basically supported by the public. Now, the Government should continue to monitor The Link with us to prevent it from going against public views and exploiting local workers. If such a conflict is not just a fight for interests among the business sector, the community and workers, but developed into a conflict between overseas enterprises and Hong Kong people, we will face an even bigger trouble.

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

DR PRISCILLA LEUNG (in Cantonese): I therefore consider that this problem must be mitigated. Thank you, President.

MR FRED LI (in Cantonese): President, it is fortunate that this time the Hong Kong Federation of Trade Unions (FTU) and the Hong Kong Confederation of Trade Unions (CTU) have joined hands to take social action. However, I wish to tell Members that the nightmare has just begun. Is the Secretary aware that the nature of The Link Management Limited (The Link) has changed? The change is even more rapid than a transformer. The Link's management used to comprise of some soon-to-retire senior officials from the Housing Department and all issues could be settled through negotiations. After Mr Victor SO and Mr Paul CHENG left, this is however not the case now. CHEUNG Kin-fat has also quitted as he could stand no more. Why? The Link is now in the hands of three persons, namely Ian ROBINS, Ross O'TOOLE and Scott NUGENT. Ian ROBINS joined The Link as Chief Executive Officer in November 2007, who brought in two clansmen from Australia in May 2008. So, The Link is now controlled by the trio. Why did I say so? Because they have told their subordinates clearly that if anyone increases the rents of the markets or shopping arcades by less than 25%, they would be summoned by the trio. Their subordinates would certainly feel scared. Who would dare not to follow? Anyone who dares to tell the trio that the rent can only be increased by 20% or 18% would definitely get a dressing-down. They have no choice but to do so.

President, this is exactly the present case of The Link. Why? Because the bonus and cash award of the trio are linked to their performance, whereas performance is linked to rent. As a result, savings in salary arising from a reduction of car-park manpower will go into the trio's pocket. Their cash award will further increase if the reduction in the number of security guards at shopping arcades and the increase in rent well exceed the target. This is more than clear for a commercial company. The situation was not so serious in the past. But after Ian ROBINS came to office and brought along his two clansmen, local workers were laid off and persecuted. Everything is under their control, which is really unexpected.

Secretary, putting it rudely, I learnt that they once said, "Who is Secretary Eva CHENG? Can she control us? This is a listed commercial organization." I am not kidding, and this is really hearsay from the company. They also said that Members of the Legislative Council could simply be ignored because they had nothing to do with the matter. What was more, no meeting was required.

Hence, they have neglected invitations by our committees and refused to attend any meeting of this Council. I wish to tell Members that these three foreigners have no respect for Members at all. This is not racial discrimination on the part of me, but they discriminate us instead. They discriminate against Members who fight for the causes of the public and turn a blind eye to us, thinking that they would in any way leave after working a few years here. They are not Hong Kong people and will not stay here for good. They are actually very shortsighted and will go wherever they can make money. This is what they have in mind. As a result, people at the senior management of The Link, who had worked there for many years, had endured some tough times. They faced persecution but had nowhere to complain, so they left in the end. Soon after they left, replacements were identified which led to the present state of affairs.

It is indeed very saddening for people like us who supported the listing of The Link at that time to see such changes. Dr LEUNG Ka-lau, I think that we have no choice but to enter the market now. Why does the TCI, which holds a mere 15%, act so high-handedly? Therefore, we should buy its shares because there is no other choice. The Government can only seize the control of the management work by increasing its shares and gets a bigger say on the board. At present, The Link is like a kite with a broken string, which is beyond any control and supervision. Nothing can be done by the Government. The Link has simply turned a blind eye to the Legislative Council. The only way is therefore to buy its shares and get hold of some share rights to gain entry to the board. Then, we can lay off those short-sighted Aussies who are absent of social conscience and enterprise ethics, and only strive for the greatest personal interests. They think that commercial organizations are like this, and know very clearly that The Link is a listed organization. It can therefore disregard the previous undertakings made before they joined the company, which had nothing to do with them. They only joined the company in 2007 and 2008, so they can disregard the previous history. This is the case at present.

Honourable Members, we have no choice but to enter the market and resume control of The Link. Or else, the situation will become out of control.

MS CYD HO (in Cantonese): President, Hong Kong people are very grateful to the former British Hong Kong Government for the implementation of policies such as the public health care system and free education. Among them, the provision of public housing has been the most helpful in assisting many grassroots to climb up the social ladder. That is why Hong Kong people have

very strong feelings about the public housing policy. Housing allowance does not only come in the form of the provision of accommodation, but also the provision of a shopping arcade in each public housing estate, providing the grass-roots residents in these estates with affordable consumption. The rents of some of the shops are very low, providing durable goods like clothing, for instance. There are also private clinics where private medical practitioners provide general services for residents in the public housing estates at lower costs, hence saving them from the need to queue up at public hospitals. Therefore, it is the whole set-up. The residents do not only enjoy low rents, but also get an affordable living as well as many job opportunities for the grassroots.

Therefore, shopping arcades in public housing estates should not be sold or privatized. When the Government puts these shopping arcades on sale, it is actually cutting its allowances for the grassroots and giving up its responsibility. While the Government claimed that it was poor at that time, it is indeed a very frightening move to implement privatization plans in a row. This was the policy, which is extremely unfavourable to the grassroots, drawn up by a government that had unwavering faith in the market at the time. What will happen if allowances previously dedicated to the grassroots are turned into shares for speculation? It is precisely the messy state of affairs of The Link at present. In the wake of the financial tsunami, in particular, even financiers who are good at analyzing the Wall Street stock market trend said that the sole reliance on the market would doom to fail. Not to mention social justice or social responsibilities. This is because pursuing the largest profit and pushing up the stock prices are the prime tasks of the management of these funds. So, discussing social responsibility with them is tantamount to asking a tiger for its skin.

In fact, The Link has heaps of bad records. It has not only increased rents and driven tenants away, but has even made all the market tenants move out. Where does it place its responsibility? On the operators of the market, by requiring them to expel the tenants. Should the operators fail to do so, they will be asked to compensate for the loss of The Link. This is the mess left behind from the privatization of public assets. In fact, when the Government got rid of this burden, it received as much as \$30-odd billion. And yet, a price has to be paid as the elimination of such grass-roots shopping arcades by The Link has resulted in a loss of job opportunities, and the affected grass-roots workers have fallen into the CSSA net. This is attributable to the failure of this kind of workers to catch up with the current operation mode created by The Link, which

takes the form of chain stores and is younger and more consumerized. As such, while the Government received more than \$30 billion on the one hand, it has actually suffered a great loss on the other.

No matter what, the mess has been created and buy-back is an option. We have also noted that there are doubts in the market as to why the TCI has been so resolute in pushing up the share prices. The answer is it also wants to get away from the mess. I believe they must be aware that in Hong Kong, they have all along been mice crossing the street. After doing so many bad things, they are probably aware that political pressure will be mounted on them, so it is better to sell it. Nonetheless, I hope that this time we can be smarter and more cautious when discussing the issue of public finance management and the buyback proposal. People's power emerges when the administration fails, and the present situation is a good example. Things will work out if workers can unite together, be they from the left, middle or right.

President, last of all, given that privatization is so bad, the privatization of water supply should never be put into practice in future. I urge that this Council should learn a lesson from the Link incident and be more cautious about the Government's future privatization policy. Thank you, President.

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

MR CHAN KAM-LAM (in Cantonese): President, The Link has been listed for more than three years since November 2005, and it has made significant improvements in the management of its shopping arcades and car parks. Its achievement is obvious to all and has proved that the decision to list The Link at that time was right.

However, The Link has recently changed the work shift system of its carpark security workers, which has in a way implemented layoffs and salary cut. What is more, under the attack of the financial tsunami, many traders have been subject to hefty rent increase upon lease renewal. This has made their operation even more difficult and thus driving them to the verge of closure. These have not only aroused public anger, but have also caused a spate of labour movements and social instability, which are the last things all of us would wish to see.

The Link has a unique background for it is a touchstone of the privatization of public assets in Hong Kong. Properties under its supervision spread across the 18 districts in the territory, and its 180 retail and car-parking facilities cover 40% of Hong Kong's population, among which many are individual small businesses and disadvantaged groups. Although The Link is a listed company, which is not in any way linked to the SAR Government, it does not mean that it can ignore its social responsibility.

President, The Link has a very stable and considerable income. The total income from its 180 property items in 2009, for instance, is \$1 billion higher than that of the era of the Housing Department. When the global economy is slumping, such a high income level is said to be contributed by its unscrupulous collection of rent. Regarding its management, the payments of salaries, directors' fees and award of long-term incentive plan were over \$25 million last year alone, which is more than double that of 2007. We can see from these figures that The Link has no financial pressure at all. Nonetheless, over the past few years, it has repeatedly increased the rent of the small traders and implemented massive layoffs to save costs. This is actually an exploitation of the interests of the grass-roots workers for the maximum benefits of its shareholders. Excessive pursuit of profits makes one forget what is righteous.

The management of The Link has been very high-handed in recent years. It has no idea of the local sentiment and could not care less about requests for improvement of relations with its tenants. Such a high-handed and dictatorial management approach is absolutely outdated and will only deepen public grievances. On the day before yesterday, we learnt that The Link has reverted security workers' work shift system to three shifts. We welcome this sensible decision, which is made by the gravely-concerned members of the Board of Directors. This has demonstrated that the Board of Directors of The Link is more aware of the need for enterprises to take up social responsibilities than the management. Today, we still think that the Link incident is attributable to the mindset of the management and it should not be politicized. If we conclude that The Link should not have been listed simply because of the behaviour of its present management, we would have completely denied the fact that The Link has, in the past few years, introduced a new management mode to and improved the business environment of the shopping arcades of the Housing Department. This is not an appropriate attitude to proactively push forward.

President, with these remarks, I support this motion on adjournment.

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

MR WONG KWOK-HING (in Cantonese): President, regarding the establishment of The Link as a result of the privatization of public assets by selling some of the Housing Authority's assets of public housing estates, representatives of the Hong Kong Federation of Trade Unions, including CHAN Yuen-han, KWONG Chi-kin and I actually clearly indicated our opposition to the privatization of public assets when voting on a relevant motion in the last session. So, I am not going to repeat here.

As a result of the three evil things done by The Link to the car park workers, namely increasing working hours, reducing salaries and layoffs, strong public disgust has been aroused. Thanks to the perseverance of the trade unions and workers, The Link finally made a compromise in the face of pressure from different parties and I welcome its decision. But has the problem been completely solved? It can be said that it has yet to be resolved, but only slightly relieved for the time being. In this incident, the guts of the workers do worth our respect and the perseverance of the persons-in-charge of the trade unions in providing assistance is also admirable. We hope that the trade unions and workers will continue to unite together to safeguard their own interests.

President, The Link has not only worsened labour relations, but has yet to properly straighten out its relations with the traders. We have received numerous complaints from the traders, accusing its hefty increase in rents time and again and the use of different tactics to drain the pond to get all fish. In this connection, we hope that a thorough review will be conducted by The Link.

President, I support today's motion on adjournment and would like to highlight that the Panel on Housing and the Panel on Manpower have actually invited The Link to attend a joint meeting, so as to provide a platform for bilateral communication. Unfortunately, The Link has not accepted the invitation so far. I would like to take this opportunity to openly call on the person-in-charge of The Link to attend meetings of the Legislative Council, and openly call on its Board of Directors to exercise their influence so as to urge the person-in-charge of The Link to come to this Council to have bilateral communication with Members and government officials on this platform. In fact, through such bilateral communication, The Link can actually state all the problems that it has encountered and its so-called justifications, to see if discussion can be held to effectively settle the disputes among various parties. The door of

communication is still open and I eagerly hope that The Link will accept our invitation. We can convene a special meeting to discuss the issue concerned at any time.

Last of all, I hope that in the light of the Link incident, the Government will learn a lesson from the bitter experience of implementing "big market, small government", and the numerous problems and adverse consequences caused by the privatization of public assets. I therefore strongly agree that the Government should consider buying back the shares of The Link, with a view to increasing the Government's influence on it when a certain amount of shares is acquired. It is hoped that the Government will consider this proposal.

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

(No other Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, Members have already spoken in this session. I now call upon the Secretary for Transport and Housing and the Secretary for Labour and Welfare to reply.

SECRETARY FOR TRANSPORT AND HOUSING (in Cantonese): President, I will first state the roles played by the Hong Kong Housing Authority (HA) and the Government after the divestment of HA's retail and car-parking facilities. Then, the Secretary for Labour and Welfare will respond to the issues relating to labour contained in the motion.

The major purpose of the divestment of HA's retail and car-parking facilities is to enable the HA to withdraw from commercial operation and focus on discharging its function of providing subsidized public housing. We consider that the ownership and management of such facilities by the private sector will facilitate their operation and achieve higher efficiency, thereby giving a fuller play to the potentials of these shopping arcades and car parks. Ever since The Link Real Estate Investment Trust (The Link) was listed, properties under its control have been operated on commercial principles and different measures have been adopted to improve the quality of the facilities.

After the public listing of The Link on 25 November 2005, the HA earned a cash income of about \$34 billions and its financial position has therefore been significantly improved. In the near future, the HA should have ample cash flow to meet its operational needs and can therefore focus its efforts on helping people who cannot afford to pay for the rental of private residential market, with a view to addressing their housing needs by moving them to public housing estates as early as possible.

Earlier on, a Member proposed to buy back The Link with public money. The policy objective of the Government is to focus its resources on the provision of public rental housing for low-income families who cannot afford to pay for the rent of private housing. Hence, the buy-back proposal does not tie in with this policy objective.

After the public listing of The Link, neither the Government nor the HA owns any share rights of The Link or The Link Management Limited which manages the relevant fund. While The Link has the autonomy to operate its retail and car-parking facilities, just like the private sector, both the Government and the HA cannot and will not intervene in the day-to-day management, business strategies and operation mode of The Link and the management company concerned.

We understand that Members are very concerned about the rent increase initiated by The Link. As The Link's shopping arcades are set up in or near public housing estates, the residents there are their major source of customers. It is therefore important for these shopping arcades and shops to cater for the needs and consumption pattern of the residents in order to be successful. We believe The Link will properly respond to the prevailing situation of the economy and the market, and will not blindly increase rent for this will only leave it with many unoccupied shops, which is more a loss than gain.

According to the remarks made by the Chief Executive Officer of The Link Management Limited at the meeting of the Legislative Council Panel on Housing in December 2008, the aim of its operation is to lease its facilities but not asking its existing tenants to leave. In fact, according to the 2008-2009 annual report of The Link Management Limited, its renewal rate was maintained at around 72.9%, whereas occupancy rate also remained at about 87.4%. Furthermore, The Link

Management Limited has indicated its willingness to discuss with individual tenants having difficulties so as to come up with a mutually-beneficial solution.

The Administration and the HA will continue to closely monitor the provision and management of the retail and car-parking facilities after their divestment, and maintain close contact with The Link Management Limited to deal with management issues involving both parties together. In order to enhance communication between residents of public housing estates and The Link Management Limited, we will continue to invite staff of The Link Management Limited to attend meetings of the estate management advisory committee so that they can listen to residents' views on the services provided for service improvements. Concerning the day-to-day operation of the housing estates, staff of the Housing Department will continue to hold working meetings with The Link Management Limited to join hand to resolve problems and continuously improve the living environment of the residents. For instance, mechanisms have been put in place under the HA and The Link Management Limited to deal with proposals made by Members in respect of maintenance management and minor works projects. We will continue to communicate proactively with the management of The Link Management Limited and properly reflect the aspirations of the community.

President, like other private organizations, the successful operation of The Link is dependent on the compliance of market rules. The Government and the HA believe The Link Management Limited will continue to improve the business environment of the traders through market forces and meet the basic consumption needs of residents in public housing estates. Thank you, President.

SECRETARY FOR LABOUR AND WELFARE (in Cantonese): President, the Link incident has achieved a breakthrough development over the past two days. The Link has changed its mind about changing the work shift system of security workers of its car parks and shopping arcades, and readily accepted good advice by proactively introducing a good human resources management policy that is employee-oriented. We are pleased to see that and I welcome such a change.

The cause of this incident is actually a commercial arrangement made between The Link and its contractors on tender, instead of a labour dispute

between the contractors and the employees. Being the Secretary for Labour and Welfare, my prime concern is whether or not employees' rights are adequately protected. The Labour department (LD) is tasked to approach contractors on its own initiative to gain an understanding of their employees, so as to ensure that the rights of the affected employees under the Employment Ordinance are adequately protected, while at the same time urging the contractors and employees to maintain close communication. If a conflict arises between the employer and employee regarding dismissal compensation, the LD will definitely provide conciliatory services and make its best to resolve the conflict. It will also provide the needy employees with information, conciliatory services and employment support.

As we all know, employees are the most precious assets of an organization. While mutually-beneficial labour relations will help enhance employees' efficiency, morale and quality, co-operation and support of employees will also help enhance the enterprise's productivity and competitiveness. In times of economic downturn, it is particularly important for enterprises to enhance communication with their employees so as to tide over the hard times together. It would be especially valuable if enterprises can discharge their social responsibilities amidst difficult times. This will bring positive effects on an enterprise's goodwill, image and productivity, and even secure the support of their clients, which is definitely a profitable investment in the long run.

President, I wish to take this opportunity to call on enterprises again to conduct sufficient consultation and candid discussion with their employees before making or implementing any arrangements that may affect their work or interests. Only this can achieve the best results and avoid labour disputes, thus achieving a win-win situation.

I so submit. Thank you.

PRESIDENT (in Cantonese): As the debate on the motion has exceeded one-and-a-half hours, in accordance with Rule 16(7) of the Rules of Procedure, the Motion on Adjournment shall not be put to vote.

END OF SESSION

PRESIDENT (in Cantonese): The end of this meeting also marks the end of this Session. Happy time goes fast and we have spent nine months' happy time in this Chamber unawares. From now on, Members will have to figure out how to spend the next three months when no Legislative Council meeting is held. After this period of restraint, however, I believe Members will certainly come back with more energy to open a more creative and enriched new Session. I now adjourn the Council.

Adjourned accordingly at twenty-three minutes past Eight o'clock.