

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 11 January 2007

The Council met at Three o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

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

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

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

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

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

THE HONOURABLE MARGARET NG

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

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN YUEN-HAN, J.P.

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

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

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

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI, J.P.

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

THE HONOURABLE WONG YUNG-KAN, J.P.

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

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

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

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

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

THE HONOURABLE CHOY SO-YUK, J.P.

THE HONOURABLE ANDREW CHENG KAR-FOO

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

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

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

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

THE HONOURABLE VINCENT FANG KANG, J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

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

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

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

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

DR THE HONOURABLE KWOK KA-KI

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

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

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

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

THE HONOURABLE CHIM PUI-CHUNG

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

THE HONOURABLE ALBERT JINGHAN CHENG

THE HONOURABLE KWONG CHI-KIN

THE HONOURABLE TAM HEUNG-MAN

MEMBERS ABSENT:

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

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

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

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE RAFAEL HUI SI-YAN, G.B.S., J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

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

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

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

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

THE HONOURABLE JOSEPH WONG WING-PING, G.B.S., J.P.
SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY

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

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

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

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

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

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

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

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

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

CLERK IN ATTENDANCE:

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

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

PRESIDENT (in Cantonese): Members will please remain standing for the Chief Executive.

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

CHIEF EXECUTIVE (in Cantonese): Madam President, Honourable Members, today I will speak on my recent duty visit to Beijing.

You may well recall that during the visit Premier WEN Jiabao advised us to "keep a clear mind".

The economic performance of Hong Kong last year was indeed remarkable, with GDP growth expected to reach over 6.5%. I am most happy to see the unemployment rate falling to a new low of 4.4%, at a speed even faster than my own popularity rating.

I have always undertaken my duties as the Chief Executive with prudence. To stay alert to the challenges that lie ahead, I have discussed with my colleagues on quite a few occasions the issue of "Whether Hong Kong will be marginalized". We must not overlook the long-term issues despite short-term good performance.

I believe the upcoming couple of years will be defining years for the development of Hong Kong. Our long-term stability and prosperity is to be defined by whether Hong Kong can play an irreplaceable role in the country's emergence as a global economic power.

The world economy has entered an era of global competition. Hong Kong has to compete with cities within and outside the region for a leading position in financial services, shipping, logistics and tourism. Competition also takes place in areas of infrastructure like ports and airports, human capital, city attractiveness and quality of life. Global competition is not an easy process. There is no room for a second-class city. Gone are the days when we could survive by serving as intermediaries when flow of information was limited.

The purpose of my visit was to secure support from the Central Government to affirm Hong Kong's role as a financial centre of the country, a

regional financial centre and the world's financial centre. The vision will be fulfilled gradually. During my stay in Beijing, I called on ministry and commission-level officials to discuss policies on expansion of Renminbi business in Hong Kong and ways to encourage quality enterprises to use Hong Kong as an investment and fund-raising platform.

On infrastructure, I will strive to start work on the Hong Kong-Zhuhai-Macao Bridge as soon as possible so as to maintain Hong Kong's edge as a regional logistics hub. On the aviation front, we aim to resolve airspace congestion and to increase the capacity of Hong Kong Airport.

The convention and exhibition sector will be promoted to boost business travel to consolidate Hong Kong's role as a business information centre between the mainland market and multinational corporations. The Central Government has made immediate and positive responses in this regard.

On the software side, a healthy environment and quality cultural life are essential to attracting talent to Hong Kong to sustain our status as a world-class international city. Public health issues of environmental pollution and food safety must be resolved through regional cooperation. To this end, I discussed with the mainland officials during the visit ways to improve the mechanism on food safety control and good progress has been made. We will continue to work closely with the Guangdong authorities to gradually improve the regional air quality.

We have been working on measures to tackle the influx of pregnant mainlanders. This issue was discussed thoroughly here yesterday. I can assure you that we always put the well-being of local expecting women first and we will provide sufficient hospital services and human resources to cope with the demand.

Both Members and the news media have recently been concerned about when I would announce my candidacy. Some have even urged me for an early announcement. Now I would like to share with you my thoughts on the duties of a politician.

First of all, it is my heavy duty, as the incumbent Chief Executive, to work with the whole community to maintain economic prosperity to provide an environment where people can lead a happy life. I cannot afford to fail. As

such, I believe that the effect of my personal election activities on the day-to-day governance must be kept to a minimum.

Second, while I have developed new thinking and visions from occurrences and challenges that I have faced from time to time in Hong Kong, I am fully aware that it would not be appropriate for me, as the current Chief Executive or as a candidate to the next Chief Executive election, to promote any ideas that have not been well conceived. To be a responsible candidate, one must be fully prepared. I believe Members here can do much better than I in presenting visions to the public. However, turning visions into reality is a different story. This entails the ability to plan, to co-ordinate and to execute. And it requires repeated reviews, revisions and consultations. I hope that my policy objectives for the next five years will not remain impractical visions. They should not simply be about spending money, while ignoring where we can get the money in the first place. They must be realistic rather than simply idealistic. I hope I can live up to my words.

So, at this moment, my role as the Chief Executive still comes above all else. Meanwhile, I am preparing to be a responsible candidate. I will announce my campaign arrangements in due course.

Thank you very much.

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

MR LAU CHIN-SHEK (in Cantonese): *President, I believe the Chief Executive also agrees that there has been a growing disparity between the rich and the poor in Hong Kong. Over the past few years, our economy did see considerable growth. But a lot of people have yet to share the fruit. The unemployment rate has indeed experienced a drop, but the wages of the low-income workers is still dropping. Both the Central Government and the SAR Government have put forward a number of measures to promote the economic development of Hong Kong, such as the policy announced yesterday on the expansion of Renminbi business in Hong Kong. However, it is of no immediate benefit to the majority of people. The current situation of Hong Kong is like a multi-lane road on*

which one of the lanes is free of obstacles whereby vehicles running on it can even pick up speed. But it is impossible for vehicles in all the other lanes to move ahead and some even have to go backward. If this unbalanced development continues to worsen, Hong Kong will certainly go wrong.

President, can the Chief Executive inform us whether or not he has any innovative ideas to narrow down the disparity between the rich and the poor? Are there going to be any new economic and social policies? Are there going to be any new fiscal and tax policies, such as to impose a dividend tax on the consortia with handsome dividends? I have always taken account of both the expenditure and the income. Through such a measure, consortia with huge profits will take up more social responsibilities while more resources will be made available for the Government to help people in need. Only in this way can social harmony be genuinely achieved.

CHIEF EXECUTIVE (in Cantonese): The economic performance of Hong Kong in recent years has indeed been much encouraging. No matter whether it is the GDP, the employment figure or the low inflation rate, the average figure or the objective fact has shown an all-round favourable performance in the recent 20 years. However, it is a great pity that these are just macroscopic figures which often cannot be indicated..... Just as Mr LAU Chin-shek said, in some individual cases, a lot of people at the grass-roots level have yet to enjoy the prosperity brought by the recent economic recovery, nor can they experience a rise in the monthly pay they get.

However, on the whole, our current situation is actually better than that in the past. Mr LAU, I believe the downward movement of wages that you mentioned earlier has been curbed. Even if there are such cases, they will be minimal in number in future. Our information reveals that compared with the third quarter 10 years ago, the ratio of the full-time working population with a monthly salary of \$15,000 or above, that is, the middle class, to the total labour force has risen from 25% in 1996 to 34% in the same quarter last year. In the meantime, the number of workers with a monthly salary of \$9,000 or below, that is, those closer to the grassroots, took up 42% of the labour force in 1996 while the present ratio is 36%. In other words, the ratio has dropped. And the grass-roots level who has suffered most, that is, those with a monthly salary of \$5,000 or below represented 5% of the labour force. Therefore, the macroscopic figures have shown that there is a turn for the better. However, it does not mean there will be no poor people anymore. There are still poor

people. The best possible solution should arise from the employment and economic areas. To preserve the dignity of the workers, the CSSA and other subsidies provided by the Government are not the most vital elements for the improvement of their living. In this regard, our efforts, coupled with all the efforts done during my duty visit to Beijing, have aimed to enhance the economic vitality of different trades and industries of Hong Kong in order to create new and better jobs.

On the protection of labour, numerous debates have been held in this Chamber, and I have also set out in the policy address measures to avoid further decline in workers' wages. A major movement to protect the minimum wage has now been underway. I very much hope that this movement will get results. We will definitely release a report two years later. And an interim review will also be conducted one year later. We are determined to have these tasks completed. If this movement fails to be effective, we will legislate to protect the interests of the workers.

Regarding other measures, particularly tax measures, I hope Mr LAU will join other Members in voicing his opinions as much as possible to the Financial Secretary as consultation on the preparation of the Budget next year is now underway. We also wish to have the tax base broadened. Everyone knows that the discussion about the Goods and Services Tax has been shelved, and we must have to identify alternative means to broaden the tax base. We are all ears to different proposals.

MR LAU CHIN-SHEK (in Cantonese): *It seems that the Chief Executive has not mentioned any measures to close the gap between the rich and the poor in his answer to my question. I would like to know the specific measures.*

CHIEF EXECUTIVE (in Cantonese): Regarding the specific measures, they have already been mentioned on a number of occasions but have not been stated in specific terms here in this Chamber. Some measures have been set out in the policy address and some will also be brought up in the next financial year. I believe these problems can neither be resolved in a single day nor by just one or two measures. I think the most effective way is to work on the employment front, which is of utmost importance. Of course, some special measures such as the provision of transport allowance to assist residents living in remote areas to work were under constant discussion in the past and will continue to be

implemented. In particular, regarding residents living in remote areas, how can we assist them in the area of employment? How can we do better? I hope services to provide assistance to them will be strengthened. We will keep working on this issue.

However, Mr LAU, I personally maintain that the creation of job opportunities is of utmost importance. Jobs must be created, for only through doing so can the vitality of our economy be boosted. When our economy has gathered momentum, the number of jobs will be on the increase, and adequate competitiveness will naturally push up the wages. Besides, the current economic recovery has already brought the wages up. At least, wages have ceased to drop and this is a fact.

DR DAVID LI (in Cantonese): *Madam President, may I ask the Chief Executive how will the current buoyant share market and the low interest rate be reflected in the economy of Hong Kong this year?*

CHIEF EXECUTIVE (in Cantonese): I believe everyone is very pleased with the remarkable performance of the share market and the economy of Hong Kong — Members are also very pleased as I see them smiling. I think this has reflected several phenomena in the market: First, the mainland capital has considered Hong Kong as a favourable investment market and has sought listing here in succession, particularly the leading enterprises of the Mainland that succeeded to be listed in Hong Kong in the past. In the wake of the successful listing of several enterprises, other will follow suit in seeking listing in Hong Kong in tandem with the present mood of our economy. I believe the share market will remain robust for quite some time.

Moreover, regarding the economy of Hong Kong, there are other phenomena to be seen. For example, the interest rate of the United States seems to have reached the top; local employment appears to have a gradual improvement, and the household income is on the increase. I strongly believe that given the situation mentioned earlier by Dr LI, our short-term and medium-term economic outlook will be quite optimistic. However, attention must be paid to the possible ups and downs of the share market. The Hang Seng Index may either surge or plunge at the brink of an eye. And there are also fluctuations in the fringe markets. Regarding the recent fluctuation of the Thai Baht, as Dr LI is an expert in this area, I trust that he well knows its impact

on the stability of the financial systems in the region. Therefore, I strongly believe that investors must be particularly careful in understanding their own capability in bearing such risk of investment.

On financial management, it is essential for the Government to do a good job in the risk management of the market. In fact, we have to do a better job because the market has become more extensive, that is, the pool has become more extensive, our management must match with that of the other markets such as London. We must be competent enough to facilitate the market of Hong Kong to operate in a more orderly manner. From the perspective of market development, we must seize this great opportunity to achieve for Hong Kong the genuine status of an international financial centre. I believe this is a great opportune moment.

MRS SOPHIE LEUNG (in Cantonese): *Mr TSANG, you have just said that Hong Kong is able to become an international financial centre. And I have heard from sources that our country has also given great support to this idea. Will you inform us of the significance for our future overall development when Hong Kong becomes a financial centre in our country? Moreover, on the development of financial market, mainland cities such as Shanghai and Shenzhen have made marked progress and scored considerable achievements. May I ask how we can avoid getting into vicious competition, and how development can even be promoted in a complementary manner? Will Mr TSANG please elaborate on this?*

CHIEF EXECUTIVE (in Cantonese): There will not be a lot of financial centres, particularly international financial centres, in the world because a successful financial centre can only be created by the convergence of different factors.

Let us take a look at the world. In America, including North America, Latin America and Central America, there is only one great financial centre, which is New York. As for Europe, including Eastern Europe, it has a long history of development and a single currency system, but there is also only one great financial centre and that is London. It seems that various factors are essential to uphold the status of a financial centre, which include not only its own infrastructure, but also the law, the tradition and the ability to pool talents, particularly professionals in the financial and monetary fields. Moreover, the inherent control and the extent of freedom also make their impact.

When we take a look at this time zone of Asia and ask: Which place has equipped with the best infrastructure to become an international financial centre? I think Hong Kong has satisfied all the basic requirements. Moreover, the trend over the past couple of years has given Hong Kong an impetus which is widely recognized as a real chance we have to become equal to New York and London. If the status of a financial centre is to be established, it will bring about opportunities for the development of and the investment in other service industries, thus providing sufficient job opportunities. Therefore, we can see that the unemployment rate in New York will not stand at a very high level, that of London is not very high either. Their business is solely on international monetary and financial affairs, which, in turn, leads to the development of the trading and shipping industries. Their composition is very much similar to the growth of Hong Kong in recent years. Should this direction be followed, coupled with the advancement in technology and the maintenance of our competitiveness in infrastructure, I strongly believe that in the time zone of Asia, when our country becomes equal to America and Europe in financial and trading power, Hong Kong will achieve the status of a financial centre which will certainly match up with that of New York and London.

On the issue of competition with other cities, we have to look at our own infrastructure. It is not just a matter of how much money is invested here, what is more, we have to look at why people choose to invest here. Why do people choose to invest their money here? In other words, they trust this place. And what they trust more is the investment opportunity here. This takes enormous capacity, huge efforts and fierce determination. In that case, we will have to show whether we have our own legal infrastructure, whether we have a free system of our own, a reliable government, a stable market and adequate monitoring. In this regard, no city in the Mainland is able to catch up with Hong Kong so far.

Therefore, during my duty visit to Beijing, Premier WEN has stated it categorically that the status of Hong Kong as a financial centre was not to be replaced. And this is the reason behind it.

MRS SOPHIE LEUNG (in Cantonese): *President, I wish to follow up. I think the Liberal Party is very pleased to hear these because they are some of our major targets. Mr TSANG has just said that the co-ordinating support of talents is of utmost importance. In the development of our financial sector, there are actually a large number of "overseas returnees". How can our local talents*

maintain their competitiveness and assume a place in the financial services sector? I wish to ask follow-up question on the co-ordinating support of education and other areas.

CHIEF EXECUTIVE (in Cantonese): This is essential. We have to fight for not simply money and investment, but also talents. In this regard, Hong Kong has in place a rather relaxed immigration policy. We have always welcomed talents from different places in the world wishing to establish roots in Hong Kong; to work in Hong Kong and to live in Hong Kong.

At present, the financial sector in Hong Kong has pooled people from different parts of the world such as Japan, the United States and Europe to do business here, so do a large number of people from the Mainland. This is attributable to our more relaxed immigration system. And our whole community has both been developed and given support along this line. No matter whether it is the provision of international schools or the popularly discussed issues such as the living standard of the people, a multicultural society and the air quality, are all centred on one very important target which is on the one hand, to protect the quality of life of the Hong Kong people, and on the other hand, to attract foreign intellectuals, particularly financial professionals pursuing high standard of living to settle down and establish their roots in Hong Kong.

MR SIN CHUNG-KAI (in Cantonese): *Mr TSANG, Chief Executive, during your recent duty visit to Beijing, you said that, in your view, this was the best time in the past 20 years. I believe most people will agree that you being the Chief Executive, would certainly consider this is the best time in the past 20 years. You were promoted from the Secretary for the Treasury to the Financial Secretary, and then from the Chief Secretary for Administration to the Chief Executive. However, a survey conducted by the Democratic Party reveals that among the 800-odd respondents, 70% has said their current financial situation and quality of life have seen no improvements when compared with 10 years ago, and 34% has even said their quality of life is worse than that 10 years ago. May I ask the Chief Executive the reason why his judgement bears such a great disparity from that of the people? Will this affect the policies formulated by the Government?*

CHIEF EXECUTIVE (in Cantonese): As I said in my reply to Mr LAU Chin-shek's question, there has been a history of blood and tears hidden behind

any such figure. At present, although many people at the grass-roots level have yet to share the fruit, it is the wish of the Government, as well as the common goal of Members to enable them to do so.

However, so far as macroscopic figures are concerned, I have conducted some studies myself which indicate that what I said was really the case. Of course, it is possible that my studies have been different from those conducted by the Democratic Party, our sample selection may not be the same. Therefore, different conclusions have been drawn. The figures that I used have reflected the overall situation of Hong Kong, and I viewed it from several aspects. First, it is the GDP. Our GDP has exceeded 7.5% for the recent three years in a row. However, we can see that this level could not be reached in any of the past 20 years. Around 1991 and 1993, the GDP kept a steady growth for almost three years. But it just reached 6.3%. I think this first aspect has already indicated to us that this is the best time in the past 20 years.

Second, it is the inflation aspect. Over the past three years, our inflation rate has remained at the low level of below 2%, which is very different from the 7%, 8% or 9% in the past years of rapid growth. The income of the people has turned more stable and their purchasing power stronger. We can see from this that it is also a good sign.

Third, it is the economic structure. Our present economic structure has covered various trades and industries such as finance, trade, logistics, and so on. Our social structure, which has become more complex and diversified, has enabled us to deal with sudden and unexpected crisis. Hong Kong is able to deal with crisis of this nature. I believe Hong Kong is now more resilient to financial crisis than it was in the past. Figures show that our current total trade volume is now over three times of our GDP whereas it was just over two times 10 years ago. In other words, our trade volume has considerably expanded. This is also a point.

In addition, in terms of our domestic structure, the professional and the tertiary qualified have represented around 40% and 30% of our present working population respectively. Figures in the past have never reached such a high level. Viewed from this structural aspect, we think this is the best time in almost 20 years.

Regarding the income aspect, I have just quoted some figures. Workers with a salary of \$15,000 or above accounted for some 20% or 25% of the total

labour force 10 years ago, the present ratio, however, has been 34%, indicating that the ratio of low-income earners has dropped.

From these various aspects, we can actually see that this is the best time in the past 20 years. Over the past 20 years, these recent few years are the best. Regarding the GDP, the present *per capita* GDP has been around \$27,100, which is also a historical high. It had once reached \$27,000 in the past, however, as the inflation rate at the time likewise stood at a particularly high level, the purchasing power of the people was undermined. Our present purchasing power has strengthened. Take \$27,000 as the basis of calculation. Our purchasing power in everyday life has been stronger than that in the past. We ourselves are also in a better state.

Viewing from the macroscopic figures stated above, I have to repeat, all these figures, albeit cold as they appear, show that we are a lot better now. We should keep working on the area of collaboration, particularly to help people at the grass-roots level share the fruit.

MR SIN CHUNG-KAI (in Cantonese): *Chief Executive, I would like to share with all of you another colder figure which can serve to illustrate the situation 10 years ago and the one we are facing now. The Gini Coefficient of Hong Kong before the reunification was 0.4 and it is now 0.525. To put it simply, it shows that the disparity between the rich and the poor has widened in Hong Kong over the past 10 years. And this may affect the policies of the Government. In the case where the disparity between the rich and the poor has widened while the overall situation of Hong Kong has turned better, it means the poor may become poorer whereas the rich may of course become richer. The point is whether the Government will make judgement based on — actually, this is exactly the same question as the one raised by Mr LAU Chin-shek — the fact that given the increased disparity of the rich and the poor, even though the economy has seen a recovery, a considerable number of people at the grass-roots level have yet to share or experience the results. What can be done by the Government?*

CHIEF EXECUTIVE (in Cantonese): I have already given a reply to Mr LAU Chin-shek's question earlier. We must work towards the enhancement of economic vitality and the creation of job opportunities to provide the market with competitiveness, thereby heightening the competitiveness of the labour market.

This is the only and the most effective way to protect the labour force, particularly the wages of the grass-roots workers. As to other areas, I believe the provision of subsidies and CSSA is not an effective long-term solution, not to mention the tarnish on their working dignity. Therefore, I think it is most important for us to work on the various areas mentioned above.

Regarding the Gini Coefficient, in fact, I have always doubted it seriously — many countries have also doubted its applicability to a city economy, in particular, in a place like Hong Kong which hinges its entire well-being on its attraction to the rich, especially the wealthiest in the financial sector. Can we make use of the Gini Coefficient to reflect whether the living standard of our general public has declined? Of course, the gap has certainly been widened. However, it is of utmost importance that the poor will be safeguarded from staying in poverty, that those who are poor today will be relieved from poverty tomorrow, and will lead a better life the day after tomorrow. We have to ensure a high rate of mobility. I think it is our target to work on this.

We have to bear in mind that at present, there are 150 people coming from the Mainland to settle down in Hong Kong every day. Many of them have not brought with them a lot of resources. It is possible that they will become members of the grassroots upon their arrival at Hong Kong. In other words, there is always this new element keep integrating into our grassroots. We should give them our welcome. We have such resources and we need hands. They can then provide a new source of force for us. However, while we are paying the cost, it takes some time for them to get better off. Some may even take a generation to do so. However, Hong Kong is a place filled with hope. Therefore, we cannot do much about the rise in wages of the grassroots by means of official or administrative measures. But I earnestly hope that through our continual efforts in the employment market, their life will become better and better. Most importantly, should our performance of this year be poor, we aspire to have improvements next year and improvements still in the year after next. And this is the target of our work.

MR CHAN KAM-LAM (in Cantonese): *Chief Executive, the airspace of the Pearl River Delta Region has all along been an issue to the aviation industry of Hong Kong, which has led to very serious delays in our flight services in the past three years.*

The CPPCC delegates of the DAB jointly made a proposal to the CPPCC last year. We learnt that the Chief Executive has brought up this issue during his duty visit. And he also mentioned just now the aim to increase the capacity of Hong Kong Airport. We are aware that the Premier of the State Council likewise attached great importance to this issue. He has even appointed the Guangdong authorities to examine the issue together with the Central Government and the SAR Government. May I ask the Chief Executive whether he has brought any good news for us after his duty visit?

CHIEF EXECUTIVE (in Cantonese): What I conveyed to the Premier in our last meeting is the issue brought up by the CPPCC delegates on different occasions in the past. However, the problem has now aggravated. The Civil Aviation Department of Hong Kong, the National Civil Aviation Authority in Beijing and the Civil Aviation Bureau of Macao have worked on this issue incessantly. Moreover, a tripartite working group was set up as early as two to three years ago, that is, in 2004 to co-ordinate a more efficient use of the airspace in the region. After several adjustments, improvement has been seen on this front.

However, there is a saturation point after all. It is inevitable for us to face the ultimate problem of the saturation of aviation management, particularly when the aviation industry is expanding, and we are definitely in need of more airspace to be made available for the civil air services. This was the background against which I brought up the issue with the Premier.

The Premier gave very positive response to this issue by immediately placing it on the agenda of the State Council. In other words, this issue will be a topic specifically handled by the highest level of our country. I strongly believe this decision will certainly have an impact on the National Civil Aviation Authority and the units responsible for aviation management to bring about improvements in this regard. Not only is the development of the Pearl River Delta affected by this issue, the Yangtze Delta is also facing the same problem. Flights in Shanghai have also constantly experienced delays, while the situation in the north indicated the same. I believe, most importantly, it is necessary to open more airspace for civil flights. I understand the issue has become a matter of concern to the Central Authorities.

As to the SAR, I will definitely strive for more extensive collaboration with the Mainland through the tripartite working group with the aim of having the whole airspace expanded. I think at present, the airspace in most urgent

need is that for the flights from Hong Kong to east China. This airspace is in greatest demand. It must be expanded to cover the flights to Hangzhou and Shanghai. I will make further effort in this regard.

MR CHAN KAM-LAM (in Cantonese): *President, I wish to know: Will the Chief Executive further seek at the next stage to have a timetable set out with the governments in the region or in the tripartite working group? As the co-ordination in transport between Hong Kong and the peripheral regions is a matter of great significance, staying at a stalemate will affect our status in the logistics and air transport industries.*

CHIEF EXECUTIVE (in Cantonese): We have accorded priority to this issue, and the Premier has also placed it on the agenda. I believe it will not be handled at a slow pace. However, we are not in a position to set a timetable as the management of airspace is a national concern. We can only try to make our best efforts. However, given such a very positive response from the Premier, I believe this is a piece of very positive conference news. I also hope this problem will be solved in the foreseeable future.

DR FERNANDO CHEUNG (in Cantonese): *The Chief Executive quoted a lot of figures when he replied to the questions raised by Mr LAU Chin-shek and Mr SIN Chung-kai concerning the disparity between the rich and the poor, apparently showing that in the present economic recovery, the people's livelihood has also seen a great improvement. The Bauhinia Foundation Research Centre (BFRC) has recently published a report on the economic and social condition of Hong Kong. The BFRC seems to be a friend of the Chief Executive's. As the Chief Executive believes that in kinship, there is a difference between the close and the distant, even if he may not listen to Members' words, it is likely that he should listen to a friend's words. Let us return to the study of the BFRC. It reveals that the number of low-paid households with a monthly income less than \$8,000 has increased from 200 000 in 1997 to 500 000 in 2005, and its ratio to the total number of households has also seen a rise from 13% to 22%. Moreover, the difference of income between the rich and the poor has increased from 16 times in 1996 to 23 times last year, showing that disparity between the rich and the poor in Hong Kong is growing wider. The rising ratio of low-paid households and the growing number of children living in single-parent families with low income are all objective figures.*

I know the Chief Executive has already replied to this question twice. But these figures clearly show that the measures taken in the past have not been effective. Even though the economy has seen a growth, it fails to effectively close the gap between the rich and the poor to improve the living of the poor families, particularly the socially disadvantaged. I believe apart from speaking earlier in general on the boost of our economy, the Chief Executive also has to put forward some specific proposals. I hope the Chief Executive will tell us today what specific measures will be put in place to close the gap between the rich and the poor?

CHIEF EXECUTIVE (in Cantonese): Today is not a time for me to present my policy address or announce my platform. Therefore, I believe it is very difficult for me to discuss specific issues. For discussions on specific issues, I believe other occasions will be more suitable. I can now only talk about the direction I am going towards and how to address the issues. I have said in the policy address that specific measures can be discussed on many occasions in future. Dr CHEUNG can also bring up specific measures for discussion to see if they are feasible.

Regarding the disparity between the rich and the poor, it is not a phenomena existing in Hong Kong alone. All the advanced countries in the world have been aware of the gravity of this problem, for which there could be no quick solutions. I hope only to look at this problem from a macroscopic perspective, and as from the microscopic perspective, we can handle the cases one by one. I believe this is a more practical approach.

On the survey of the BFRC, I have run over it briefly. However, it has targeted on the household income, which is slightly different from the personal income we are now talking about. Regarding the household income, as there are now changes in the family structure of Hong Kong, particularly as the number of members in a single-parent family has reduced, there has been an increase in the number of households while a decrease in the number of family members, in addition, when the elderly have separated from the family and their family income has dropped, such figures are well worth considering from the perspective of households. However, there has actually been an improvement in the personal income.

Yet, what I have said, what we have said, what you have just said and what Mr SIN Chung-kai has just said are all cold figures. We should keep in mind that the most important thing is to be aware that we are to be concerned

with certain of the grassroots. In this regard, we should discuss the issue in the light of every individual case and every single procedure. A lot of efforts were made and quite a number of measures were implemented in the past. We will keep up the work because this is a caring society for each and everyone. We will not forget these people. Most importantly, not only should we simply offer help to them, but should also find ways to enhance their quality of life and their future promotion opportunities in the community. Should the performance of this year be not too satisfactory, we wish it to be better next year and even better in the year after next. And this is the target of our work.

DR FERNANDO CHEUNG (in Cantonese): *President, in the absence of specific policies, it is difficult for us to hold specific discussions. Among us, who does not know all mothers are women? Who does not know it is our wish that everyone could lead a good life? We have heard the saying of "When China experiences a turn for the better, Hong Kong would also experience a turn for the better" for almost 10 years. I wish the Chief Executive will actually put forward some specific measures. Moreover, he said there was no mention of specific measures from the non-governmental sector, to which I strongly beg to differ. In the past, the non-governmental sector has proposed to review.....*

PRESIDENT (in Cantonese): Dr Fernando CHEUNG, many Members are waiting to ask questions, can you raise your question now?

DR FERNANDO CHEUNG (in Cantonese): *Yes, I understand. I will be brief. A number of specific measures have actually drawn up by the non-governmental sector, in the hope that the Government will give them a response and put forward its own specific measures. Otherwise, the people of Hong Kong would be devoid of expectations.*

CHIEF EXECUTIVE (in Cantonese): Thank you for your opinion.

MR LEUNG YIU-CHUNG (in Cantonese): *President, the earlier response given by the Chief Executive in regard to the candidacy for the next Chief Executive election has been consistent with that he has recently made to the news media. He said he aimed to complete his work as the incumbent Chief Executive satisfactorily. Of course, this is good news to the public.*

However, Chief Executive, notwithstanding your aim to complete your present work satisfactorily, it is a pity that we the public have seen a lot of problems remaining unsolved or awaiting improvements, as seen in cases such as the Action Blue Sky Campaign, the heritage conservation and the delayed payment of wages by employers — the issue of delayed payment of wages has continued to worsen recently, as illustrated by the incidents of Sing Pao Daily News and the Lucky Bakery House and I received this morning complaints on delayed payment of wages from 20-odd contracted workers of the Housing Department — as well as the setting of a minimum wage. Perhaps you will say that the protection of a minimum wage has already been in place, and I do not argue with you about its effectiveness, but the issue of long working hours has met with "no answers at all". Moreover, there is a series of existing problems such as the safety of food from the Mainland, and so on. In addition, the recent tariff increase by the Hongkong Electric Company has also caused public concern and discontent.....

PRESIDENT (in Cantonese): Mr LEUNG, can you ask your question directly, all right?

MR LEUNG YIU-CHUNG (in Cantonese):*But it is a great pity that we cannot see any government measures that can cause these issues to be improved or public grievances against the Government addressed.*

May I ask the Chief Executive whether his recent focus has really been just as he said on matters of public concern of Hong Kong, or he has just paid lip-service, while his real concern was the possibility of Mr Alan LEONG's getting the "entry ticket" of 100 nominations, and therefore constantly challenged to his platform meant for open discussion? Would he, just as he has stressed many times earlier, be engrossed, privately, not only in empty talks, but also in a practicable political platform in order to engage in a debate with him, so much so that he could not really deal with the problems I have raised just now? It is impossible for the public to know where his "heart" lies: Does it lie in dealing with the problems, or does it lie in the election?

CHIEF EXECUTIVE (in Cantonese): Mr LEUNG, Hong Kong is a society with a great diversity and a high degree of transparency. Every day, some incidents or issues are happening here. A place with only a few issues is not a

vibrant society. We are having many good happenings here every day, but there are many difficulties as well. What you have mentioned earlier are just some of the problems. And there are others. If you join our morning prayer gathering held every morning, you will find a lot of other problems that are not on your list.

In fact, not only have we been concerned about these problems, hoping to find them some good solutions, you people have also tried your best to discuss each of these problems here in this Chamber every week. To every problem, our colleagues have also given adequate response, stating the measures the Government has undertaken to deal with them. Of course, such measures are impossible to have the problems completely solved within a very short time, but we have responded to every problem you mentioned.

For instance, we discussed yesterday a lot about the issues of pregnant women and heritage conservation. In response, we spoke of our strategies. Of course, I dare not say whether they have met with Mr LEUNG's satisfaction. However, I can tell you that this has demonstrated our great efforts. And as the Government, we have the responsibility to identify a real solution in the long-term interests of Hong Kong and to do what we should do.

Therefore, I believe in the people of Hong Kong. The Hong Kong Government will keep up its efforts. I have been making every effort to deal with these problems every day. On each of the problems you have just mentioned, our colleagues of the SAR Government have given full and concrete responses as well as our opinions. Some of the problems have no quick fixes because they are beyond our ability to tackle. Some of the problems are — for instance, regarding food safety, our food is totally relied on imports and something wrong has happened again today — there are indeed such problems. However the questions do not stem from us but from other countries and have cast impacts on us, so we will have to respond by finding an effective means to protect the interests of the public of Hong Kong. This is our primary responsibility that we cannot be shirked from.

However, please do not presume a place with problems is a problematic society. This is not the case. A society with problems is actually one which has transparency. After realizing the problems, the most important thing is whether the Government has the determination to have them resolved and puts forward effective measures so as to make people aware that the Government has made its efforts. This is exactly what I wish to achieve.

MR LEUNG YIU-CHUNG (in Cantonese): *President, problems are bound to occur in every society. A society without problems is not a society at all. However, the point is whenever a problem arises, the problem-solving ability of the government and its leader will be put to the test. However, it is a great pity that with what I have brought up earlier, it is not a matter of meeting my approval or not. Instead, the problems are actually deteriorating at a speed, just as you said in the address, faster than your own popularity rating. Therefore, these are not problems of my own. They are social problems.*

The Chief Executive has set out in the policy address a great number of visions of people-based governance. But it is a great pity that the policies of the Government have run counter to them. Therefore, I wish to ask: Take for example those working in different government departments for as long as 10 years, is it a people-based measure when the Government suddenly dismissed them at a time close to year end like the present without considering their feelings so that they have to spend the Chinese New Year in tears? Does your policy, your "heart" focus on matters of public concern? Do you care whether the people can lead a stable life and whether their wages are sufficient for the basic standard of living so that they can live in ease and contentment?

CHIEF EXECUTIVE (in Cantonese): As the Government, we are employing 160 000 staff as well as 16 000 non-civil service contract staff. We have fulfilled our responsibility as an employer, but mobility of posts is inevitable. Whenever there is a reshuffle of postings, there is bound to be additional recruitment or dismissal. But we have been behaved responsibly on every occasion.

I believe what the Honourable Member has been talking about just now is the non-civil service contract staff which has a staff body of 16 500 as at present. An in-depth review has recently been completed, indicating 4 000 posts should be converted to the civil service establishment due to long-term needs. However, among the remaining 10 000-odd posts, some of them are seasonal instead of long term in nature; some of them are short-term jobs with staff working short of 44 hours per week; some of them are specially created for some works projects, of which the employment contracts would be terminated subsequent to the completion of the projects. Therefore, a certain degree of mobility is inevitable.

Regarding staff dismissed by the Government, particularly those non-civil service contract staff, we will make every effort to find jobs for them. We will

certainly do so. We will definitely keep dismissal to a minimum. However, as a major employer and the manager of public funds for taxpayers, we must do what we should do. However, the SAR Government and the Government in the past have always aimed to be responsible employers. I believe this is proven by fact and evidence.

On the protection of labour, we have held numerous discussions on other occasions, implemented a number of measures, and made many moves, big and small. We will keep up our efforts in this area. On the protection of the interests of the staff, we will definitely not shirk our responsibility, and it will be accorded a high priority.

MR CHIM PUI-CHUNG (in Cantonese): *Chief Executive, on 18 November last year, the President of the People's Republic of China met with you in Vietnam and expressed his desire for four things from you: First, to make strenuous efforts to boost the economy of Hong Kong; second, to improve the people's livelihood; third, to maintain and consolidate the harmonious atmosphere of the community, and fourth, to make good arrangements for the election of the Chief Executive Election Committee. You have recently told the news media that at present, economy of Hong Kong is at its best in the past 20 years. This has really thrown the public into much confusion. Should our economy be in such a favourable situation, why has the President of the People's Republic of China asked the Chief Executive to make strenuous efforts to boost the economy? Will the Chief Executive take this opportunity to explain to all the people of Hong Kong what kind of deep-seated conflicts existed between the two of you?*

CHIEF EXECUTIVE (in Cantonese): President, we have had no deep-seated conflicts in this regard. The fact that he asked to have the economy boosted was only raised in response to Hong Kong's status as a financial centre. He firmly believed that problems in various areas — such as the livelihood of the grassroots as mentioned earlier — and some cases of social discord found in Hong Kong have justified the need to maintain a better economy. During his talk with us, he acknowledged the relatively favourable mood of the present economy of Hong Kong. He was of the view that this trend should be maintained and in no circumstance should the economy be allowed to slump. This is exactly what I am now working on with great efforts. There is absolutely no difference of opinion between the two of us. Regarding the favourable performance of the present economy of Hong Kong, he has given it his recognition. But we must

maintain this trend and not to overlook its significance. I believe the maintenance of this trend is a crucial element to the livelihood of the people in Hong Kong.

MR CHIM PUI-CHUNG (in Cantonese): *Chief Executive, then why did the President of the People's Republic of China request you to make strenuous efforts? If he regarded that you have made adequate efforts and great performances in economic development, he would have said, "You have done a good job." When you have already done enough, why should you be told to make strenuous efforts? If I have this interpreted wrongly, I really do not qualify as a Legislative Council Member. (Laughter)*

CHIEF EXECUTIVE (in Cantonese): It is really up to you to decide whether or not you qualify as a Legislative Council Member. Thank you very much. *(Laughter)*

DR LUI MING-WAH (in Cantonese): *Given the support of the Central Government, the enterprises and private enterprises of the Mainland have successively to Hong Kong for listing, paving the way for Hong Kong to be the financial centre of China. May I ask the Chief Executive whether studies are conducted and measures implemented to attract a greater number of companies from other overseas countries and regions (such as Taiwan) to seek listing in Hong Kong so that Hong Kong will become the financial centre of Asia, or at least, of the whole Asian region?*

CHIEF EXECUTIVE (in Cantonese): It is our aim not only to be the financial centre of Asia, but also the financial centre of the world, that is, the financial centre of this time zone.

Our performance in capital raising in 2006 has been quite impressive, raising a total of over \$330 billion for the year. I strongly believe this will bring us up to if not the first, at least the second, ranking in the world. The final figures of London have yet to be released. But we have already overtaken New York. Therefore, our performance has been strong on this front.

However, we must not be left in complacency because our present focus should not only be placed on the mainland enterprises, but also those from

regions such as Taiwan and Cayman. Apart from these regions, we should also attract enterprises of considerable scale from other regions to seek listing in Hong Kong. As far as I know, studies on this issue have been currently conducted by the Hong Kong Exchanges and Clearing Limited (HKEx) and the Securities and Futures Commission (SFC). Their prime targets are places with management and market systems very similar to those of Hong Kong, including Australia and the province of British Columbia in Canada. These studies will be conducted by the above bodies progressively.

As far as I know, the next move to be taken by the HKEx and the SFC is to examine the establishment of a better-defined mechanism, but instead of focusing on particular regions, there will be a set of general requirements aiming to categorically specify that as long as such requirements are met, companies from various regions or places can be listed in Hong Kong, that is, companies practically from any place can also seek listing in Hong Kong. As far as I understand it, this project has been well underway, and announcement in this regard will soon be made. I will continue to pay close attention to work in this regard. And I hope Dr LUI will also pay close attention to this.

DR LUI MING-WAH (in Cantonese): *I hope the Chief Executive will let us know if Hong Kong aims to be an international financial centre, should consideration be given to the international composition? Exactly what are the differences between Hong Kong and cities like New York and London in terms of the international composition?*

CHIEF EXECUTIVE (in Cantonese): I think our international composition is very similar to those of the two places. The present problem lies in the size limit of our market. The financial strength of the United States itself would indeed out-size that of the Asian region, even with Hong Kong, Japan and the Mainland put together. It is the same case in Europe. Therefore, the problem does not lie in the infrastructure but the size of the market. However, I have every confidence in this respect. As the economy of the Mainland is now thriving and in a state of expansion, I strongly believe that the whole Asian region, not only China, but also Japan, Thailand and Korea will see growth in 10 years' time. It is possible that the total GDP of the whole Asian time zone will catch up with those of America and Europe. Then the energy potential or capability of Hong Kong will naturally be exerted to match up with those of New York and London.

MR WONG YUNG-KAN (in Cantonese): *Chief Executive, the frequent occurrence of food safety problems in recent years has raised public concern in both China and Hong Kong. It has also brought new knowledge to officials in both the Central and SAR Governments about food safety and source management of the farm-to-dining table approach. And communication and co-operation between these officials have also been strengthened. Moreover, the SAR Government has, in response to the proposal of the DAB, set up the Centre for Food Safety in 2005. However, it seems that these problems have yet to be solved. The recent incidents of Sudan dyes found in eggs and nitrofurans in Turbot have caught due attention of the governments of the two places as well as the concern of the public. Therefore, the Chief Executive called on the relevant ministries and commissions in person during his duty visit to Beijing in the hope of securing a further guarantee from the Mainland for a safer supply of food.*

On 1 January, eggs, the supply of which to Hong Kong has been resumed, are provided with health certificates. And fish farms have been required to register. But, what can be done with "parallel imports" of food? What measures will the Government take to deal with it? Therefore, I hope the Government will see that what Hong Kong lacks now is a complete set of food safety standards. And the officials of the Centre for Food Safety have not acquired any professional knowledge of the new technological development in the fisheries and agricultural industries, hence achieving very little even though double efforts have been made in source management. May I ask the Chief Executive whether consideration will be given to enhance and review the professional level of the officials of the Centre for Food Safety?

CHIEF EXECUTIVE (in Cantonese): Perhaps Mr WONG would allow me to share with him my policy concept and mode of governance in this area as well as our future measures, particularly how we will treat the legislative mode in future.

Given the present public concern and the higher quality of living, in order to uphold our status as an international financial centre, I believe great efforts will have to be made in the area of food safety instead of adhering to concepts in the past to deal with this issue. I totally agree with him that the current procedures have been far from satisfactory. From the problem found in eggs to that in fishes, coupled with the problem found in the Maotai White Wine today, this area is indeed swarmed with problems.

What I have in mind is that all food importers are required to register, that is, to go through the procedure of registration. Moreover, the safety standards for every major foodstuff must be specified, with well-defined regulations formulated. And all importers are required to provide certificates from the exporting countries to prove that the food meets the safety standards of Hong Kong. On the domestic front, more spot checks will be carried out to conduct sample testing. I think this is our overall idea. Of course, such work will be carried out progressively, and we must set our own standards properly. Although this is very time-consuming, it still has to be done because the registration of the importers must be introduced. Most importantly, the regulation of the provision of certificates must be enforced to prove the imported food meets the safety standards of Hong Kong. It may take some time to discuss with each and every exporting country, particularly the Mainland, to satisfy the need. And their standards must be on a par with ours without any big deviation. These tasks must be performed progressively.

I very much hope to implement our policy and legislate within this framework. And then subsidiary legislations or administrative measures will be enforced to cause other places to match our ways gradually. From eggs, fishes to the other foodstuffs, this policy will be implemented progressively. I think this is the measure we should adopt. Regarding this idea, should the Honourable Members wish to examine it further, we can once again exchange our views and discuss. I went to the AQSIQ in Beijing this time with the aim of discussing this measure with them. On the whole, their response was positive. Of course, the requirement of the provision of food safety certificates for each and every exported product to Hong Kong is a mammoth and time-consuming task. Therefore, foodstuffs with the largest public consumption will be handled first, followed by other foodstuffs progressively. I reckon this to be the right direction to deal with this problem.

As to our own role, the Centre for Food Safety will have a considerable workload in future, having to be engaged in work such as registration and quality inspection. Our requirements must not be too harsh. If they are too harsh to be attained, we will eventually have nothing to eat. Therefore, in this regard, review has to be conducted to see if our existing requirements are too harsh. It seems that our standards for certain foodstuffs are even higher than those of Japan. But is there such a need? If these problems could be solved, long-term problems could also be solved. It is better this way. Otherwise, problems will emerge continuously every day. At present, our country has paid special

attention to these problems, thus the number of problems detected start to grow. Under these circumstances, we must respond by having a well-prepared strategy in place. This is an idea of my own.

Mr WONG, should we impose the registration formalities, I believe the illegal import of "parallel goods" will be stamped out. If the food is not imported by registered traders, it means it is illegal import. This will stamp out such practices. As for tracing of the source, a method called RFID has currently been specially found — I am well aware of its name in English, but it is a bit "clumsy" to say its name in Chinese — that is, to print by radio frequency on the food sample to specify its source. With this technical identification, all information about the food such as the source and production can then be tracked down. I hope this will stamp out "parallel imports".

Regarding the training and the work of the colleagues of the Centre for Food Safety, I hope you will appreciate that this is a newly-established department after all. In fact, colleagues therein have all been well-trained. Some have even received long-term trainings and conducted knowledge interflows in the Centre for Food Safety of the United States. I believe they have all acquired the basic skills. The present problem only exists in resources and time. I believe that, given more time, they will make a better performance.

MR WONG YUNG-KAN (in Cantonese): *President, some fruit importers and I met with the Deputy Secretary for Health, Welfare and Food yesterday. They already had in mind that a registration system has been introduced on the management of fruits by the Mainland since 1 July. But it seems that our Government has had no intention to be thus involved. If this is the case, all tracing systems whatsoever are meaningless. I have asked earlier whether it is necessary when officials under the accountability system are recruited to have their relevant level enhanced? Of course, the Chief Executive has replied that their level will be enhanced. But I hope the enhancement could be expedited.*

CHIEF EXECUTIVE (in Cantonese): I have mentioned earlier the introduction of a registration system. If the Mainland is willing to undergo such formalities, we will certainly have to give a full and favourable response. I personally very much hope that a comprehensive registration system could be implemented despite the fact that it may be time-consuming to do so.

MRS SELINA CHOW (in Cantonese): *At the end of his duty visit, the Chief Executive reported to Hong Kong several pieces of good news, including the one I welcomed most, that is, Premier WEN Jiabao has affirmed and supported the continual role of Hong Kong as the base for international convention and exhibition centre of our country. The Ministry of Foreign Affairs has also expressed its intention of maintaining a close relationship with the SAR Government to promote and enhance our status. May I ask the Chief Executive what plans the SAR Government has drawn up to win the staging of all major international events in Hong Kong? In particular, how will these conventions and exhibitions be brought in by means of an all-round or all-people network? And how will the Government work in collaboration with our country, particularly in according Hong Kong the first priority to stage her major conventions and exhibitions, so as to provide us a strong basis to face up to the increasing competitions from the peripheral area, especially our neighbouring regions?*

CHIEF EXECUTIVE (in Cantonese): The basis with which I put forward this proposal to Premier WEN was our impressive performance in the staging of several major international conferences in the last couple of years, which have gained us very positive responses and comments in the world, hence boosted our confidence in this field. Moreover, as for the development of our exhibition venues, new funding has recently been injected. For instance, the AsiaWorld-Expo, that is, the one at the Airport, is now undergoing phase II of the development project. And the atrium link extension between phase I and phase II of the Hong Kong Convention and Exhibition Centre has also been in progress. We must make good use of these new facilities. Not counting only the hardware, we also have the first-class software in the world for exhibition purpose, many of which have won worldwide recognition. Therefore, I put forward the proposal to Premier WEN with confidence, and he has given me a very positive response in return.

I believe the follow-ups on this issue should be multi-faceted. First, as what we aimed for are international events, it is therefore imperative to maintain contacts with the Ministry of Foreign Affairs. I once brought up this issue with Minister LI Zhaoxing. He also gave it his strong support and put it down on record. Regarding the work in this area, I will keep it up with the Commissioner of the Ministry of Foreign Affairs in Hong Kong and the Ministry of Foreign Affairs because they have full knowledge of all the international exhibitions. They may help us decide which ones among all these exhibitions will be more suitable for staging in Hong Kong. We will then work on these events.

Moreover, at the provincial and metropolitan level, additional liaison will be maintained to enable us to render them assistance as well as to demonstrate our capacity for staging exhibitions that may be very suitable to be held in Hong Kong, or rendering them assistance to stage exhibitions elsewhere. I will also keep in contact with various ministries and commissions in Beijing, including the Ministry of Commerce and those responsible for international exhibitions through the Hong Kong and Macao Affairs Office in the hope that they will consider Hong Kong as a prime base on every occasion. I will follow up in this respect, so will the bureaux concerned and the Hong Kong authorities. I believe the Tourism Board will definitely follow up this issue as this is a good source for business.

Furthermore, on the hardware, we will continue the development in this area. In this regard, I will not allow — I repeat, I will not allow — this "rice bowl" of staging exhibitions to be seized by someone else.

MRS SELINA CHOW (in Cantonese): *President, I certainly am pleased to hear that the Chief Executive has shown such a fierce determination on behalf of the SAR Government because this is of paramount importance. It is common knowledge that the spending ability of those attending conferences and exhibitions has been relatively strong. In the past, they spent more than tourists in general did. I am also pleased to hear that our country will in as far as possible regard Hong Kong as a base, that is, consideration will first be given to Hong Kong to stage its major exhibitions, which will definitely bring about a leading effect. However, I particularly wish to know: Will the Government make use of the extensive network of the people of Hong Kong themselves? Past experiences of the Tourism Board in competing for holding these functions, large or small, have shown us that the people of Hong Kong themselves have established a network of trades or various sectors, which have achieved very significant effect. Will the Chief Executive request the Government to keep in contact with all members of the public as far as possible to allow the participation of even the private sector in this exercise? I believe this will be favourable to the entire promotion and enhance the acceptability.*

CHIEF EXECUTIVE (in Cantonese): Yes, this is absolutely correct. All these cannot depend entirely on the efforts of the Hong Kong Government or the assistance rendered by our country alone. In the course of competition, we may be aware of the assistance given by our country such as in the case of staging the TELECOM WORLD. We must first explore the possibility and then our

country will provide us with the support. I will convey this message to various chambers of commerce and prominent businessmen. The Trade Development Council may also take part in the promotion. Once when we realize that opportunities will arise in the staging of international major events in the next five years, and given suitable venues are available in Hong Kong, we will give every possible support to pool all our resources together to strive for the hosting of the events.

MR LEUNG KWOK-HUNG (in Cantonese): *Chief Executive TSANG has talked here about visions as well as the ability to turn visions into reality. I have heard a remark. It was not made by me but a British knight. He said, "Power corrupts, absolute power absolutely corrupts." What is the purpose of quoting this remark? It means no matter how good the visions are, nothing good will be come out of it if the power is unchecked. This is exactly what he wished to state.*

In fact, talking about visions, I have never heard Faust talking about the visions. I feel that you are Faust himself. Therefore, when you talk about turning visions into reality, you are actually talking of nothing because you simply do not have any visions at all. In my opinion, a person without any visions is no different from a walking corpse; a government official without any visions.....

PRESIDENT (in Cantonese): Mr LEUNG, can you ask your question directly, all right?

MR LEUNG KWOK-HUNG (in Cantonese): *Therefore, I would like to put this to the Chief Executive, Mr TSANG: When my colleagues raised a number of questions to you earlier, to all of them, you answered that you would not give replies to specific issues. In fact, you meant you did not have the answers. Just now, you boasted of your own ability to turn visions into reality, but actually you do not have any, is that right? Therefore, I wish to ask you about something. What are my visions? I am wearing them on my body now for you to see: "The 4 June incident to be vindicated, power to be returned to the people for a nationwide celebration". These are the visions of the people of Hong Kong and China.*

In this Legislative Council, over 65% of the Members so far are still returned by direct elections. Members returned by direct elections represent the

aspiration for implementation of universal suffrage in 2007 and 2008 without delay. May I ask what your visions are? Do you still wish to be a Chief Executive with absolute power? Have you agreed to it? Have you talked to Beijing about it? Have you talked to Beijing about this vision — the vision in your heart or the vision of Faust? Everybody knows that Beijing has the final say on the implementation of universal suffrage in Hong Kong. Have you done this or not? If not, I am now pointing it out to you that you do not have any visions or any abilities to turn visions into reality, and that is the vision of implementing universal suffrage in 2012.

PRESIDENT (in Cantonese): Have you finished asking your question?

MR LEUNG KWOK-HUNG (in Cantonese): *And some more, the election of the Legislative Council by universal suffrage after 2012. I repeat, it is a shame that no one in this Council has talked about coterie election, a pressing issue. Today, I believe many of my colleagues.....*

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, have you finished asking your question?

MR LEUNG KWOK-HUNG (in Cantonese): *Today, I think many colleagues are mocking me behind my back, saying that I am talking nonsense. I feel very honoured.....*

PRESIDENT (in Cantonese): Please allow the Chief Executive a chance to make a reply to the question.

MR LEUNG KWOK-HUNG (in Cantonese): *Yes. So, do you have visions or not? You give me a reply. What is your ability to turn visions into reality? It should be the implementation of universal suffrage in 2012 and the elimination of collusion between the business sector and the Government. My words are very simple. I said all these words only because the powers enjoyed by the Government go unchecked. This is the case in the Mainland, so is it in Hong Kong. This is the crux of the matter in the disparity between the rich and the*

poor as well as collusion between the business sector and the Government. To ask questions over and over again is tantamount to scratching an itch which is meaningless.....

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, you have to sit down first before the Chief Executive has the chance to answer your question.

CHIEF EXECUTIVE (in Cantonese): As I said earlier, I develop incessant visions every day. The point is it takes efforts and planning to turn visions into reality. This entails a lot of efforts instead of simply uttering empty words.

Moreover, I totally agree to what the Honourable Member has just said, power corrupts, absolute power absolutely corrupts. This is a fact. This is a fact universally known. Fortunately, there is no absolute power in Hong Kong. The exercise of any power is subject to a very high degree of transparency and checks by the mass media and the public, particularly the Legislative Council. It is expressly stated in our Basic Law that it is not possible for anyone, including the Chief Executive, to exercise power unchecked, it is a must to be subject to checks.

On the vision of the implementation of universal suffrage, I quite understand and accept it in many respect. Concerted efforts have been put into this issue. How can I turn this vision into reality? It will not work by simply chanting slogans. Mr LEUNG, we must do something. I have been making efforts in the Commission on Strategic Development. I have put in great efforts with the aim of obtaining a consensus from the people of Hong Kong. Then I will have to see how this consensus can come up with the best model of universal suffrage for the election of the Chief Executive, and to have it implemented by some good means which is widely accepted.

Moreover, regarding the election of the Legislative Council by universal suffrage, how can we obtain the best consensus? Recently, we have been getting some progress in the Commission on Strategic Development with the model of universal suffrage for the election of the Chief Executive. The issue has now been under discussion, and relevant papers have been prepared to gradually bring matters into focus. However, regarding the model of universal suffrage for the election of the Legislative Council, we are still at a loss. We have not yet get anywhere after much discussion.

In fact, I have recently learnt from the newspaper that the pan-democratic camp itself is likewise divided in opinion on this issue, reflecting how very difficult this matter is. Therefore, before we chant loudly, I hope Mr LEUNG would co-operate with us and sit down to discuss what model could be feasible. I believe if any progress in the constitutional system were to be expected in 2012, real efforts will have to be made. I will bear my own responsibility, and I hope Mr LEUNG will bear his own as well.

MR LEUNG KWOK-HUNG (in Cantonese): *The Chief Executive has not answered my question. I had asked did he relate the vision in his heart — the implementation of universal suffrage in 2012 — to the leaders in Beijing when he talked to them face to face during his duty visit to Beijing? The reason is we understand their permission is necessary on this issue. If he did not say it out, how can the vision be turned into reality? He has not answered whether he did so or not. If he did not do so, just say he did not and that will do. Either he did not have this vision, or even if he did, he lacked the courage to say it out, am I right? It is so simple a question, but he did not bother to give a reply.*

CHIEF EXECUTIVE (in Cantonese): Mr LEUNG, you raised a dozen or so questions earlier, so I could only answer them as best I could. However, if you wish me to answer a particular question, I can tell you that regarding the subjects for discussion between the national leaders and me, apart from those being made public, I most probably should not disclose the rest of them, neither would it be proper for me to say whether we had discussed those issues or not. For instance, I cannot tell you whether or not we have discussed how to address the influx of pregnant women from the Mainland. However, I can tell you one thing, just as mentioned in my account to you all, our discussions have centred on three major issues, namely, the political situation of Hong Kong, the focus of the present development of Hong Kong and the economic affairs of Hong Kong. We spent a lot of time on the discussion of these three major issues.

Regarding the implementation of universal suffrage in 2012, I have said I will continue to work in this respect. I have my own visions and you have yours. However, as the Chief Executive, I have to exercise extra care because I represent not only myself but also the community of Hong Kong. Therefore, I hope I will hear the opinions arising from all diligence of the various sectors in Hong Kong. After a consensus is reached, I will try every means to obtain what we wish for.

MR WONG KWOK-HING (in Cantonese): *Chief Executive, I heard that you have visited Tung Chung during your term of office. But are you aware that the problems concerning poverty and employment are the results of an imbalanced town planning in the new town of Tung Chung? Apart from the factor of economic restructuring, it is also caused by the great travelling expenses incurred as this remote new town is like an isolated island. I do not know whether you are aware that it takes around \$1,000 to 2,000 a month to travel daily from Tung Chung to the urban areas. Whereas the monthly income of the low-income earners is only in the region of \$5,000 to \$6,000, expenses in this area have taken up one third or a quarter of their income, thereby creating a very heavy burden on them. However, the Commission on Poverty has only provided travelling allowances to the unemployed to help them find jobs, and it has refused to offer assistances to low-income earners with a monthly income of only \$5,000 to 6,000. Under these circumstances, a survey conducted by us reveals that half of the residents there have led a life at the CSSA level, and a quarter of the residents have an inclination to depression, a ratio higher than the average 8.3% throughout Hong Kong.*

Under these circumstances, I would like to ask the Chief Executive whether he can think of ways to help low-income earners in remote new town such as Tung Chung by offering them travel allowances or addressing their transport problems?

CHIEF EXECUTIVE (in Cantonese): The Financial Secretary has made a lot of painstaking efforts in the area of travelling expenses. Of course, in your view, there are too many restrictions in the existing system, but he is now considering how to extend the scope of this allowance scheme in order to benefit many more people.

However, in discussing the issues of Tung Chung, I hope Mr WONG will surely conduct more in-depth studies. I am very interested in the issues of Tung Chung as well. Tung Chung is no new place to me. I have known this place since as early as 1969. I have taken part in its various phases of development from the beginning up till the present, and I also go there often these days.

We must not say the condition of Tung Chung is very disappointing. Tung Chung is a new town, and ancillary facilities we provided there have indeed been inadequate. But progressive improvement has been seen in

different areas from recreation and leisure to medical support. These facilities will gradually be developed along with the expansion of the new town. And we will take remedial measures. Moreover, job opportunities in the new town itself have not been too bad. There is no need for the residents to look for work elsewhere because the Airport, Ngong Ping 360 and other facilities have all been located in the district. If you take a look at the present situation, you will see that the employment situation in the district is not too disappointing. I trust that you have a good understanding of the situation of the grass-roots workers.

Regarding the travelling allowances, just as I have said earlier, the Financial Secretary has been considering this issue. However, we have to take note that the measure must be fair and reasonable. I believe it is rather difficult to work at reasonableness. Exactly where should the line be drawn? We should bear in mind that the funding for this measure is met out of public coffers. I hope we could identify a very good means.

MR WONG KWOK-HING (in Cantonese): *President, the Chief Executive has not responded to my question. Although he has just said measures are being identified to render assistance to the residents, I have pointed out earlier that this measure has failed to help the low-income earners living in new towns such as Tung Chung. I have to thank the Chief Executive for his concern. I have also conducted a survey and analysis. I will mail a copy to the Chief Executive a little later for his reference.*

CHIEF EXECUTIVE (in Cantonese): Good.

MR WONG KWOK-HING (in Cantonese): *But the Chief Executive has yet to answer this question of mine: If low-income earners with a monthly income of only \$5,000 to 6,000 have to spend a quarter or one third of their salaries each month on travelling expenses, what incentive would you provide for them to find work outside the district? Meanwhile, the jobs in the Airport are beyond them.*

CHIEF EXECUTIVE (in Cantonese): I mentioned earlier that the Financial Secretary has been studying this issue, right? I have not given you a specific reply because time and again, debates on these specific issues were held in this Chamber. There is no need for me to repeat the debate on them now. I hope

to elucidate the issue at another level and from another perspective, particularly on the solutions and the long-term directions of the SAR Government. I think this will benefit the Question and Answer Session more.

MR ALBERT HO (in Cantonese): *President, first of all, I wish to straighten out a statement just made by the Chief Executive. He said the democratic camp had not reached a consensus on the constitutional issue. In fact, this is not correct.*

CHIEF EXECUTIVE (in Cantonese): Really? *(Laughter)*

MR ALBERT HO (in Cantonese): *It is very obvious that our consensus has been the implementation of universal suffrage for the Chief Executive and the Legislative Council in 2007 and 2008 respectively. If this cannot be achieved due to the time factor, our consensus would be their implementation not later than 2012. As to the specific constitutional arrangements, even though there have been different proposals for the details, among us we would adopt a tolerant attitude. President, I know if I ask another question about constitutional affairs, the Chief Executive would once again bring up the Commission on Strategic Development. I do not wish to get entangled in these issues. I only wish to bring up one point, which is a specific case, a very short question. The conviction in the CHING Cheong case and the indirect disclosure of the so-called verdict of the case have provoked very strong responses in both the local and international communities. The Legislative Council has also held a motion debate in this regard, in the process of which many Members queried the grounds of judgement. But I know it is not too meaningful to raise our queries anymore. What is of the greatest importance is, we have reached a consensus to ask for the early release of CHING Cheong on medical parole because his health has been declining. The Chief Executive must have understood that this is our common wish. May I ask him what action has he taken? During the recent duty visit, did he bring up this matter with all his heart to help CHING Cheong, who is the biggest concern of the people of Hong Kong, secure an early release from prison?*

CHIEF EXECUTIVE (in Cantonese): On one point, perhaps you have also wrongly quoted my earlier statement. What I wish to say is that, your intention

in regard to the timetable has been very obvious. But the point is, the consensus that I said that is lacking relates to the essentials, that is, how exactly should universal suffrage be implemented. However, what I said is based on the report from the press. If I have got it wrong, you would have to excuse me because this is really what I read from the newspaper. If a consensus has been reached by the pan-democratic camp on the model of universal suffrage, I really wish to know what it is. Perhaps you will enlighten me after the meeting, all right? On the models of universal suffrage for the Chief Executive and the Legislative Council, I have been working on them continuously in the Commission on Strategic Development. Should a consensus on this issue be reached by the pan-democratic camp, I feel that it really is a step forward.

On the incident of CHING Cheong, first, as he has been sentenced by the judiciary system of the Mainland, it is not appropriate for us to talk much about it here. However, I only wish to state one point. I will bring up this issue whenever there is a chance. And I will try my best to strive for anything that is necessary for him in his family's view. If the requests are reasonable, I will spare no efforts. I have worked on this issue whenever a suitable occasion arises, and I will keep on doing it.

MR ALBERT HO (in Cantonese): *President, regarding the constitutional proposal, I only wish to add one point. We have agreed in principle, and we will adopt a tolerant attitude among ourselves with the details. However, if you think a consensus is crucial, I will provide you with one as soon as possible. But do you think it will be useful?*

PRESIDENT (in Cantonese): Mr Albert HO, the question you raised just now is irrelevant to this issue. If you wish to debate with the Chief Executive, you had better discuss it in private.

MR ALBERT HO (in Cantonese): *In this case, I will return to the issue of CHING Cheong. The Chief Executive has still not given me a reply. Since the Legislative Council has reached an obvious conclusion in the motion debate to express our wish for the grant of medical parole to CHING Cheong, has he made such a request specifically on our behalf? I believe his words carry great weight, which are far more convincing than all our words taken together. And*

the national leaders have been concerned about whether he can represent the voices of the people of Hong Kong in bringing up this concern. I believe he can do something. On many other issues, he cannot give us any specific proposals today. But he can do something about this issue. Could he really make more efforts with all his heart to help CHING Cheong secure an early release from prison?

CHIEF EXECUTIVE (in Cantonese): What I can only say is that it does not help the case in having this issue openly debated. I said earlier that whenever I met with the leaders of the Central Authorities, I have always brought this issue up for discussion. I had my last duty visit to Beijing not long ago. And when did the Legislative Council hold this motion debate? When you look at the timing, you should know whether I have brought this issue up with the Central Authorities after the debate. In fact, I have already given you an answer.

MR ALAN LEONG (in Cantonese): *Mr Chief Executive, over the past few weeks, the people of Hong Kong have witnessed a sort of roller coaster ride in the Government's policy on heritage conservation. From your brutal order for the demolition of the clock tower at the Star Ferry Pier within one day and had it completely destroyed, to the tender affection in the Letter to Hong Kong, and then to the announcement by the Secretary, Dr Patrick HO last Monday for a consultation to be conducted (We have waited for this consultation since 2004, but we still have to wait for another six months), there seems to be a huge change in the process. May I ask the Chief Executive what grounds there were for such a change? Is it because you have completely changed your mentality in adherence to a paternalistic elite rule and have decided to take in the wisdom of the non-governmental sector and allow for the participation of the public in the planning process? Or is it just an attitude you have shown in response to the views of the difficult members of the public or the frogs in a well in your eyes (probably with the real aim of offering them amnesty)?*

President, may I ask the Chief Executive, if it is the former, why should we have failed to detect such a change in mentality in the announcement made by the Secretary, Dr HO? And if it is the latter, has it been just a lip service? Is it that he has failed to respond to the change in the public aspiration to pursue indigenous cultural identity? A kaifong asked me: Has the Chief Executive been trying to "pull our leg"?

CHIEF EXECUTIVE (in Cantonese): First of all, I really admire the sarcasm of Mr LEONG in his comments. I must learn more from him. We can look for an occasion to have a debate again.

First of all, as far as the incident of the Star Ferry Pier is concerned, not only to me, I believe also to Mr LEONG and the Council as a whole, it has come as a great surprise. The people of Hong Kong have come to a awakening all of a sudden. This new scenario has emerged before our eyes. Leaving aside the incident of the Star Ferry Pier as the works was then in progress with little room for manoeuvre, we must really handle the entire policy on heritage conservation with modesty from our hearts. I believe in this, and so do my colleagues.

Is there any policy on heritage conservation at present? We do have such a policy. The Secretary, Dr HO, has explained to you that such a policy does exist. The policy has set out standards stating what kind of buildings and historical items should be preserved. According to the standard, we have also come up with a list of around 490 historical items meant for conservation. Such have been our efforts in the past. However, I think the present situation has undergone a change. As Mr LEONG said earlier, greater respect must be paid to the indigenous identity of the people of Hong Kong as well as their sentiments for local history — that is, the presently so-called collective memory. Then how should it be handled? The Secretary, Dr HO, has clearly explained the measure we are to take, that is, the entire list will again be released for public discussion. As for our existing policy, the policy has made it clear that conservation does not mean the Government will take over ownership; conservation should not simply be based on the value and the historical duration of the building itself; there should be a balance between conservation needs and economic costs, while private rights in title should be adequately regarded. These issues have been formulated on the basis of the existing policy but they can still be discussed. Public consultations will be conducted for the discussion of these issues. Should they be found inadequate, consideration may also be given to how to attain satisfaction.

Under the existing policy, over 490 buildings have been selected for conservation. Should the selection be deemed inaccurate, such that there is a need for any addition or reduction, it can be brought up for further discussion. We are willing to maintain continual discussion on this issue. Under these circumstances, it is necessary for us to conduct deeper discussion on this issue.

However, what will be the measures for conservation in future? Should the costs be borne by taxpayers or other social sources? How will the responsibility be borne? Should due regard be given to the title rights of the owners concerned? Will transfer of benefits be involved if regard is given to personal rights of title? These questions must all be publicly discussed and must be made out clearly. After these questions are raised, we will find out the answers. I am perfectly willing to reformulate the policy as well as to share and discuss it with all of you in order to come up with a well-defined policy. Before a decision on this issue is taken, should individual cases arise, they will be handled on their own merits. And we can base on the merits of different cases, do whatever we should in the interest of the public. There is a need for us to deal with each and every case this way. I think this is a major policy issue, and I welcome a fresh review on the issue.

However, it is imperative that I should identify a well-accepted proposal, a well-accepted policy and a well-accepted list of heritage conservation because they will have a bearing on our overall development in the future. In the case of a government building, they will bear on its future development potential, while in the case of a private property, they will bear on rights of title. How will the constitutional and legal rights concerned be protected? All these issues must be put to our examination. However, as I have already said, these issues can all be raised for public discussion and examination.

MR ALAN LEONG (in Cantonese): *President, if this is the case, I can well assure the kaifong that the Chief Executive has not been trying to "pull our leg". However, before I give him this answer, I wish to have one more point clarified. The Chief Executive may recall the release of a consultative document by the Government in 2004. And upon the issue of the document, the Government pledged to release part two of the consultative document at the end of that year in which relevant proposals would be brought up. However, by now, we have waited for more than two years. And we still have to wait for another six months. If the Chief Executive wishes me to tell the kaifong that the Chief Executive had not been trying to "pull his leg", can he explain why the Government has still not put forward any proposals as promised in the consultative document in 2004 over the past two years or so?*

CHIEF EXECUTIVE (in Cantonese): They have actually kept their word. The list I mentioned earlier was formulated, and other efforts made, during this period. However, all these are of no use now. Mr LEONG, it is because the people of Hong Kong have other needs at present and have expressed their dissatisfaction with these arrangements. Their present needs have covered more factors for consideration and more new elements including collective memory. The means we use is not to conduct consultation on such again. The present consultation exercise we are to conduct has to canvass opinions from different sectors to facilitate a complete overhaul of the policy before reconstituting it. I strongly hope that the new policy and new arrangements can take in the opinion of each and every member of the public. Only in this way can a new consensus on this issue be reached to have our position better tuned in such as the several standards I mentioned earlier, as well as to have a widely recognized and acceptable policy formulated.

However, I wish to add one more point. Even if we have a very good policy in place, even if it is one with general recognition in the community, the decision on the preservation of a certain building, or the non-preservation of certain buildings, is not necessarily acceptable to all. Such have been the experiences in overseas countries that even when a consensus was reached by the public to have a particular building demolished, there would still be people who would lock themselves in the building to confront the authorities when the demolition actually took place. This is an inevitable phenomenon in an open society. Therefore, we have to get psychologically prepared that even when a decision, a consensus, a list and a development plan are finalized, we cannot ask for unanimity in the community, as we have seen in the recent incident of the Star Ferry Pier. I have great respect for strong passion expressed by young people. They said no one could represent them and they had to voice their own mind themselves. We must have the patience to listen to them. However, even so, after the final decision has been taken, the difficulties involved in enforcement would not be thus minimized when enforcing the decision. I think this is a fact we will have to face in future.

However, regarding the policy, I will leave it open to public discussion, all right?

PRESIDENT (in Cantonese): Thank you, Chief Executive, for replying to questions from 15 Members. A total of 24 Members have waited for their turns

to ask questions. I hope the nine Members who have waited but have not had a chance to ask questions will be able to do so next time.

Members will please remain standing when the Chief Executive leaves the Chamber.

CHIEF EXECUTIVE (in Cantonese): Thank you all.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 17 January 2007.

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