

**Summary of Views of Organizations/Individuals which/who met with the Constitutional Development Task Force**  
**Issues of Principle and Legislative Process in the Basic Law relating to Constitutional Development**

**A. Principles**

<b>Principles</b>	<b>Views of Hong Kong General Chamber of Commerce</b>
<p>A1. How could Hong Kong’s political structure develop in accordance with the following principles in the relevant Basic Law provisions which relate to the relationship between the Central Authorities and the Hong Kong Special Administrative Region (HKSAR):</p> <p>(1) Hong Kong is an inalienable part of China (Article 1 of the Basic Law) ?</p> <p>(2) HKSAR comes directly under the Central People Government (CPG) (Article 12 of the Basic Law) ?</p> <p>(3) The Chief Executive (CE) is appointed by the CPG. He is accountable to both the CPG and the HKSAR (Articles 43 and 45 of the Basic Law) ?</p>	<p>The Chamber’s initial views on the development of Hong Kong’s political structure is elaborated in its submission entitled “Views on the Constitutional Development Process”. In the Chamber’s view, it is crucial at this stage to “get the process right”.</p> <p>From the Chamber’s submission:</p> <p>“Getting the process right will deliver the desired results which will maintain community unity, stability, and prosperity.” (see Paragraph 1 of the Chamber’s submission)</p> <p>“To the Chamber, “getting the process right” means taking care of the following concerns:</p> <ul style="list-style-type: none"> <li>• That both the process and whatever outcome arises from it maintain the prosperity and stability of Hong Kong;</li> <li>• That political differences of opinion during the process not distract us from the urgent need to rebalance our public finances;</li> <li>• That the process of consultation be given adequate time, be open to different ideas and be handled with great care;</li> <li>• That Hong Kong people be knowledgeable of Beijing’s own sensitivities and the legal boundaries of the Basic Law and whether amendments are necessary;</li> <li>• That as broad as possible a consensus be built before formal</li> </ul>

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	<p>options are presented in a government consultation paper; and</p> <ul style="list-style-type: none"><li>• That the entire process be conducted with dignity and transparency and puts Beijing, the SAR government, and the community in a good light.” (see Section 1 of the Chamber’s submission)</li></ul>
<p>A2. On the principles of “actual situation” and “gradual and orderly progress”:</p> <p>(1) what should “actual situation” constitute?</p> <p>(2) how “gradual and orderly progress” should be understood?</p>	<p>(1) The Chamber has not tried to define what “actual situation” constitutes, but in the Chamber paper the following issues are addressed:</p> <p>(i) the need for change (see Section 4 of the Chamber’s submission)</p> <p>“Many of our members hold the view that the current political system is dysfunctional and has contributed to the problems we have seen in the past few years. Therefore, a determination to examine the political system and consider changes is necessary.”</p> <p>“...we believe that a majority of the people of Hong Kong expect progress on constitutional development to begin soon, and that delays will polarize society and undermine our cherished stability and prosperity.”</p> <p>(ii) considerations of stability (see Section 5 of the Chamber’s submission)</p>

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	<p>“...in the process of constitutional development here in Hong Kong, we see two risks to stability. The first is if the community believes constitutional development will be postponed too far into the future. The second is if we force changes despite the lack of institutional developments.”</p> <p>(iii) ensuring prosperity (see Section 6 of the Chamber’s submission)</p> <p>“In order to evolve toward a more representative government, we need a direct link between policies and personal pocket books... Thus, we find a strong link between our deep concern over the extraordinarily narrow tax base and popular expectations of a greater say in future policy.”</p> <p>“By broadening the tax base we will take a major step toward ensuring that future leaders act responsibly in determining spending priorities... We now have the prospect of developing more politically – and fiscally – responsible citizens.”</p> <p>(iv) developing political institutions (see Section 7 of the Chamber’s submission)</p> <p>“...one cannot say that Hong Kong people are politically immature... We are, however, institutionally immature. Hong Kong lags far behind other economies with similar standards of living in the development of political parties and supporting institutions.”</p>

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	<p data-bbox="1265 284 2085 395">“...the process of constitutional development will require a strong element of support for party politics, and in this area the SAR is not well developed.”</p> <p data-bbox="1265 443 2085 555">“Over time, we need to develop a system that will allow the rise of a party, or coalition of parties, that could successfully take up the reins of power.”</p> <p data-bbox="1120 603 2085 715"><b>(2)</b> The Chamber fully supports the principle of “gradual and orderly progress” in constitutional development. In the Chamber submission:</p> <ul data-bbox="1191 762 2085 1401" style="list-style-type: none"><li data-bbox="1191 762 2085 1034">● “...while we should not rush changes for the sake of change in accordance to an artificial timetable, we also believe that a prolonged lack of progress would directly threaten stability in Hong Kong... Hong Kong needs a gradual and steady process that lays out the roadmap for constitutional development well beyond the next two elections.” (see Section 2 of the Chamber’s submission)</li><li data-bbox="1191 1082 2085 1193">● “We are troubled that the discussion is focused on dates, but do believe that some progress must be seen to be made this year.” (see Section 4 of the Chamber’s submission)</li><li data-bbox="1191 1241 2085 1401">● “To further postpone visible progress beyond the 2007 and 2008 election would not be in keeping with the need for ‘gradual and orderly’ progress, and would entail unnecessary risks.” (see Section 5 of the Chamber’s submission)</li></ul>

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<p>A3. Basing on Mr Ji Pengfei's explanation in 1990, how could the development of Hong Kong's political structure:</p> <p>(1) meet "the interests of the different sectors of society"?</p> <p>(2) "facilitate the development of the capitalist economy"?</p>	<p>(1) The Chamber submission states that "Successful constitutional development can be a win-win situation, for all concerned: the executive and legislative branches, political parties, the business community, national interests and society as a whole." (see Section 1 of the Chamber's submission)</p> <p>Other relevant views from the Chamber:</p> <ul style="list-style-type: none"><li>● Many of our members hold the view that the current political system is dysfunctional and has contributed to the problems we have seen in the past few years. Therefore, a determination to examine the political system and consider changes is necessary. (see Section 4 of the Chamber's submission)</li><li>● ...what ultimately matters is the quality and effectiveness of government. In the past year, we've witnessed heightened confrontation between the government and those dissatisfied with its performance. In judging the need for change, and exactly what that change should be, we should think about how to change the political system to improve it. (see Section 4 of the Chamber's submission)</li><li>● Business is watching carefully how government handles</li></ul>

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	<p>community demands for greater representation. Managing the consultation process well will go a long way towards reassuring investors and employers that Hong Kong remains one of the best business and financial centers in the world. (see Section 6 of the Chamber's submission)</p> <ul style="list-style-type: none"><li>● As demonstrated in the past year, highly sensitive issues will bring people out onto the streets of the SAR. While we are heartened by the peaceful and orderly manner in which such protests have been organized, we believe it prudent not to test public tolerance unnecessarily and repeatedly. (see Section 6 of the Chamber's submission)</li></ul> <p>(2) On this issue:</p> <ul style="list-style-type: none"><li>● “The lack of personal involvement in paying for government services only supports those segments of the political spectrum seeking greater social benefits than our tax base can support.” (see Section 6 of the Chamber's submission)</li><li>● “The process of rebuilding good relations between the government and the governed, of which constitutional development is an important part, can be a tool with which to show potential investors that they need not fear the rise of a fiscally irresponsible leadership.” (see Section 6 of the Chamber's submission)</li></ul>