

# Dealing with the Housing Chief (Paul Chan) situation

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More than a bandage solution

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# 如何處理陳茂波局長 的政治事件

初步意見草案 (2013 年7 月)

超過治標，可以治本的解決方案

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# Main Points

1. Failure of the present Disclosure System?
2. Actual Conflict of Interest?
3. The present political climate in Hong Kong?
4. The inclusion of the Fanling Golf Course into the development plan?
5. A deeper issue – is the Hong Kong system biased towards the Rich or the Speculators?
6. A deeper issue – where does the Wealth of Hong Kong come from?
7. Opportunity for some Political Parties?

# 要點

1. 目前利益申報制度的失敗？
2. 有沒有實際的利益衝突？
3. 目前香港的政治氣候。
4. 粉嶺高爾夫球場納入到發展計劃？
5. 更深層的問題 - 香港的制度是否偏向富人或投機者？
6. 更深層的問題 - 香港的財富何來？
7. 一些政黨的機遇？

# 1. Failure of Present Disclosure System?

- Need to disclose financial interest of individual only?
- Easy to transfer interest to family members.
- News Media are keen to dig up conflict of interest stories.
- Most people in Hong Kong get rich via Speculation in property, stock or land, Paul Chan is no exception.

# 1. 目前利益申報制度的失敗？

- 只需要披露個人的財務情況或利益？
- 容易轉移利益給家人。
- 新聞媒體都熱衷發挖利益衝突的故事。
- 大多數人在香港通過物業，股票或土地投機致富，陳茂波局長也不例外。

## 2. Actual Conflict of Interest?

- Have Paul Chan actually distorted policy or procedure to channel money to his relatives?
  - Is it true that the proposed compensation to Land Owners increased more than 100%?
  - Is it true that the proposed compensation to the poor inhabitants showed no increase?
- Is public confidence important in the Housing Development?

## 2. 有沒有實際的利益衝突？

- 陳茂波局長實際上有沒有扭曲政策或程序，送錢給他的親戚？
  - 建議給土地擁有者的補償，是否增加了超過100%？
  - 建議給貧困居民的賠償，是否沒有增加？
- 在房屋發展的過程中，公眾信心重要嗎？

### 3. Present Political Climate in Hong Kong

- Chief Executive Leung has low standing in survey polls.
- Traditional pro-government political parties do not provide the same support.
- Many citizens are complaining the lack of housing, election plans and the widening gap between Rich and Poor.
- Disgruntle with Mainlanders is increasing.
- Lack of self-confidence of the Citizens.

### 3. 目前香港的政治氣候。

- 梁特首在調查中，民望低落。
- 傳統親政府的政黨不提供同樣的支持。
- 許多市民都在抱怨缺乏住房，選舉計劃和日益擴大的貧富差距。
- 與內地人的矛盾增加。
- 市民缺乏或失去自信。

## 4. The inclusion of the Fanling Golf Course into the development plan?

- Traditionally, the interest of the Rich and Privileged cannot be touched.
  - They control or can influence the media.
- In this present situation, the Fanling Golf Course must be included in the Plans.
- There will be grumbling noises in the background.
- Handling this will need political skills.

## 4. 粉嶺高爾夫球場納入到發展計劃？

- 傳統上，政府不會觸犯富豪和特權人士的利益。
  - 他們控制或可以影響媒體。
- 在目前這個情況下，必須把粉嶺高爾夫球場列入計劃中。
- 在背後將有牢騷聲。
- 將需要高度的政治技巧，處理這問題。

## 5a. Is the Hong Kong system biased towards the Rich or the Speculators?

- The Compensation to the local inhabitants is proposed at HK\$600K.
- The Compensation to the land owners is proposed at > HK\$900 per square foot.
  - An average lot of 10,000 square foot will fetch > HK\$9m.
  - A Speculator can hold the land for some years and enjoy the huge profit.
- Is this a fair “Rule of the Game”?

## 5a. 更深層的問題 - 香港的制度是否偏向富人或投機者？

- 當地農民或居民的補償提議在**60萬**港元。
- 土地擁有者的補償建議：每平方呎**>900**港元。
  - 平均**10,000**平方尺的土地，可獲**>港幣900萬**元的補償。
  - 投機者可以持有土地幾年，享受巨大的利潤。
- 這是一個公平的“遊戲規則”嗎？

## 5b. Is increasing property value and higher rent make Hong Kong a happier place?

- The Property Owners and Land Lords will be happier.
- A person emigrating to other places will be happy as they will have more money to use.
- Those without property or Renters will be less happy.
- The price of private housing is now beyond the capability of the average citizen.
- Can Government Policy and Action change that?

## 5b. 物業價值和租金上漲，會令香港成為一個更快樂的地方嗎？

- 物業擁有者和房東會更快樂。
- 移居到其他地方的人會很高興，因為他們將有更多的錢用。
- 那些沒有物業或要租房的人，就不快樂了。
- 私人樓宇價格現在是超越了普通市民的能力。
- 政府的政策和行動，可以改變這現象嗎？

## 5c. What happens if Property value drops and causes people to have negative worth?

- This occurred in Hong Kong under the Policy of 85,000 units per year in 1998-2003.
- Property value dropped by more than 60%.
- The average hard-working citizen with property found their net worth negative.
- Business confidence vaporized with additional onset of the Asian Financial Crisis and SARS.
- More than 500,000 marched in protest.

## 5c. 如果物業價值下降，導致人們負資產，會有什麼後果？

- 在1998-2003年，董建華的“每年興建85,000個單位”政策下，曾經發生。
- 有些物業價值下跌了60%以上。
- 有房產的市民，發現他們變成負資產。
- 加上亞洲金融風暴和SARS瘟疫，令商業信心大跌。
- 超過500,000市民遊行以示抗議。

## 5d. Should Government now take the leading role in Housing Development?

- Private Property Developers are motivated by profit.
- Low supply means high demand resulting in higher prices (and less work).
- The Land supply in Hong Kong is less abundant compared with other cities.
- Long Term plan is essential. Building houses means additional work for its citizens.

## 5d. 政府現在應該主導房屋發展嗎？

- 地產開發商是受利益驅使。
- 房屋短缺意味著更高的價格（最少的工作取得最大的利潤）。
- 與其他城市相比，香港的土地供應是短缺。
- 長期計劃是必不可少的。建房意味著市民會有長期的工作。

## 5e. One way to keep housing prices up and still affordable?

- Link Compulsory Retirement fund to Retirement, Housing and Medical Insurance.
- Excess Revenue or Increased Money Supply can go into this fund.
- Citizens may “borrow” from this fund to pay for home down payment.
- Interest can be very low but “loan” must be fully repaid on property sale.
- Policy biased towards the poor (non-property owner)

## 5e. 一個保持房價穩定，但市民仍然負擔得起的方法？

- 把強積金蓋括退休，房產和醫療保險。
- 每年一部份盈餘或增加的外幣儲備，可以撥入該基金。
- 市民可以從該基金“借錢”來支付自住居屋首期。
- 利息可以非常低，但當賣樓時，貸款必須悉數償還。
- 政策偏向窮人（非房產擁有者），縮短貧富差距。

## 6a. A deeper issue – where does the Wealth of Hong Kong come from?

- If money is a measurement of Wealth, Government must increase the Supply for its citizens to become wealthy.
- The increase must match the pace of development of the economy.
- **How to distribute this increase?**
- Modern Wealth = quality and quantity of Meaningful Economic Activities.
- **Identify and Define** such Meaningful Economic Activities.

## 6a. 一個更深的問題 - 香港的財富從何來？

- 如果錢是財富的標準，政府必須增加金錢的供應，才可令市民變得富裕。
- 增加的速度，必須與經濟發展的步伐配合。
- 如何分配這金錢的增長？
- 現代財富 = 有意義的經濟活動的質量和數量。
- 識別和確定這種有意義的經濟活動。

## 6b. Hong Kong forced to increase its Money Supply to maintain US\$ peg!

- Hong Kong automatically increases its money supply to maintain the Peg with US\$.
- USA, China and other Countries increase their money supply.
  - When their investors change their currency to HK\$ to invest or speculate in Hong Kong, Hong Kong must increase its money supply?
  - No need to print money. Just increase numbers.
- **Where does such increase go???**
- Huge Foreign Currency Reserve?

## 6b 香港被迫增加貨幣供應量，以維持與美元的掛鈎！

- 香港被迫增加貨幣供應量，以維持與美元的掛鈎！
- 美國，中國和其他國家增加其貨幣供應量
  - 當他們的投資者兌換他們的貨幣為港幣，在香港投資或投機，香港必須增加貨幣供應量？
  - 政府不須印鈔票。收外幣數字，發港幣數字便可。
- 這些增長的港幣，去了哪裡？
- 政府便持有龐大的外匯儲備？

## 6c. Many Foreign Investors treat Hong Kong as a “Typhoon Shelter”!

- Hong Kong with its Free Currency Exchange and Policy serves as a good “Typhoon Shelter”
  - Speculators aim to make huge profits : Hong Kong must learn from the Asian Financial Crisis.
- Investors seeking “shelters” are different.
  - They seldom change HK\$ back to their original currency.
  - Hong Kong may act as “off shore” center for RMB.
- More money is likely to flow into Hong Kong – making Hong Kong wealthier?

## 6c. 許多外國投資者把香港作為 “避風塘”！

- 香港的自由外幣兌換政策，可以作為一個很好的“避風塘”。
  - 投機者的目標是賺取巨額利潤：香港必須從亞洲金融危機中吸取教訓。
- 尋求“避風塘”投資者的目標，有所不同
  - 他們很少把港幣，兌換回原來的貨幣。
  - 香港可能作為人民幣的“離岸”中心。
- 更多的錢很可能流入香港 - 令香港更富裕？

## 6d. Land Development as a major source of Wealth for Hong Kong

- A piece of unattended land is not worth much (e.g. HK\$340,000 in the case of Paul Chan).
- When targeted to develop, it is worth more than HK\$10,000,000.
- When developed, the value is likely to exceed HK\$100,000,000. (The associated activities include construction, decoration, commerce etc.).
- This is the Goose that lay the Golden Egg.
- We must be careful not to kill the Goose!

## 6d. 土地開發是香港的一個主要的 財富來源

- 荒蕪的土地不太值錢（如陳茂波的買價340,000港元）。
- 當被指定發展時，它的價值超過10,000,000港元。
- 發展後，價值可能超過100,000,000港元。  
（相關活動包括：建築，裝飾，商業等）
- 這是生金蛋的鵝。
- 我們必須小心，不要殺了這鵝！

## 6e. Must Hong Kong “discourage” Foreign Property Investors now?

- At present, the Private Property Market is too high for the average citizen in Hong Kong.
- Housing supply takes years to catch up with demand.
- Chief Executive Leung is correct in promoting “Hong Kong Land for Hong Kong Citizens” now.
- The long term plan must guarantee supply and prevent wide-spread of “negative worth”.
- Does Hong Kong have the right person to formulate and implement such a plan? **Is Paul Chan the right person?**

## 6e. 香港必須“勸阻”外國房地產投資者在目前投資嗎？

- 目前私人物業的價格已高出香港普通市民的負擔能力。
- 房屋供應，需要多年才能趕上需求。
- 梁振英特首推行“目前香港土地先供應香港市民”是正確的。
- 長期計劃必須保證供應與防止廣泛的“負資產”。
- 香港有合適的人來制定和實施這樣的計劃嗎？陳茂波局長合適嗎？

# 7a. Opportunity for Political Parties?

- Which Political Party can understand and explain such a complex issue to the Public?
- Which Political Party can convince and balance the interests of the various stake holders?
- Which Political Party can dare to point out the present policy as contributing to the widening the gap between the Rich and Poor?
- Which Political Party can help the Government to formulate and implement the Long Term Plan?

## 7a. 一些政黨的機遇？

- 那個政黨可以理解和向公眾解釋這樣一個複雜的問題？
- 那個政黨能夠說服和平衡各個權益持有人的利益？
- 那個政黨膽敢指出，目前的房屋政策是拓寬貧富差距的一個源頭？
- 那個政黨能夠幫助政府制定和實施長遠房屋計劃？

## 7b. Opportunity for Political Parties?

- Which Political Party dare to propose changing the “Rule of the Game”?
  - Will they survive the attack of the stake holders?
  - Will they get popular support?
- Which Political Party can think out-of-the-box and propose a long term plan or strategy?
  - The Hong Kong Dream?
  - One World, One Dream?

## 7b. 一些政黨的機遇？

- 那個政黨敢提出改變“遊戲規則”？
  - 他們可以在權勢攻擊下生存嗎？
  - 他們會得到民眾的支持嗎？
- 那個政黨，能夠跳出框架，提出了一個長遠的計劃或戰略？
  - 香港夢？
  - 同一個世界，同一個夢想？