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POSSIBLE POLITICAL FUTURES OF HONG KONG

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POSSIBLE POLITICAL FUTURES OF HONG KONG

A DISSERTATION SUBMITTED TO THE GRADUATE DIVISION OF THE
UNIVERSITY OF HAWAII IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF

DOCTOR OF PHILOSOPHY

IN POLITICAL SCIENCE

DECEMBER 1984

By

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This dissertation is dedicated to Deane E. Neubauer -- a friend and teacher -- whose encouragement and support have made possible the completion of this dissertation.

ACKNOWLEDGEMENTS

This section of the dissertation is by far the easiest part to write. This writer could only hope, perhaps in vain, that all sections of a dissertation were this easy to compose. The data are readily available; their contents are revealing and easy to interpret. Besides, this author is anxious to express a few words of appreciation that he has kept in his chest for so long.

Like most worthy things in life, no one person can claim complete credit for the production of a dissertation. This author is no exception. I have been encouraged, helped and influenced in many ways by many people in the writing of this dissertation. However, all errors -- mis-statements and mis-interpretations of facts -- are mine alone. Having gladly shouldered the responsibilities due me, my conscience is free to thank those who in one way or another have contributed to the completion of this dissertation.

First, I would like to thank my dissertation committee for the advice and encouragement given to me over the years. I am grateful to my dissertation committee chairman James Dator for his complete confidence in letting me develop at my own pace my own thinking on the subject. Dator's judicious self-restraints would probably be an excellent example for China to emulate in China's future policies towards Hong Kong. I would like to thank Earl Babbie for his kind gesture in supporting this author through the changes in direction taken during the course of writing this dissertation.

Second, I would like to thank two of my close friends -- Darwin Ng and Eddie Yeung -- who with their generous devotion of time and efforts have practically become my research assistants in this project.

Thanks go to Darwin Ng and his fellow church members for their part in helping to administer the student survey at Manoa. Darwin was also extremely helpful in writing some of the technical parts of the random number generation program based on this author's algorithm. Although Darwin is no longer in Hawaii, he continued to play an important role in the completion of this dissertation and in this author's preparation for the final oral defence by keeping him up to date on the subject with the latest documentations from Hong Kong.

Eddie Yeung was instrumental in helping this author to produce the statistics and tables for this dissertation. Eddie was always there and prompt to help whenever I needed to run some computer analyses in a hurry to clarify some of my thinking.

Third, my appreciation goes to James Wilson, Forrest Pitts and John Gregory who have carefully proofread the dissertation in its different stages.

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ABSTRACT

The 1898 Convention of Peking that leased the New Territories (NT) to Britain is due to expire in 1997. Since over 90% of the Crown Colony of Hong Kong (HK) lies within the leased area, any political changes that affect the NT will certainly affect HK as a whole. What then will be the fate of the 5.5 million people living there? The first part of the dissertation looks at possible political futures for HK through various forecasting methods such as computer simulation, survey research, elite interview and historical analysis. The second part of the dissertation is devoted to the evaluation of the strengths and weaknesses of the various methods as illustrated by the research results.

The results of the forecasting methods are discussed in terms of three distinct ideal types for HK's future, namely sinification, status-quo and independence. None of the three ideal types is seen as probable at this point in time. Fifteen variations, three sinification oriented, ten status-quo oriented and two independence oriented, are presented and evaluated from the Chinese, British, HK people's and this author's perspectives. All the variations are possibilities of HK's future. Most variations, especially the status-quo oriented ones which retain an official British presence in HK, are shown improbable at this point in time. However, the Special Administrative Region option is judged probable from the vantage point of the present.

In addition, all methods are examined with respect to their strengths and weaknesses. However, there is no one particular method that this author can comfortably recommend for exclusive use. The results confirm the author's bias towards the use of multiple methods even though none of the major findings from the different methods contradict each other.

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PREFACE

This dissertation stems in part from the author's efforts to search for his own political identity and in also from his concern for the future fate of the Hong Kong (HK) people. As such, this dissertation focuses more on exploring possible futures for HK (given the situation in HK) than on predicting the ultimate political future of HK.

In our research context, "the ultimate future" refers to the future of HK in the time period immediately surrounding 1997 and the extended period beyond that date. The date of the ultimate future is intentionally left open for two reasons. First, there is really no "ultimate" future of HK, since HK will continue on after 1997 to change and develop according to future circumstances and events. Second, it is this author's belief that HK's future around 1997 is still changeable and shapable. Whatever Sino-British Agreement accepted by the current Chinese and British governments, there is no necessity that subsequent governments of the respective countries will abide by the same.

Thus even though the initialing of the Sino-British Agreement on HK has taken place, the final version of the dissertation stays very close to the next-to-final draft already completed in early August, 1984. This is so in part due to the assumption of the fluidity of the situation noted above and also to avoid having the results of research

methodologies distorted by ad hoc adjustments.

The dissertation should, therefore, be read with the above orientation in mind.

CHAPTER I
INTRODUCTION

NEW TERRITORIES (NT)

The residue of a term of 99 years less the last three days thereof commencing from 1 July, 1898.

URBAN AREAS (NORTH OF BOUNDARY STREET)

For the rest of the period of the lease minus three days.

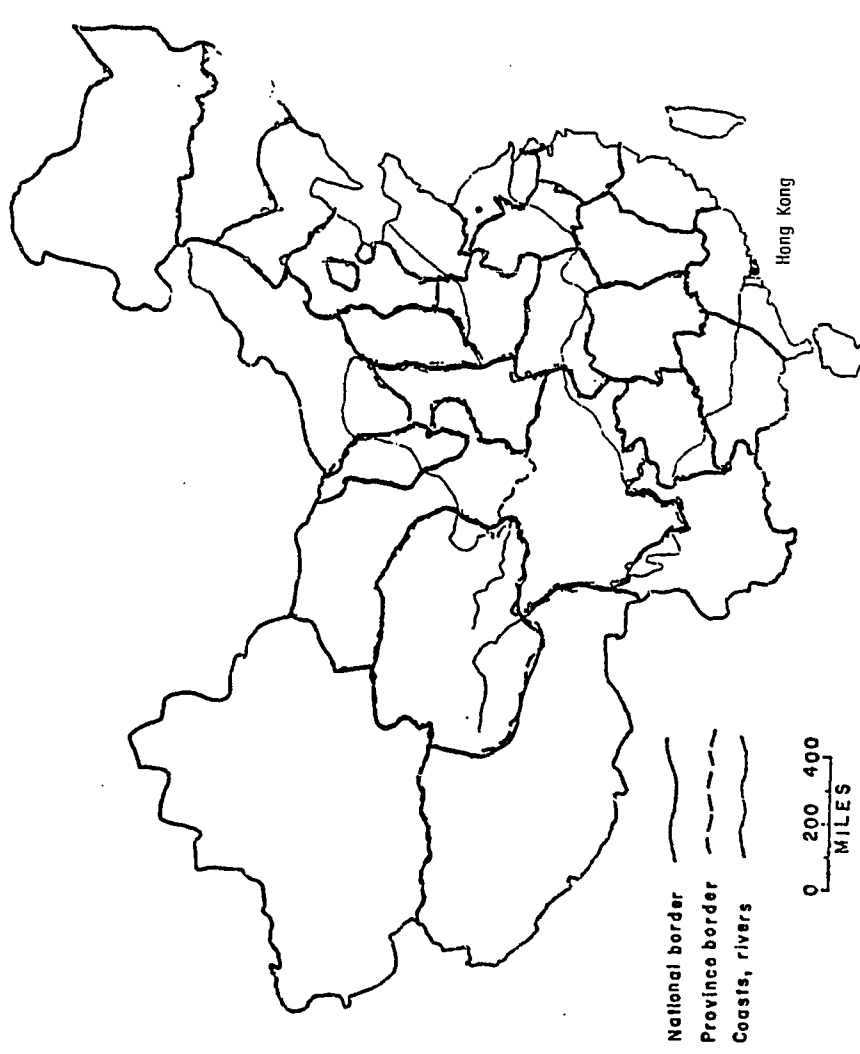
URBAN AREAS (SOUTH OF BOUNDARY STREET)

For 75 years with an option for 75 years more.¹

The above are qualifying phases printed in every land title in Hong Kong (HK).² The applicability of the phases is determined by the location of the land properties.

Hong Kong Island (HKI) (29-32 square miles in area, depending on whether or not one counts the newly-reclaimed areas) was ceded to the British permanently by the "unequal" Treaty of Nanking (1842) as a result of the First Anglo-Chinese War.³ Later in 1860, by the Treaties of Peking (1860), Kowloon Peninsula (KP) and the Stone-Cutters' Island (about four square miles) were also ceded to the British in perpetuity.⁴ Still later, the New Territories (NT) (over 350 square miles, more than 80% of Hong Kong's total area), which consist of a large piece of land adjacent to the Chinese Mainland (see Map 1-1) as well as 235 surrounding islands, were leased to Her Majesty for 99 years by the 1898 Convention of Peking.⁵ "This leased territory covers an area of 355 square miles and is in the form of a peninsula with its northern boundary roughly along the Shum Chung River from Deep Bay to the northern shore of Mirs Bay; it includes 235 islands, the biggest being Lantau, Lamma and Cheung Chau. The island

Map 1-1
China



of Hong Kong from which the colony takes its name is less than one-tenth of the size of the New Territories, having an area of thirty-two square miles; Kowloon is again only a tenth of the size of the island, being only three and a half square miles".⁶ Today, Hong Kong Island, KP, Stone-Cutters' Island and the NT are collectively known as Hong Kong, the "Pearl of the Orient".

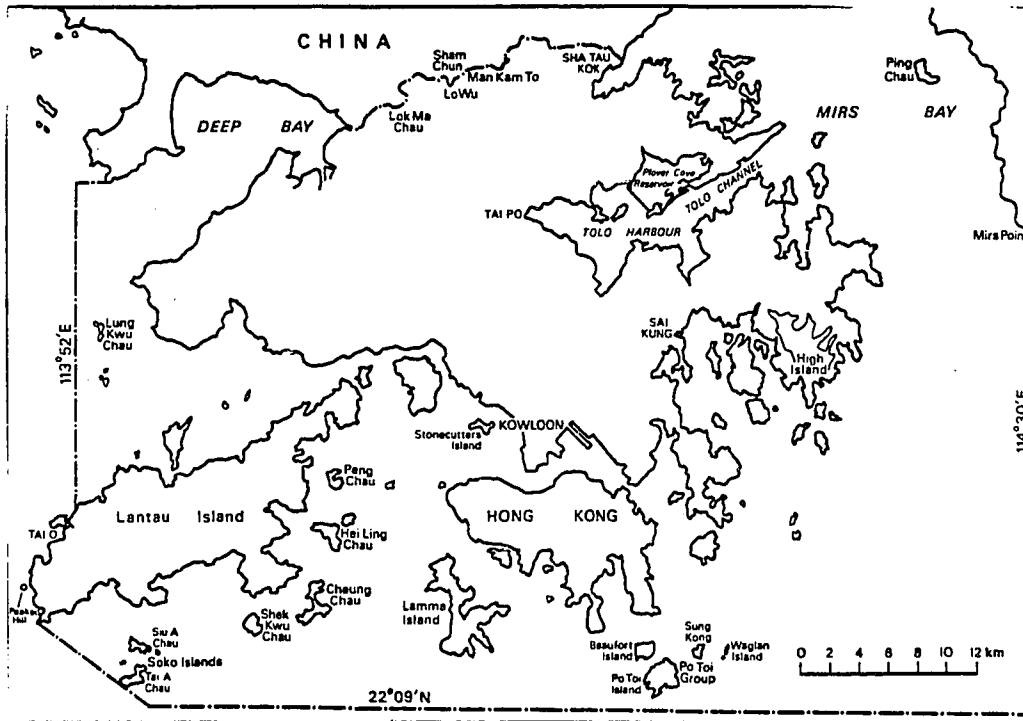
Initially, Hong Kong was primarily an entrepôt for trade between China and the Western World.⁷ Later, when the United States (US) and the United Nations (UN) placed an economic embargo on China as a result of China's entry into the Korean War (1950), Hong Kong ceased to be an entrepôt and began to develop its own manufacturing industries. Presently, by any standard, Hong Kong can be considered to have moved to the forefront of economic prosperity in Asia. It has a population of about 5.5 millions;⁸ an area of 404 square miles;⁹ a gross domestic product (GDP) of US\$ 24.2 billions;¹⁰ with GDP/Capita reading at Hong Kong \$ 29,796¹¹ or at US\$ 5,100;¹² an average inflation rate of 15%;¹² a generally low unemployment rate; a GDP/capita growth rate of 6.9%;¹³ and a GDP growth rate of 7.5%.¹⁵ Hong Kong thus compares favorably with the "economic miracles" Taiwan and Singapore.¹⁶

All of this is subject to change, however!

Before I go any further, some additional remarks on the size of Hong Kong are necessary. The total area of Hong Kong is about 400 square miles, of which the NT comprises an overwhelming portion (see Map 1-2) . Hong Kong Island and KP total about 35.5 square miles.

Map 1-2

Hong Kong Island, Kowloon
And New Territories



Most of the cultivable land and the industries of the Colony are located in the NT,¹⁷ as are the only international airport and all the satellite new towns. The NT is expected to house half of the population of Hong Kong by 1985.¹⁸ Any political changes that affect the NT will certainly affect Hong Kong as a whole.¹⁹

As the readers all know, about 13 years from now the 1898 NT lease will come to an end. What will happen then? Can Hong Kong survive without the NT? 46% of the students surveyed and 87% of elite interviewed by this researcher answered no. Indeed, 48% of the student respondents and 93% of the elite respondents agreed that whatever happens to the NT will also happen to the rest of Hong Kong. In this context, Peter B. Harris has pointed out, "The New Territories problem does not constitute a separate issue, but is part of a package deal" (p. 62).²⁰

What will be the fate of the 5.5 million people living there? Will they be "liberated" when and if the Chinese Communists take Hong Kong back? Will Taiwan, namely the Kuomintang regime, claim a right to this little Pearl of the Orient? Will the British Government make a deal with the Communists and ask for an extension of the lease? Or will the British ask for a permanent right of occupation of the NT? Will both the British and the Chinese pretend that they have forgotten about the lease and continue to maintain the status quo? Or will the residents of Hong Kong ask for independence as is customarily the case for most former colonies in this day and age? If they do so, to what extent can their voices influence the decision of either the British

and/or the Communists?

There is no doubt that Hong Kong people know about the lease (Table 1-1).²¹ Most of them want to resolve the NT issue (Table 1-2),²² preferably now (Table 1-3). Yet in an official and as late an issue as the Hong Kong Annual Report (HKAR) 1983, there was no mention of Hong Kong's futures. This dissertation is an systematic attempt to address this timely issue, namely to explore the possible and to gauge a probable political future of Hong Kong. Hopefully, the dissertation will make a modest contribution to the unfolding of the actual political future.

Table 1-1

Knowledge Of The NT Lease

	<u>STUDENT</u>	<u>ELITE</u>	<u>HK Reform Club Poll</u>
Had prior knowledge of the NT lease	90%	100%	68%
Mean number of years of knowledge of lease	11	23	--

Table 1-2

Is There A Necessity To Have A Settlement On
The "Expiring" NT Lease?

(%)	<u>YES</u>	<u>NO</u>	<u>DON'T KNOW</u>	<u>MAJORITY ANSWER</u>
Student Sample	85	14	--	yes
Elite Sample	67	27	--	yes
HK Observer Sample	82	9	9	yes
This researcher's Preference	100	--	--	yes

Table 1-3

Time Of Settlement Of Hong Kong Futures

	<u>STUDENT</u>	<u>ELITE</u>
PREFERRED	1984 (65%)	1984 (77%)
LIKELY	1984 (31%)	1984 (67%)
WORST	After 1997 (60%)	1997 (55%)

(%) indicates frequencies of response in percentage.

NOTES TO CHAPTER I

1. Information released by the Chief Information Officer of the Government Information Service, Hong Kong during an interview with the researcher in January 1983 in Hong Kong (HK).
2. Ibid.
3. Li Chien-Nung, (edited and translated by Ssu-Yu Teng and Jeremy Ingalls), The Political History of China 1840-1928 (D. Van Nostrand Co., Inc., 1956) p. 42-44.
4. Ibid, p. 86-87.
5. Treaties, Conventions, etc. between China and Foreign States. Vol. I. 2nd Edition 1917 (China, The Maritime Customs III -- Misc. series: no. 30, published by Order of the Inspector General of Customs, Shanghai) p.538.
6. G. B. Endacott, A History of Hong Kong. 2nd Edition London: Oxford University Press, 1973, P. 1.
7. The Government of Hong Kong, Hong Kong Annual Report (HKAR) (Hong Kong: Hong Kong Government Press, 1952-1978); any one of the above issue under the heading of Hong Kong history.
8. Asia Yearbook 1983. (Hong Kong: Far Eastern Economic Review, 1983) p.6.
9. Information Please Almanac 1979. (Information Please Publishing, Inc., N.Y., 1979) p.134
10. Asia Yearbook 1983. p.6.
11. Ibid, p. 150. Figure is 1982 revised forecast at current price.
12. The World Bank, World Development Report 1983. (New York: Oxford University Press, July, 1983), p. 149. Figure is in 1981 dollar.
13. HKAR 1982 p. 42
14. Op cit. p. 149.
15. The World Bank, World Development Report 1978. (Washington, D.C.: The World Bank, August 1978), p.79.

16. See for example Figure 3.1 Growth in Real Gross Domestic Product (1950=100), in William F. Beazer, The Commercial Future of Hong Kong. (New York: Praeger Publishers, 1978) p.54. Even author Robert Elegant plans to write about Hong Kong, in his words, "a kind of 20th century miracle", in his next book. The Honolulu Advertiser. (HA) November 2, 1983. C-6. See also S.K. Lau, Society and Politics in Hong Kong (1981) p. 1.
17. HKAR 1983.
18. See Hsin-Chi Kuan in Lin et al., Hong Kong: Economic, Social and Political Studies in Development (1979) P. 162. Also conveyed in a personal conversation with Derek Davies, editor of the Far Eastern Economic Review (FEER.).
19. D. J. Waller, The Government and Politics in China. (London: Hutchinson, 1970), p.169 and J. Cooper, Colony in Conflict. (Hong Kong: Swindon Press, 1970), Introduction.
20. Peter B. Harris, "The International Future of Hong Kong," International Affairs. (London), 48, no. 1, January 1972. pp. 60-71.
21. The data on the student and elite samples were drawn from surveys conducted by this researcher. For sampling information on these surveys, please refer to chapter two and the appendices on survey research and elite interviews in the back of this dissertation. The Hong Kong Reform Club poll was conducted by the Survey Research Hong Kong Ltd. in March 4 - 12, 1982. A sample of 998 adults (aged 20 or over) was drawn by a probability sampling method from the Hong Kong telephone directory and interviewed over the phone.
22. For information on the student and elite samples, please refer to the appendices on survey research and elite interviews in this dissertation. The HK Observers' Poll was conducted by the Survey Research Hong Kong Ltd. from May 10 - June 11, 1982. Households were first chosen at random from the census track data. Then one thousand people (one from each household) aged 15-50 were selected by the Kisch grid and were interviewed in person. The information collected has an accuracy margin of plus or minus three percent at a confidence level of 95%.

CHAPTER II

RESEARCH DESIGN

Harold D. Lasswell defined politics as "who gets what, when and how".¹

Who will get what, when and how in regard to Hong Kong will depend upon the "ultimate" political future of Hong Kong. Forecasting possible (and possibly the) political future(s) of Hong Kong will help us anticipate the "mix" of these variables from the uncertain perspective of the present.

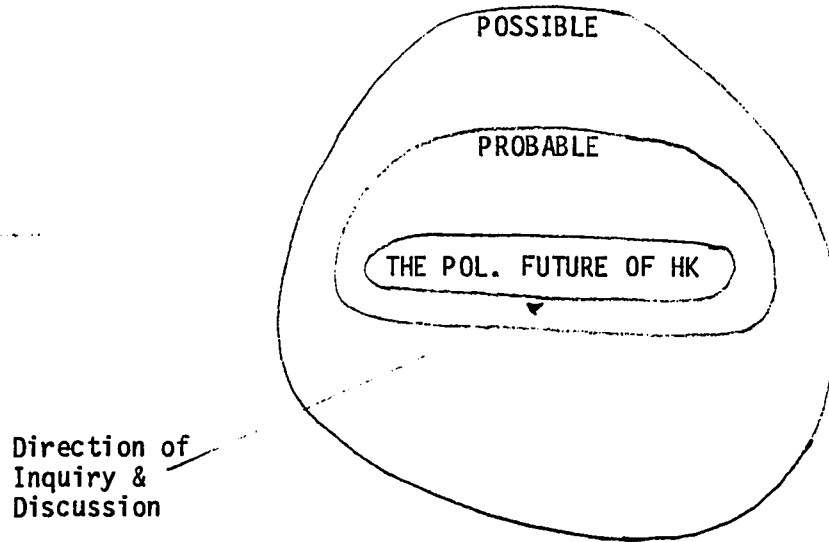
First, the major assumption of this dissertation is that the NT Lease settlement and the rest of Hong Kong are a package deal. This means that whatever settlement is reached for the NT will be applicable to HKI, KI and the Stone-Cutter's Island.

Second, this dissertation asks three major questions:

- 1) At the macro level, what are possible political futures for Hong Kong and what is the most probable future? This researcher will guide the discussions of Hong Kong futures from the possible to the probable and hopefully to the political future of Hong Kong as illustrated in Diagram 2-1.
- 2) Who will get what, when and how under the forecasted most probable future?
- 3) What are the strengths and weaknesses of the methods involved as illustrated by the results?

DIAGRAM 2-1

DIRECTION OF INQUIRY & DISCUSSION



"The future of Hong Kong" can mean different things to different people. To believers of continued growth, it may mean prosperity. To others, it may signify the end of their hard-won precious freedom. It was probably with these differences in mind that Hong Kong Observers, a local interest group made up mostly of professionals in HK, set out to find out Hong Kong residents' spontaneous reactions to the phrase "the future of Hong Kong".² According to their polls, 26% said the future of Hong Kong meant the return of Hong Kong to China; 18% referred to 1997 and the lease; 10% took the phrase to mean economic development, while 29% did not know what it meant.

For the purpose of this dissertation, this researcher restricts meaning of "the future of Hong Kong" to that of the political future of Hong Kong. Specifically, what will be the future of Hong Kong, politically speaking? What will Hong Kong's future political arrangements be? And who will benefit from the arrangements?

There are probably as many possibilities for the future of Hong Kong as there are stars in the Milky Way. There are also as many ways to forecast Hong Kong futures as there are possibilities. A plausible way is to "anchor" our forecast on a major decision-maker -- either China, United Kingdom or Hong Kong for they are the principal parties involved. A good way to choose an anchor is to base the choice on who is the decisive decision-maker over the political future of Hong Kong. It is this researcher's contention that China possesses the power to be such a decisive decision-maker.

BEIJING'S POWER OVER HONG KONG

China's power over Hong Kong is of three kinds. These are political power, economic power and military power. The following figures show how much enormous power China has over Hong Kong in each of the three categories.

First, regarding political power, China may not have had much international political clout in the 1950s and 1960s, but it has always had political influence over Hong Kong, as is shown by the British and Hong Kong Governments' sensitivities to China's needs and reactions. For example, as early as "the 6th February 1950 His Majesty's (King George VI's) Government accorded de jure recognition to the Central People's Government of China which had been formally established in Peking on 1st October 1949."³ In the same year, "General Yeh Chien-Ying, Governor of Kwangtung, issued a statement alleging the violation of Chinese territorial waters and territory by shipping and aircraft in the vicinity of Hong Kong and threatened retaliatory action in the event of any repetition...shipping...was warned to avoid passage through Chinese territorial waters as far as was practicable."⁴ Even during the 1960s when China made its border policy statement saying that Hong Kong is an outstanding issue which China would take up when "the condition is ripe,"⁵ there was no major opposition from Hong Kong or Britain or anywhere else for that matter. In the 1970s when China expressly stated at the United Nations that Hong Kong is Chinese territory and not a British colony, a point on which Britain does not disagree,⁶ the Hong Kong

Government quietly let the pending matter be dropped from the so-called United Nations Special Committee On The Situation With Regard To The Implementation Of The Granting Of Independence to Colonial Countries and Peoples. This special committee was mandated by the UN General Assembly to examine "recent political and constitutional developments as well as current economic, social and educational conditions"⁷ of territories that had not attained independence. Moreover, the committee is "to seek suitable means for the immediate and full implementation of the Declaration (of Independence)"⁸ in those territories. Nowadays, with China's rights over Hong Kong virtually universally accepted, China's political clout over Hong Kong is all the more mighty.

Closely related to China's political power over Hong Kong is its power over the economy of the "colony". If rumors were to run wild that the re-taking of Hong Kong by China was imminent, virtually all local and foreign investors in the colony would surely attempt to transfer their funds out of the colony as soon as possible. Since Hong Kong does not have any exchange control laws, outward capital flight is an ever-present danger to the colony's economy. The Hong Kong economy would no doubt collapse in a very short time if funds were withdrawn by most investors.⁹

Another economic-related power of China over Hong Kong is the dependency of Hong Kong on China's food and water supplies. "About 14% of the (Hong Kong) land is cultivable, and over 80% of the food supply must be imported."¹⁰ "Hong Kong has consistently obtained

approximately 40% of her imports from Japan and China, with the former being the most important source of raw materials and the latter supplying foodstuffs. The two are about equally important as suppliers of consumer goods".¹¹ A look at Table 2-1 illustrates China's power over Hong Kong as expressed in Hong Kong's dependency on China's food supplies.¹² From Table 2-1, one can see over the years that Hong Kong has imported at least 15% of its total imports from China. In some years, for example in 1952, 1958, 1966, 1967 and 1975, Hong Kong imported 21.91%, 28.79%, 26.67%, 21.04% and 20.00% of its total imports from China respectively. Obviously Hong Kong and China have sensitive import relations, with Chinese foodstuffs being crucial to Hong Kong's daily survival. Over 2/3 of Hong Kong's imports of live animals, which are significant items in the overall picture of food consumption, have been from China over the years except in 1962 and 1967 when "only" 52.69% and 48.93% of Hong Kong live animals were from China. Even these are not insignificant portions of anyone's food imports items from one particular country.

Hong Kong has also drawn over 1/2 of its meat and meat preparations imports from China since 1967. Generally speaking, Hong Kong has imported at least 1/3 of its dairy products and eggs imports, its fish and fish preparations imports, its cereals and cereals preparations imports and its fruits and vegetable import from China over the years. In addition, Hong Kong has also imported over 1/3 of its clothing from China. The above citations prove Hong Kong's heavy dependency on China's foodstuffs and consumer goods.¹³

Table 2-1

Dependency Of Hong Kong's Survival On Imports From China Over
Time By Selected Commodities *

% of Total HK's Imports From China	1952	1954	1956	1958	1962	1966	1976	1970	1971	1972	1973	1974	1975	1976	1977
00 Live Animals	91.97	92.21	87.73	86.21	52.69	89.72	48.93	79.60	83.57	84.66	82.93	87.48	90.51	89.84	89.77
01 Meat & Meat Preparations	23.08	34.38	48.89	71.43	34.48	67.91	59.22	56.05	58.13	55.82	52.02	56.00	58.81	52.81	46.99
02 Dairy Products & Eggs	56.18	60.92	54.76	55.88	42.95	56.68	51.05	51.20	49.66	49.31	-----	52.37	50.31	47.44	43.99
03 Fish & Fish Preparations	20.00	41.67	60.00	71.55	45.05	63.59	63.60	51.49	53.00	46.60	43.67	45.22	50.15	43.41	35.26
04 Cereals & Cereals Preparations	06.41	08.84	16.36	34.03	25.92	27.90	21.35	25.18	26.37	33.10	41.69	39.14	40.75	40.20	35.37
05 Fruit & Vegetables	63.75	55.05	58.50	67.23	36.59	54.13	50.00	45.16	41.70	40.71	37.36	40.82	41.91	39.74	38.93
29 Crude Animals & Veg. nat, n.e.s.	59.86	66.21	53.67	65.13	47.54	53.70	47.73	40.16	38.51	37.54	36.40	40.20	39.94	38.39	38.76
65 Textile, yarn, fabrics & related	08.96	12.97	20.82	32.20	28.36	36.85	25.72	16.14	14.55	16.63	22.69	14.90	20.14	18.97	19.42
66 Non-metallic min, manu, n.e.s.	09.52	18.51	35.16	46.24	37.12	18.48	11.47	08.42	10.72	12.99	13.40	13.17	12.67	10.44	08.50
84 Clothing,	15.38	20.69	30.23	49.23	36.36	57.49	41.72	46.76	43.03	42.71	59.81	42.48	41.70	48.59	50.31
89 Misc. manu. arti, n.e.s.	12.79	17.39	21.21	26.73	14.97	24.72	32.32	12.90	11.85	15.31	17.22	14.72	16.35	17.83	15.71
Total Merchandise	-----	20.20	-----	30.41	18.22	27.42	-----	-----	-----	-----	-----	-----	-----	-----	-----
Grand Total	21.91	18.37	20.57	28.79	-----	26.67	21.04	15.80	16.14	17.51	19.14	17.36	20.00	17.03	16.37

*Percentage figures are handed-calculated based on data from the following sources:

Hong Kong Department of Commerce & Industry, Hong Kong Trade Statistics-Imports (December) 1952, 1954, 1956, 1958

, Hong Kong Trade Statistics-Imports (December) 1962, 1966, 1967

Hong Kong Census & Statistics Department, Hong Kong Trade Statistics-Imports (December) 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977; 1978 (September)

Hong Kong Government Press, Hong Kong Annual Report 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978

W.F.Beazer, The Commercial Future of Hong Kong, P.130

As early as 1949, Hong Kong was experiencing strains on its water supply and accommodation facilities.¹⁴ By 1950, "the (Hong Kong) Government is constantly exploring every available means of increasing water supplies."¹⁵ By 1961, the Hong Kong Government had decided to accept water from China.¹⁶ By 1963-64, following a period of unprecedented drought, "an arrangement was made with the Kwangtung Provincial Authorities to purchase 15,000 million gallons of water annually."¹⁷ By 1965, Hong Kong had begun receiving an additional 15,000 million gallons of water annually from the East River under a new agreement with China.¹⁸ Interestingly, China's water supplies to Hong Kong were essentially constant even during the Cultural Revolution years.¹⁹ In 1973, an additional supply of 3,500 million gallons of water was secured from China.²⁰ In 1977, another extra "16 million cubic metres of water were piped from China to Hong Kong."²¹ As we can see, Hong Kong has been building its dependency on China's water supplies (in absolute numbers) over the years. Putting it in another way, China is increasing its power over Hong Kong through its control of the water supply to Hong Kong.

Just based on Hong Kong's dependency on China's food and water supplies alone, it would seem that China has enough power to bring Hong Kong to its knees. But even if China's cutting off its food and water supplies could not effectively cripple Hong Kong, and if Hong Kong were to try to import its food stuffs from outside, China could place a naval blockade against all supplies to Hong Kong (just what Taiwan watchers fear China might do to Taiwan).

As to China's military power over Hong Kong, with the deployment of conventional forces, "given its location, Hong Kong could easily be taken by the Peking government whenever it chose to do so".²² It took the Japanese army less than three weeks to force Hong Kong to surrender during W.W.II.²³ China should take less time than the Japanese did to take Hong Kong.²⁴

In short, China does have political, economic and military power over Hong Kong and this power is readily available if China ever wants to exercise it.

Since China is clearly the decisive decision-maker in this case²³ (see Table 2-2), the forecast will be anchored on China.

Table 2-2

Who Has The Decisive Say On The Political Future Of HK?

(%)	<u>CHINA</u>	<u>CHINA & OTHER</u>	<u>UK</u>	<u>HK</u>	<u>TAIWAN</u>	<u>MAJORITY ANSWER</u>
ELITE	87	7	7	0	0	CHINA
STUDENT	41	12	3	37	0	CHINA*

* More precisely, it is the modal answer.

Conceptually speaking, this dissertation conceives the political future of Hong Kong as a freedom continuum with three distinctive possibilities: sinification, status-quo and independence. Freedom means those freedoms that the People's Republic of China will allow Hong Kong to enjoy. "It is widely believed that people in the Colony

enjoy a high degree of freedom" (A. King, 1981: 154). The freedom that Hong Kong is enjoying can be classified into economic freedom and political freedom. While it is well known that Hong Kong has the luxury to exercise a great amount of economic freedom, it is less obvious to casual observers that Hong Kong also possesses some degree of political freedom too.

For example, in the economic field, Hong Kong residents have the freedom to choose:

- 1) What, where and at what price to buy,
- 2) What, where and at what price to sell,
- 3) What occupation one likes to get into, and the like....

Politically speaking, while Hong Kong does not have a Western-styled direct or indirect political representation on major policy-making bodies, it does have "high degree of political freedom, at least freedom of expression" (A. King, 1977: 134) that is rarely allowed in the People's Republic of China. For example, Hong Kong people can protest against what they perceive as unjust governmental policy by staging demonstrations or by petitioning the respective authorities for help without the fear of a midnight visit by the secret police. There is also the freedom to publish and disseminate different perspectives on almost all subjects (except pornography) as evidenced by the publication of major newspapers of communist, capitalist and/or other inclinations.²⁶ The same thing may not be said about the People's Republic of China.

Of course, ideally for the people of Hong Kong, it would be nice to have the economic freedom that a capitalist system ensures and the political freedom that is based on direct or indirect political representation. The reality in Hong Kong often times subverse the ideal. Political freedom based on representation has not been forthcoming in order to avoid a possible backfire of a Chinese takeover.²⁷ "Though this pervasive fear of conflict (especially with China) among the Hong Kong Chinese is receding, it undoubtedly is still a retraining force on political activities in Hong Kong" (Lau, 1982: 11). Nevertheless, having economic, and possibly minimal political, freedom is better than no freedom at all.

In sum, there is no denying that Hong Kong people may not ever have exercised certain pure types of "political freedom." Yet it is fair to say that the Hong Kong people have probably exercised relative political freedom especially when compared to those exercised by the citizens of the People's Republic of China or other S.E. Asian countries. This relative political freedom is well attested by the fact that there seems to be many people who are willing to risk their lives to flee China or Vietnam to go to Hong Kong. No other endeavor is likely to top this life-risking tribute to Hong Kong's freedoms.

Conceptually speaking, if the People's Republic of China allows Hong Kong to continue to enjoy the same amount of freedom in the future (such as having a British administrative presence and a capitalist economic system) as it is enjoying now, such a situation will be called "the status-quo." A (0) will be used to represent numerically such "neutrality." Going further, if the People's

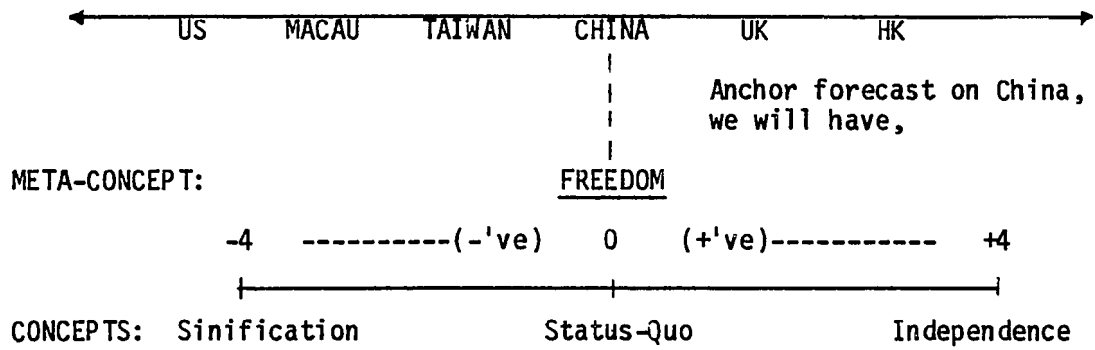
Republic of China were to allow Hong Kong to enjoy more freedom in the future than it is enjoying now, so much so that Hong Kong could virtually exercise "complete" control of its political destiny, such a situation will be designated "the independence of Hong Kong." Gaining the eligibility to be a member of the United Nations would be an indication of Hong Kong's independence. The independence chapter will further define what independence is. For now, a (+) sign will be used to indicate the People's Republic of China's support of more Hong Kong freedom and (+4) will be used to indicate such support of total freedom for Hong Kong.

On the other hand, if the People's Republic of China were to reduce/restrict the amount of present Hong Kong freedom in the future, so much so that the People's Republic of China comes to direct all the major political and social life of Hong Kong, such a situation will be signified "the sinification of Hong Kong." Hong Kong becoming part of Guangtung Province would be such an example. Organizationally, Hong Kong would then report to the highest party apparatus and state apparatus of the Province. Economically, Hong Kong would have a planned socialist economy. The sinification chapter will provide further details of sinification. A (-) sign will be used to indicate reduction of freedom and a (-4) will be used to indicate the total reduction or absence of freedom. Of course, there are other possible combinations. But the above three conceptual possibilities set the parameters of this forecast. Now let's take a look at Diagram 2-2, which outlines the conceptualization scheme.²⁸

Diagram 2-2

A Conceptualization Scheme of Possible Political
Future of Hong Kong.

N ways of anchoring forecast



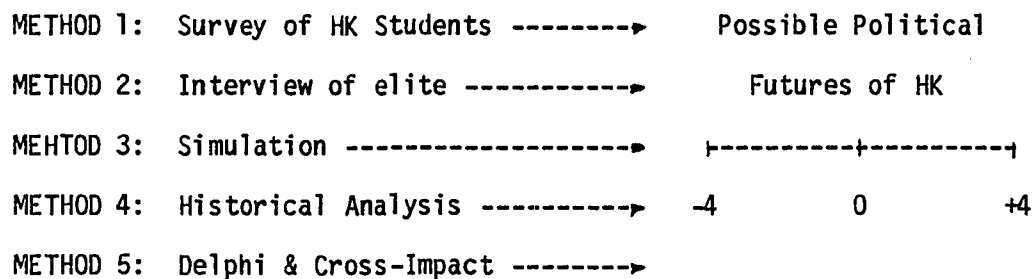
Though there are infinite possibilities for the political future of Hong Kong, conceptually, no possibility can "escape" the above continuum.

Methodologically speaking, this is a somewhat unconventional dissertation. First, it is not aiming at confirming or disconfirming a thesis. Second the major skeleton of the research design is structured in an inductive form of reasoning -- using statistical generalizations to arrive at probabilistic predictions.

Diagrammatically, the research design is illustrated in Diagram 2-3 as follows:

Diagram 2-3

Research Design



In the remainder of the chapter, this researcher will address why specific and multiple methods as well as the adopted research design were used.

WHY SPECIFIC METHODS WERE USED

SURVEY RESEARCH

Survey research, probably the most commonly used data collection technique in the social sciences, is one of the most sensitive instruments available for tapping generalizations about the characteristics of, or predictions about, the beliefs, ideals, feelings, attitudes, opinions, and behavior of a great body of people. It is customarily used to ascertain public opinion on political issues and candidates. Since the "final" political future of Hong Kong will probably reflect in part the wishes of Hong Kong residents, it is therefore useful to conduct a survey examining the attitudes of Hong Kong residents towards the political future of Hong Kong. In this case, a sample of 147 Hong Kong students at the University of Hawaii at Manoa were surveyed.²⁹ They were chosen because they all have a stake in the issues involved. All of the respondents in the sample were born after the communists' takeover of China in 1949. They will all be in their 30s or 40s when 1997 comes. So they are potential leaders and have the most at stake over the future of Hong Kong.³⁰ Moreover, they are educated enough to know quite thoroughly the complexity of the issues involved. Furthermore, their availability in Hawaii made them a cost-effective sample.

ELITE INTERVIEW

The employment of the interviewing of elite sample is based on the belief that "influential" people do affect at least in part the ultimate political future of Hong Kong. Therefore, this researcher personally interviewed an elite sample of Hong Kong residents and of non-Hong Kong residents.

SIMULATION

Simulation modeling, especially using mathematics, has become one of the most influential techniques in futures research.³¹ The word "simulation" is no longer restricted to the sole use of various branches of engineering. Simulation has spread into military science (war games), marketing, economics (Leontief, 1964), psychology, sociology, political science (Guetzkow, 1972) and futures research (Meadows et al., 1972). However, as will be evidenced from the literature review chapter, this researcher's use of simulation to study the political future of Hong Kong is probably a novel application; apparently no other person to date has employed simulation in the study of Hong Kong's futures.

Coming back to our research problem here, this writer is attempting to forecast probable as well as possible decisions which might affect Hong Kong's futures. These decisions involve whether the People's Republic of China will let Hong Kong stay as it is, reabsorb it, or allow it to gain independence before, around or after 1997. The PROBE simulation technique is used to help assess these

decisions. PROBE, which stands for Policy Research, Observation, and Evaluation, is a computer simulation model for Prince Analysis. It was developed by Michael K. O'leary, William D. Coplin, Gary Brey and Sharon Dyer (see Coplin & O'Leary, 1976).

The Prince concept essentially employs David Easton's (1965) definition of politics as the decision-making process leading to the authoritative allocation of values. It focuses on competition among actors over specific policy outcomes. Issues and Actors are the principal analytical units that have evolved out of this focus. Issues are defined as "a proposed allocation of values which can be achieved only through collective action,"³² and the actors are "those individuals, groups and/or institutions which determine whether or not the collective action occurs."³³ Notice the assumption that decisions are made on a collective basis. In other words, the simulation model assumes that the final decision-maker (the actor, more precisely, the output actor) considers the positions of other actors as the basis for determining his own position on authoritative decisions. PROBE is therefore based on a branch of social science called "reference group theory" in sociology,³⁴ "interest group theory" in political science,³⁵ and "dissonance theory" in psychology.³⁶ In addition, the Prince concept seeks to study politics from the perspective of policy analysis. The contemporary study of international politics "has been permeated by the concepts developed most extensively by Hans Morgenthau" (Coplin et al., 1973: 74) in his Politics Among Nations. Most empirically based theoretical

policy studies were found to be directly or indirectly related to or based on war-peace questions and the struggle for power among states (McGowan and Shapiro, 1973). Prince, however, "focuses on how and why policy outcome occurs, rather than how and why political actors seek to dominate each other" (Coplin et al., 1973: 74). In short, the Prince concept begins with a set of theoretical questions different from the Morgenthau framework; "they are focused on policy outcomes in the transnational settings rather than on a struggle for power among states" (Coplin et al., 1973: 74). This focus on policy outcome fits the research problem well. Finding alternative and probable political futures of Hong Kong is just like finding policy outcomes, with the ultimate political future of Hong Kong being the issue. Prince's assumption of final decisions being derived from collective action fits Hong Kong's conditions "perfectly." It is obvious that the People's Republic of China, the United Kingdom and the Hong Kong residents, just to name a few, have high stakes in the outcome of Hong Kong's future. Thus, it is safe to infer that the final decision on Hong Kong's futures will invariably be a collective effort among concerned actors, though the People's Republic of China is thought to have the strongest voice and the final decision. This assumption of an over-riding decision-maker is reflected by the Probe model in that the final policy outcome is strongly determined by the issue position of a output/principal actor (in our case, the People's Republic of China). Another feature in Probe is called "reference output". It assumes that other issues which are of joint concern to both an output

actor and reference actors would affect the output actor's issue position on the policy output (the issue under study). This assumption mirrors the characteristics of the Hong Kong situation well, as it is apparent that there are other relevant issues which can potentially affect China's output policy decision.

In conclusion, the Probe simulation model may be said to be tailor-made for our research problem. As shown above, it has established near isomorphism between the theoretical assumptions it employs and the characteristics of Hong Kong's reality. Prince's concept, as expressed by the Probe model, in short, uniquely fit the study of our research problem.

HISTORICAL ANALYSIS

Qualitative analysis is as old as mankind itself. As soon as man starts thinking, he is involved in some kind of qualitative analysis. Strictly speaking, we can trace the origin of this traditional way of analysis to Aristotle whose system of logic is the backbone of Western qualitative analysis. In addition to employing careful logic to reason through problems, qualitative analysis, unlike formal rigid models, also makes use of hunches, judgements and insights accumulated over years of experience. This way of analysis is a good complement to the other "model-oriented", "strictly" analytical methods (simulation) this writer described above. It may also tap relevant information which the more rigid methods fail to detect.

DELPHI

Delphi survey and cross-impact analysis were planned, tried and then dropped from the research due to a low questionnaire return rate. For technical details, please see Appendix C: Delphi Survey.

WHY MULTIPLE METHODS?

The preference for a variety of methods in research is simply due to the author's mistrust of total reliance on a single method. As Webb, Campbell, Schwartz and Sechrest say:

Today, the dominant mass of social sciences research is based upon interviews and questionnaires. We lament this overdependence upon a single, fallible method.³⁷

They go on, "the principal objection is that they (interviews and questionnaires) are used alone. No research method is without bias" (Campbell et al., 1966:1). In other words, each research method has its strengths and weaknesses. So what kind of method should be used? They answer,

But the issue is not choosing among individual methods. Rather it is the necessity for a multiple operationism, a collection of methods combined to avoid sharing the same weakness (Campbell et al., 1966:1).

Such a necessity is due to the fact that

Efforts in the social sciences at multiple confirmation often yield disappointing and inconsistent results. Awkward to write up and difficult to publish, such results confirm the gravity of the problem and the risk of false confidence that comes with dependence upon single methods (Campbell et al., 1966: 5).

Corrective measures should be taken by employing a multiple approach to cross-validate results arrived at by various methods. This multiple approach has the advantage of reducing uncertainties, thereby increasing confidence in the results. As Campbell, et al. state,

Once a proposition (in this case a particular possible future) has been confirmed (or repeatedly predicted) by two or more independent measurement processes (in this case, forecasting methods), the uncertainty of its interpretation is greatly reduced. The most persuasive evidence comes through a triangulation of measurement processes. If a proposition can survive the onslaught of a series of imperfect measures, with all their irrelevant error, confidence should be placed in it (Campbell, et al., 1966: 3. Parentheses added).

Following the above logic, if a particular possible future of Hong Kong is pointed at and validated by a series of the "imperfect yet independent" methods used in this research, confidence should be placed in it. Of course, the future all these methods point to may turn out to be the wrong future. Then a question may be asked in later work as to why would these methods all point towards one particular "incorrect" future. We might begin to question the quality

of the forecasting methods used. Even if highly regarded forecasting methods are used, there is no guarantee that a correct forecast will be achieved, considering all the possible mishaps that may occur during the research ranging from operationalization, data collection, and data manipulation to finding an interpretation. It may also be that the "quality" methods employed are not suited for tapping the variation of the particular future problems involved. Thus, as long as the particular cross-validated (most often forecasted by various methods) future is not disproved by actual events (happenings), that particular future will enjoy more of the researcher's confidence than other less forecasted futures. This researcher is, therefore, using the frequency of forecast by various methods (after adjustment for the quality of the method from which the forecast is made) as the "objective" criterion to determine the extent of confidence that should be placed in a particular forecast.

A second reason for employing an array of forecasting methods in this research is to utilize the different properties of each method in order to capture the unending variability that the future holds. In sum, the employment of various methods is partly intended to explore the richness of the future by letting various methods come up with whatever alternative futures there are. It is also partly aiming for the "accuracy" of forecast by using the results of various methods to validate or nullify every possible future that the various methods forecast.

Why evaluate the methods? We, as academicians, usually write recommendations, say for a public policy issue, based on our research. Then some decision-maker makes a policy decision partly based on our recommendation. Since our recommendation is based on our research, the quality or the appropriateness of the final policy decision is at least partly dependent upon the quality of our research. In order to know the quality of our research findings, we must know the methodology from which the research findings derive. In order to increase the quality of any research findings so as to improve the quality of recommendation upon which a policy decision is made, one must sharpen one's methodological sophistication. In order to improve one's methodological technical competence, one must constantly learn and practise methodology. What better way of learning and practising existing methodology than actually to conduct research with the methods and thereafter to evaluate the methods? Some methodologists agree:

The purpose of learning about methodology is to understand the process of social scientific inquiry. This understanding involves describing, analyzing, and evaluating various methods; specifying their assumption; identifying their strengths and weaknesses; and suggesting new applications (McGow & Watson, 1976: 4. Emphasis added).

The practical significance of this kind of study is echoed by Armstrong who notes: "studies that compared the effectiveness of two or more forecasting methods in an actual forecasting situation were of immense value" (Armstrong, 1978: 8). There is indeed every

possibility that this dissertation may uncover certain peculiarities of individual methods which may bring new applications to those methods.

The traditional way of conducting research is:

- 1) Identifying a research problem,
- 2) Reviewing previous research on the problem and on problem-related subjects (thereby enabling the researcher to locate a gap in the research which may be filled),
- 3) Formulating the research question into a proposition form,
- 4) Operationalizing the propositions into hypotheses and variables,
- 5) Identifying the units of analysis, selecting the data sample,
- 6) Choosing a research technique to measure the variables by collecting data that will be justified by the criteria of validity, reliability, precision and cost,
- 7) Choosing a method for data manipulation,
- 8) Presenting the research results, including any serendipitous findings, and
- 9) Giving concluding remarks.

The research design of this dissertation deviates somewhat from the above sequence of research steps. The skeleton of this dissertation's research design includes all the traditional steps above except steps #3 and #4. For a visual illustration of this researcher's research design and the traditional research design, please see Diagram 2-3 and 2-4 respectively.

Since this researcher wants to forecast some possible political futures of Hong Kong, the "best" way to do so is to "reason inductively" -- drawing probability statements from statistical generalizations. There are simply no future facts available for this researcher deductively to confirm or disconfirm any a priori hypothesis. One may suggest that one can always formulate a proposition about the future of Hong Kong and then test the proposition based on people's opinions, as expressed in, say, a survey. Although such a research design is legitimate, it is too dry in the sense that it fails to tap the richness of future possibilities (uncertainties). It is precisely this kind of failure that would prove to be a fatal weakness of traditional research design in future research. For example, the traditional research design can only tell whether a particular proposition holds or does not hold under certain conditions based on data collected. But it does little to help go beyond that particular proposition. It does not directly lead into a new proposition. It does not tell what alternative propositions there are.

Although using a variety of methods to try to forecast some possible political futures of Hong Kong does not guarantee us any new, startling propositions, it does promise a greater probability of identifying more possible alternatives. Uncertainty should thereby be reduced. The forecast may not be as precise as those in formal propositional form. But remember, probing the future means dealing "with uncertainties rather than with unchanging relations. Uncertainty implies a wide range of possible outcomes, a meaning that

Diagram 2-4

Traditional Research Design

A PRIORI (RIGID & FIXED)

METHODS

1	----->	THEORY-----	HK'll be as it is
2	----->	!	!
3	-----TO----->	!	!
4	-CONFIRM/DISCONFIRM>	!	!
5	----->	OPERATION-	!
6	----->	ALIZATION-	UK
ETC	----->	Administration	China retains rights to re- take HK.

is conveyed in the concept of variability."³⁸ In other terms, the forecast needs to be fluid and flowing. It cannot be fixed and dry. It may at times necessarily look vague as John W. Tukey (1962) wrote "Far better an approximate answer to the right question, which is often vague, than an exact answer to the wrong question, which can always be made precise."

Thus hypothesis testing is not aimed at here. Rather, forecast building is the goal -- to arrive at some forecasts on the possible political futures of Hong Kong through several research methods. Conducting the main thrust of this research "inductively" distinguishes the major research design of this dissertation from some of the rigid, formal, theory-testing research designs used in other dissertations. Some critics may argue that an inductively-structured dissertation is not as good or as "scientific" as a deductively-structured dissertation would be. Before this researcher argues otherwise, he would like briefly to touch on the properties of deductive and inductive forms of reasoning. Several definitions seem useful here. First, "the explanandum is the thing to be explained" (McGaw & Watson, 1976: 60. Emphasis added). Second, "the explanans explains the explanandum" (Ibid, emphasis added). Third, "The explanans are the premises, and the explanandum is the conclusion" (Ibid, emphasis added). "In deductive reasoning, the premises lead necessarily to the conclusion; if the premises are true, the conclusion must be true" (Ibid, 1976: 7). "In inductive reasoning the

premises provide evidence only for the conclusion; if the premises are true, the conclusion is likely to be true" (Ibid). For

Inductive explanations . . . contain statistical rather than universal generalizations in the explanans. The explanandum, therefore, cannot be deduced from the explanans with certainty. The explanandum is implied by the explanans as being probable. The explanans confers support or evidence for the explanandum but does not make the explanandum certain. The explanans could be true and the explanandum could still be false in inductive explanation (McGaw & Watson, 1976: 63).

It is precisely induction's property of uncertainty that causes critics to look down upon the potential worth of an inductive argument. Paradoxically, the supposed weakness of an inductive argument proves to be its strength. "Whereas one negative event can falsify a deductive explanation, one negative event cannot falsify an inductive generalization" (Ibid, 1976: 65). In turn, one may argue that an inductive statement is stronger than a deductive statement on the grounds that the inductive statement is harder to be falsified. The relative strengths and weaknesses of these two types of reasoning are not at issue here. The researcher raised the above points just to illustrate that the strengths and weaknesses arguments for these two types of reasoning can go either way. The main issue here is that this writer must use the inductive approach for his research design due to the very nature of the research problem (only partially known and partially specified generalizations and initial conditions for the future are available).

Although deduction seems to be the traditional way of doing "scientific" research, it is not the only way. As a matter of fact, "most explanations in the social sciences are inductive rather than

deductive. Many of the explanations in the natural sciences are also inductive" (McGaw & Watson, 1976: 63). In practice, both deduction and induction are so frequently and jointly employed in the course of doing research that a researcher can hardly label any particular research as being conducted by a purely inductive or deductive way of reasoning. For instance, writing a dissertation requires both inductive and deductive reasoning. Therefore, structuring the major research design of this dissertation on inductive reasoning, and the possible use of more inductive forecasts than deductive forecasts should not make this research less "scientific" than those researches which rely heavily on deductive reasoning.

NOTES TO CHAPTER II

1. Harold D. Lasswell, Politics: Who Gets What, When and How. (New York: Peter Smith, 1950).
2. The Hong Kong Observers Poll conducted by Survey Research Hong Kong, Ltd. in May 10 to June 11, 1982.
3. HKAR. 1950, p.9
4. Ibid, p. 10.
5. Alan Lawrence, China's Foreign Relations Since 1949. (London: Boston: Routledge and Kegan Paul, 1975), p. 116-117.
6. The March 9, 1982 speech made by Huang Hua at the UN (A/AC.109/396). See also Far Eastern Economic Review Year Book. (FEER-YB.) 1973, p.141
7. Yearbook of United Nations 1972, p. 539.
8. Yearbook of United Nations 1972, p. 538.
9. "Possessing a free market in money, Hong Kong has the potential for becoming impoverished within 24 hours", Alvin Rabushka, The Changing Face of Hong Kong. (Washington D.C.: AEI, 1973). p. 78.
10. William F. Beazer, The Commercial Future of Hong Kong. (New York: Praeger Publishers, 1978), p. 1. For a history of the problem of water in Hong Kong, please see Mills, 1942: 479-484. See also Rabushka, 1973: 8-9 as well as Chapter One of the Hong Kong Annual Report 1960.
11. Ibid, p. 66.
12. The selected commodities employed in Table 2-1 are adopted from Hong Kong Review of Overseas Trade. in 1972.
13. For a discussion of Hong Kong's food future, please see Henry Smith, John Stuart Mill's Other Island: A Study of the Economic Development of Hong Kong. (London: Institute of Economic Affairs, 1966), p. 25.
14. HKAR. 1949, p. 2.
15. HKAR. 1958, p. 215.
16. HKAR. 1961, p. 220.

17. HKAR. 1967, p. 263.
18. HKAR. 1965, p.11.
19. HKAR. 1967, p. 166-167; HKAR. 1968.
20. FEER-YB. 1974, p. 146.
21. HKAR. 1978, p. 145.
22. W.F. Beazer, The Commercial Future of Hong Kong. p. 3.
23. Information Please Almanac 1979. p. 277. "in 1941 Hong Kong had fallen to the Japanese in seventeen days. Both the British and the Chinese know it is indefensible when the attacker holds the Mainland (China)" (Jarvie, 1968: 366-67).
24. The rationale behind it being that there has been about 8,000 regular British troops stationed in Hong Kong (FEER-YB. 1967, p. 171) whereas China has a whole 42nd Army placed on the Hong Kong border (Hong Kong: South China Morning Post. June 18, 1979).
25. 124 countries recognize the People's Republic of China, not Taiwan, as the sole legitimate government of China as reported in Guide to Investment in China. (1982) p. 30. See also R. Hughes's statement that "the key to Hong Kong's future lies in Peking and not in Hong Kong" (1968: 112)
26. There are about 70 different daily journalistic publications in Hong Kong, with about two million daily circulation. Hong Kong is ranked second to Japan (569/1000) in daily readership with 380 newspaper sold per 1,000 (Hong Kong News Digest (London) February 19, 1984 P. 4.
27. See Dennis C. Bray, then NT District Commissioner's speech on the "difficulty" of political reform in Hong Kong. Hong Kong Standard. November 13, 1971. See also then City District Commissioner for Kowloon's speech in SCMP July 25, 1971 as cited in Lau, 1982: 40.
28. This researcher would like to thank Professor Richard Chadwick for the helpful discussions with the researcher during the development phase of the continuum.
29. For sampling information, please refer to appendix on survey research.
30. Sing Tao Jih Pao, June 15, 1984 p. 7.

31. M. McLean, "Getting the Problem Right - A Role for Structural Modeling in Harold A. Linstone, et al., Future Research. 1977.
32. William D. Coplin, Stephen L. Mills and Michael K. O'Leary, "The Prince Concept and the Study of Foreign Policy," in Patrick J. McGowan (ed.), Sage International Yearbook of Foreign Policy Studies. Vol. I, p. 75.
33. Ibid, p. 75.
34. Robert Merton, "Continuities in the Theory of Reference Groups and Social Structure," Social Theory and Social Structure. (Glencoe, Ill.: Free Press, 1957).
35. David Truman, The Government Process. (New York: A. Knopf, 1951).
36. Leon Festinger, A Theory of Cognitive Dissonance. (Evanston, Ill.: Row, Peterson, 1957).
37. Eugene J. Webb, Donald T. Campbell, Richard D. Schwartz and Lee Sechrest, Unobtrusive Measures, Nonreactive Research in the Social Science. (Chicago: Rand McNally College Publishing Co., 1966) p. 1.
38. Morris Mendelson and Sidney Robbins, Investment Analysis and Securities Markets. (New York: Basic Books, Inc., Publishers, 1976).

CHAPTER III
LITERATURE REVIEW

THE STATUS-QUO OF HONG KONG

Before a literature review on the future of Hong Kong is undertaken, a brief review of the actual status-quo of Hong Kong is in order. Specifically, this author would like to examine the theoretical and actual governmental structure and functions of present Hong Kong.

As mentioned in the introduction, present day Hong Kong owes its birth to the three "unequal treaties" of 1842, 1860, and 1898. The status-quo of Hong Kong owes its existence to "the coincidence of interests (that) is reached by mutually exclusive arguments".¹

To the PRC, the three "unequal" treaties were forced on their predecessor government when the Manchu rulers could not resist. Therefore, the three treaties are void. Consequently, 1997 has no legal significance. The existence of a British-administered Hong Kong is only an accident of history. China, therefore, has the right to take Hong Kong back whenever it is in China's interest to do so.²

To the United Kingdom, the "unequal" treaties must be looked upon as valid international agreements. Otherwise, the legal basis for the existence of Hong Kong would totally collapse. And if Hong Kong is a British colony derived from valid bilateral treaties between England and China, the British must also recognize 1997 as the valid termination date of the New Territories Lease.³

Paradoxically, it is these two fundamentally different legal rationales that make the status-quo of Hong Kong possible.

FORMAL POLITICAL STRUCTURE OF HK

Probably owing to the peculiar nature of Hong Kong, the formal governmental structure of Hong Kong, even in this day and age, remains a classical colonial one, with almost all power concentrated in a governor appointed from the mother country. "The Hong Kong administration is largely controlled by British officials" (Miners in Lethbridge, 1980: 140). "The bureaucratic elite is small and cohesive and its authority practically unchanged" (M. Mushkat, 1982). As a result, Hong Kong "is not equipped with the usual paraphernalia of political independence, namely parties, conventions, charismatic or military leaders, and has indeed 'enjoyed' the same government for (over) 130 years."⁴ Hong Kong is theoretically ruled by the Royal Prerogative as manifested in the (Hong Kong) Letters Patent and Orders in Council.⁵ Since in a constitutional monarchy like the United Kingdom, the Crown acts on the advice of the Prime Minister and Government of the day, which are both responsible to Parliament, so it is the British Foreign Secretary who answers today to Parliament for the affairs of Hong Kong.⁶

Unlike the United Kingdom, Hong Kong has a written constitution. According the Attorney General John Griffiths of Hong Kong, the essential components of the constitution are as follows:⁷

- I. There shall be a Governor and Commander-in-Chief over Our Colony of Hong Kong and its Dependencies
- II. We do therby authorise, empower, and command Our said Governor and Commander-in-Chief . . . to do and exercise all things that belong to his said office, according to the tenor of these Our Letters Patent and of any Commission issued to him under Our Sign Manual and Signet, and according to such Instructions as may from time to time be given him, under Our Sign Manual and Signet, or by Order in Our Privy Council, or by Us through one of Our Principal Secretaries of State, and to such laws as are now or shall hereafter be in force in the Colony.
- V. There shall be an Executive Council in and for Hong Kong, and the said Council shall consist of such persons as We shall direct by instructions under our Sign Manual and Signet
- VI. There shall be a Legislative Council in and for Hong Kong and the said Council shall consist of such persons as we shall direct by Instructions
- VII. The Governor, by and with the advice and consent of the Legislative Council, may make laws for the peace, order and good government of Hong Kong.

It is upon the legal base of the twenty-four Articles of the Letters Patent and the thirty-seven Royal Instructions which flesh them out in more detail, that rest the edifice that is the Government of Hong Kong, with its 154,000 civil servants, 22,000 policemen, 128 judges and magistrates (who are mostly HK Chinese) and 409 statutory ordinances."⁸

Since Hong Kong is a British Crown Colony, according to Norman Miner,

In theory, the Colony is entirely subordinated to the British Government in London. Parliament can pass laws applicable to Hong Kong or the government can legislate for the Colony by issuing an Order in Council. Any ordinances passed by the Legislative Council can be disallowed . . . by the Crown . . . the Foreign and Commonwealth Secretary. Mandatory instructions can be sent to the Governor and any decision he takes can be overridden; for example in 1972 the Governor's decision to refuse a reprieve to a murderer was reversed by the Foreign Secretary.⁹

Although such may be the formal constitutional requirements,
Miner continued,

In practice Hong Kong enjoys almost complete autonomy over its internal affairs. The power to disallow local legislation was last used in 1913. The British Parliament legislates for Hong Kong only on matters which touch on foreign and Commonwealth interests, such as diplomatic privileges, air navigation, fugitive offenders or British citizenship. Controversial local legislation may be discussed with London in draft before publication, but any suggestions for changes are subject to negotiation between Whitehall and Hong Kong. This does not apply to the annual finance bill which is entirely drawn up in Hong Kong by the Financial Secretary in consultation with the Governor.¹⁰

The governor of Hong Kong, who is the head of the government officials of Hong Kong, is a personal representative of the Queen of the United Kingdom. Since the founding of the Colony, the governor has always been a British citizen from the UK. He is also the Commander-in-Chief of the Armed Forces in Hong Kong. He has, among others, the power to appoint judges and magistrates, the prerogative of pardon or remission of sentences and the power to commute death sentences. He presides over both the executive and legislative councils of Hong Kong.¹¹

The Exco, as the executive council is commonly known, is Hong Kong's equivalent of a cabinet. Exco is the major policy-making body of Hong Kong, consisting of 10 appointed members usually from the

local business community and 5 ex-officio members from the HKG. The role of the Exco is to advise the governor in all cases (except in emergency cases).¹²

The Legco, as the legislative council is commonly known, is Hong Kong's equivalent of a parliament or a congress. Legco has 50 appointed members, also usually from the local business community and four ex-officio members from the HKG. The role of the Legco is to debate on and pass out bills for Hong Kong. All Legco's bills require the governor's assent before they become laws.¹³

In addition to the two councils stipulated in the Hong Kong Constitution, there is an independent judiciary. Since 1975, selections for the benches must be made by the governor with the advice of an Judicial Service Commission.¹⁴ This commission is made up of "the Chief Justice (Chairman), the Attorney-General, the Chairman of the Public Service Commission and three unofficial members" (Miners, 82: 104).

There is also an Urban Council which was created by the Urban Council Ordinance. The functions of the Urban Council is to oversee and administer the environmental sanitation, public hygiene and recreation for Hong Kong's urban areas.¹⁵ Since the Urban Council's responsibilities are not "politically" sensitive, 15 of the 30 urban councillors are elected members out of "15 constituencies with the electors living in each constituency electing a candidate of their choice".¹⁶ Eligible voters in the Urban Council elections are made of "all residents in the urban areas who are over 21 years old and who

have been in Hong Kong for more than seven years".¹⁷

The Heung Yee Kuk, an elected body of representatives of villagers in the New Territories, plays an advisory role in the overall administration of the New Territories in safeguarding the inhabitant's customs and traditions.¹⁸

Moreover, since 1982 there have been 18 district boards which are the Hong Kong's equivalent of the US neighborhood boards. The district boards have mainly advisory role over district affairs such as recreational activities and minor environmental works. Some members of the boards are elected.³²

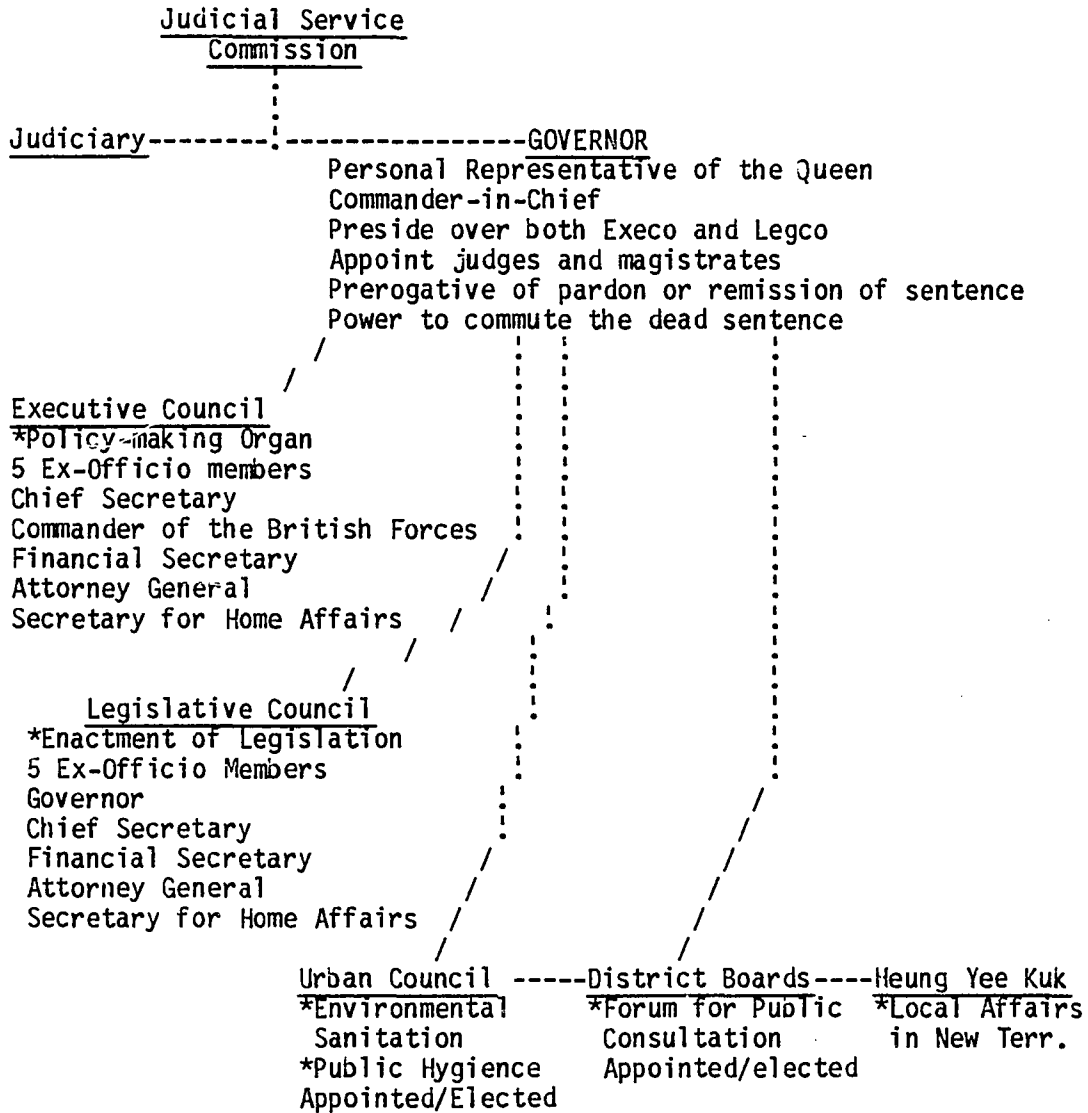
Diagram 3-1 summarizes the relationships of the above-mentioned structure.

The above paragraphs reveal the enormous power that the governor wields in running Hong Kong in theory. In practice, his power may be

severely limited by the Governor's need to take account of public opinion, to secure the operation of important groups within the community, to heed the advice of experienced officials, and to take account of the reactions of China and of Hong Kong's other trading partners. During his term of office (which is nominally five years, but has usually been extended) the Governor has the opportunity to develop new policy initiatives and can attempt to reorient the whole government machine, but in practice the sheer inertia of the bureaucracy preoccupied with the implementation of past policies means that many of his new plans will only come to fruition under his successor.²⁰

Diagram 3-1

The Governmental Structure of Hong Kong



In short, the modus vivendi of Hong Kong is:
Politically, Hong Kong is a British Crown Colony.
Diplomatically, Hong Kong is represented by the United Kingdom.
Judicially, British laws take precedence over Hong Kong laws. The British Privy Council is the final court of appeals.²¹
Militarily, in theory, the British garrison is stationed in Hong Kong to assist the Hong Kong Government in maintaining security and stability and "to sustain confidence in the United Kingdom's stated commitment to Hong Kong"²². In actuality, what the Gurkha and British battalion will do to defend Hong Kong, if attacked, is uncertain.²³

CHINA-HONG KONG RELATIONS

Advice on Hong Kong foreign affairs to the HKG, with the exception of trade, is provided by the Political Adviser and his staff, who are seconded from the Royal Diplomatic Service.²⁴
Regarding trade, Hong Kong is represented by the United Kingdom in the GATT. When the United Kingdom joined the EEC, the GATT was informed that a member of the United Kingdom delegation would speak for Hong Kong. In practice, that member is invariably a Hong Kong government official who may, under this arrangement, take positions different from the EEC and by implication, the United Kingdom.²⁵

Since the British government is responsible for the foreign relations of Hong Kong, Hong Kong relations with China are officially run through London. But in practice, there have been official and

unofficial exchanges between Hong Kong and the Guangdong Province.²⁶

There are quite a number of foreign consulate general offices in Hong Kong,²⁷ but China is, in theory, not represented. There were times (1870, 1955) Beijing had asked London to allow it to set up some kind of representative office in Hong Kong.²⁸ Officials in the British Foreign Office were very receptive to the idea since it would offer opportunities to improve Anglo-Chinese relations. In both instances, the Hong Kong Governors successfully opposed the presence of a Chinese official on the ground that such a representative would have "ill-defined duties, status and authority and that interference in Hong Kong's internal affairs would be an inevitable result."²⁹ Consequently, London politely declined Beijing's requests. Beijing, however, did not attempt to press its requests further. In practice, China has been "officially" represented by the Bank of China and the New China News Agency (NCNA) in Hong Kong. The head of Hong Kong NCNA, whose deputy this researcher interviewed in 1983, is widely considered to be Beijing's "spokesman" in Hong Kong.

Relations between China and Hong Kong since the communist takeover in 1949 have been fairly good. The lowest ebb in relations between China and Hong Kong came during the start of the Great Proletarian Cultural Revolution (GPCR) when Hong Kong experienced with local communist-incited riots.³⁰ Although the pro-communist press in both China and Hong Kong were vocal in their attacks on the British "imperialist",³¹ and a few border shots were exchanged between Hong Kong and China border guards,³² China stopped short of demanding

the return of Hong Kong to China.³³ Relations between Hong Kong and China since 1967 have generally been on the rise. Today, there are all kinds of exchanges going on daily between Hong Kong and China.³⁴ There are direct flights from Hong Kong to Beijing, to Shanghai and other Chinese cities where formerly there were none.³⁵ There is also a direct railway route from Hong Kong to Guangzhou with no stop required at the border.³⁶

Of course, all these good relations with China are due in large part to the desire of the governments of Hong Kong and United Kingdom to avoid even the slightest provocation of China. Ex-Hong Kong Governor Sir David Trench once said, "Hong Kong does not do anything silly and against China's legitimate interests."³⁷ Lawrie echoed, "The British, it is true, avoid as far as they can any deliberate acts which might antagonize Peking or be interpreted as anti-Chinese."³⁸ An author even stated that "Hong Kong government knows that everything it does must have the invisible approval of China".³⁹ I. C. Jarvie put it flatly that "Hong Kong had always tolerated the communists" (1968: 365). Others complain that this careful governmental policy towards China is keeping an "oversensitive posture to politics" (Lau, 1982: 37). To what extent the above statement is true or not is beside the point. The point is that the Hong Kong government has prevented a Soviet presence in Hong Kong, restrained the KMT influence in Hong Kong⁴⁰ and in no small way fostered an apolitical environment⁴¹ that makes the emergence of a viable independence movement unlikely, if not outright impossible.

LITERATURE REVIEW

A review of the available literature indicates that there are no books and only about a dozen more so articles on the possible political futures of Hong Kong.⁴² Numerous academic and journalistic articles, some books, master theses and PhD dissertations have dealt with a wide variety of subjects ranging from Hong Kong's anthropology to its technological development. Sociology, social work, economic, population, education, geography, history, law, environment and even archaeology are among the subjects about which scholars have written.⁴³ Although social research into Hong Kong's problems goes on, published books about the colony are few, but publications on possible political futures of Hong Kong are fewer.

Why has there been so little "major" work on Hong Kong? Dennis Duncanson suggested that

Hong Kong does not fit "conveniently the theoretical categories social science prescribes for itself -- as does the doctrinaire UN Trusteeship Council -- so that contemporary scholars tend to be shy of it; to cite one example, colony though Hong Kong is, its lack of parliamentary democracy is not connected, as it is elsewhere, with technological backwardness.⁴⁴

Duncanson's suggestion may explain the lack of major social science work on Hong Kong in general. But it is insufficient to explain why there has been so little work on possible political futures of Hong Kong. Is the lack of work on possible political futures of Hong Kong due to the sensitivity of the subject? Or is it because people (particular Hong Kong people) want to avoid facing reality: the necessity of settling questions arising from the approaching end of the 1898 Lease? Or is it

because it is a very difficult issue, as Peter B. Harris states in his article,

While the legal situation remains unchanged, the political situation is always flexible and no one can foresee either the likely attitude of the Chinese government in 1997 or who may be in power at that time. Few persons would be so bold as to speculate what choices the Chinese government would make in 1997, for all the political choices remain with Peking.⁴⁵

This author would agree with Harris that the political future of Hong Kong is indeed a very difficult subject. That is why Harris's prediction that few persons would be bold enough to speculate on the subject has proved so correct. Of almost all the dissertations written from 1861 to 1978 under the subject classifications of history, law and political science, and sociology, 14 deal with Hong Kong.⁴⁶ However, none deals with the political future(s) of Hong Kong. Although there has been a 75% increase (8 to 14) since 1980⁴⁷ in the number of articles that deal with the future of Hong Kong, the extent of the increase is not even proportional to half the immense popularity of the subject given by Hong Kong and foreign press daily. Considering the serious nature of the subject, people must have expected more discourse on the subject, especially in academic circles. Of almost all the available literature on Hong Kong, only five books and 11 articles deal with subjects at least remotely related to the political futures of Hong Kong; whereas only 14 articles deal directly with the issue. Ironically, these 14 articles did not give enough treatment to the subject. None of the

publications give any concrete suggestions as to how Hong Kong people can participate in shaping their future.

In the remainder of this chapter, this researcher will first list all the books and articles which deal with possible political futures of Hong Kong and its related areas. Then he will point out the similarity and difference of major themes in these articles and books.

The five books and 11 articles that deal with subjects related to possible political futures of Hong Kong are as follows:

BOOKS

- 1) Norman J. Miners, The Government and Politics of Hong Kong (London: Oxford University Press, 1976) pp. xiv+ 288.
- 2) William F. Beazer, The Commercial Future of Hong Kong (New York: Praeger Publishers, 1978).
- 3) Peter B. Harris, Hong Kong: A Study in Bureaucratic Politics (Hong Kong: Heinemann Asia, 1978).
- 4) _____, Reflections on Hong Kong (Hong Kong: Heinemann Asia, 1981).
- 5) Peter Wesley-Smith, Unequal Treaty 1898-1997 (Hong Kong: Oxford University Press, 1980).

ARTICLES

- 1) "Red China Turns on Britain," US News and World Report May 26, 1967. pp. 36-37.
- 2) G. Aplain, "Peking Double Standards," New Times (Moscow) August 7, 1968. pp. 9-10.
- 3) Patrick Yeung, "Trade Ties between Hong Kong and Mainland China," Asian Survey Vol. X. no. 9 Sept. 1970. pp. 820-839.
- 4) William Heaton, "Maoist Revolutionary Strategy and Modern Colonialism: The Cultural Revolution in Hong Kong," Asian Survey Vol. X no. 9 Sept. 1970. pp. 840-857.

- 5) Gary Catron, "Hong Kong and Chinese Foreign Policy, 1955-60," The China Quarterly no. 51 July/Sept. 1972. pp.405-424.
- 6) Peter B. Harris, "The Frozen Politics of Hong Kong," The World Today Vol. 30 June 1974. pp. 259-267.
- 7) _____, "Representative Politics in a British Dependency: Some Reflections on Problems of Representation in Hong Kong," Parliamentary Affairs Vol. XXVIII no. 2 Spring 1975. pp. 180-198.
- 8) S. Manezhev, "Hong Kong and Peking's Policy," International Affairs (Moscow) August 1974. pp. 52-59.
- 9) Colonel Norman L. Dodd, British Army, Retired, "The Crown Colony of Hong Kong," Military Review October 1976. pp. 37-46.
- 10) Dennis Ducanson, "Colonial Rule in Hong Kong," Asian Affairs Vol. III June 1977. pp. 197-202.
- 11) Denis Bray, "Hong Kong: Recent Developments," Asian Affairs June 1978. pp.135-142.

The 16 articles which deal directly with the subject are as follows:

- 1) E. Stuart Kerby, "Hong Kong Looks Ahead Notes and Comments," Pacific Affairs Vol. XXII. no. 2 June 1949. pp.173-78.
- 2) Dick Wilson, "The Future of Hong Kong," The World Today Vol. 20. Sept. 1964. pp.395-402.
- 3) _____, "New Thoughts on the Future of Hong Kong," Pacific Community Vol. 8 July 1977. pp. 588-599.
- 4) Peter B. Harris, "The International Future of Hong Kong," International Affairs (London) Vol. 48, no. 1 Jan. 1972 pp.60-71.
- 5) _____, "Sources of Stability and Instability in Hong Kong," S. E. Asia Sprectrum Vol. 3, no.1 Oct. 1974. pp.42-50.
- 6) Brigadier C.N. Barclay, C.B.E.,D.S.O., "Hong Kong, The Past, Present and Likely Future of the Colony," The Army Quarterly and Defense Journal Vol. 102, no. 4 July 1972. pp. 468-474.
- 7) Norman Miners, "Can the Colony of Hong Kong survive 1997?" Asia Pacific Community Fall 1979. no. 6 pp. 100-114.

- 8) _____, "China and Hong Kong's Future," in Leung, Chi-keung et al. (ed.), Hong Kong: Dilemma of Growth (Australia: Research School of Pacific Studies, Australian National University and the Center of Asian Studies, University of Hong Kong, 1980).
- 9) Gordon Lawrie, "Hong Kong and the PRC: Past and Future," International Affairs Vol. 56 no. 2 Spring 1980. pp. 280-295.
- 10) Andrew Wong, "The Political Future of Hong Kong 1997? Who Cares!" Convocation Newsletter (Hong Kong University) March 1982.
- 11) Joseph Y.S. Cheng, "The Future of Hong Kong: A Hong Kong 'Belonger's' View," International Affairs Vol. 58, no. 2 Summer 1982. pp. 476-488.
- 12) Peter Wesley-Smith, "Hong Kong - The Coming Bad Years," article given to this researcher on Jan. 1983, which is scheduled to be published in Euro-Asia.
- 13) Jeanette Greenfield, "The Hong Kong Solution: 1997 (?)," Australian Outlook. Vol. 37, no. 1 April 1983. pp. 29-33.
- 14) Lucian W. Pye, "The International Position of Hong Kong," The China Quarterly no. 95 September 1983 pp.456-468.

As to the general theoretical trends of the publications listed above, 15 articles (Beazer, Wilson (2), Harris (2), Dodd, Manezhev, Catron, Heaton, Yeung, Miners (2), US News and World Report, Greenfield, and Aplain) attribute the existence of Hong Kong to the economic benefits which Hong Kong offers to China. This old theme of China reaping economic benefits from Hong Kong, figures ranging from 89 m. pounds sterling in 1963 (in Wilson) to US \$600 m./year (Heaton), to US \$ 6,000 million in 1980 (Miners, 1981-3ed: 38), has been reiterated numerous times by many newspapers and magazines.

Appreciably fewer, 10 articles out of 32 (Aplain, Beazer, Catron, Greenfield, Harris (1972, 1981), Manezhev, Miners (1979, 1980) and Wilson), attribute Hong Kong's existence not only to economic but also to political factors. This is indeed a very significant consideration.

The history of Chinese communist behavior has demonstrated that it will not totally abandon its political ideology to opt for economic gains. The rift between China and the USSR is a good case in point. Wilson (1964:397) pointed out that the Hong Kong postmark was useful for political propaganda mailing purposes to countries where a China postmark would not be welcome. Catron (1972: 422) theorized that the Chinese politics of allowing Hong Kong to exist was "apparently...to avoid a political and military confrontation with the British and to divide the British from the US on the China issue". He further said, "At least before the 1960s, careful calculations of profit and loss were not the controlling factors in every Chinese decision concerning Hong Kong". Harris (1972: 65) reasoned, as J. Galtung did (conversation with this author, Nov. 1979), that China uses Hong Kong as a political sounding board to express any discomfort she might have over the British or the US. Catron (1972: 410) reported that Chou En-Lai, through Hong Kong Governor Grantham, had conveyed China's displeasure over Lisbon's proposed 400th anniversary of Portugal's settlement in Macao. Apalin (1968: 10) revealed that it was through Hong Kong that "members of various breakaway groups abroad, which exist on Peking subsidies, enter and leave China." All the political considerations given by Wilson, Catron, Harris and Apalin seem plausible. What strikes this author as a particularly hard-hitting criticism on China's political consideration over Hong Kong is Manezhev's accusation (1974: 55-56) that Hong Kong is only partly a reflection of China's neocolonialist ambition in the Third World to

trade and earn "convertible currency" with the West, while exploiting the labor of her compatriots in Hong Kong. Through China benefits economically from Hong Kong, she has also traditionally been viewed as a self-appointed protector of the Hong Kong compatriates (Catron, 1972: 424). Besides, Pye (1983: 462) pointed out the possibility that China may end up getting more foreign exchange by taking Hong Kong back.

In addition to accusing China of employing a neocolonialistic policy over Hong Kong, Manezhev charged that Peking must "further develop" Hong Kong in order to advance her own neocolonialist goals. Incidentally, Partick Yeung found that both Peking and Hong Kong are economically interdependent on one another (Yeung, 1970: 838-839). But it could hardly be argued that such interdependency reflects China's neocolonialist practice towards HK. In fact, the reverse can be argued that China could never practise neocolonialism over Hong Kong for China and Hong Kong both depend on each other economically. If neocolonialism does exist, there should be asymmetric dependency instead of the present interdependency (symmetric dependency).

In addition to economic and political advantages, Greenfield, Miner (1980) and Pye mentioned the strategic advantage for China of letting Hong Kong remain under British rule. Should China ever be at war with the Soviet Union, they reasoned, Hong Kong would be the only unblockaded port in the Pacific which China could use, since blockading British Hong Kong would theoretically commit the Soviet Union against NATO.

Although no writer on Hong Kong explicitly employed any general international relations (IR) theories to articulate their views in explaining China's tolerance of capitalist Hong Kong, their focus on China's economic, political and strategic gains from Hong Kong, nevertheless, can be said to have implicitly employed such a theory. For example, power theory, an outgrowth of cognitive rationalism⁴⁸, can be and was in fact used to explain the existence of Hong Kong. According to this theory, China uses a Clausewitzian cost/benefit analysis to determine their policy towards Hong Kong. Harris, Wilson (1977), Miner (1979) and Apalin all implicitly employed this theory when they pointed out that China needs resources (economic and other gains from Hong Kong) in order to achieve its objectives (e.g pay for China's imports).

Underlying the reasons why China lets Hong Kong exist is the implicit acknowledgement that China already possess considerable influence over Hong Kong. Virtually all publications dealing with China-Hong Kong relations and/or Hong Kong futures acknowledge China's unrivaled supremacy over the colony. Of all the above-listed publications which dared to venture a guess on possible political futures of Hong Kong, six (Apalin, Bray, Dodd, Harris's 1972, Heaton and Minier) said China could not tolerate an independent Hong Kong. Seven others (Beazer, Wilson's 1964 & 1977, Harris's 1972 & 1974, Barclay, and Apalin) attempted to forecast that the status-quo or some form of arrangement which is not far removed from the status-quo will be the political future of Hong Kong. Very importantly, none of the

publications mentions China's total reabsorption of Hong Kong as a viable possibility. In other words, if we were to conceptualize the possible political futures of Hong Kong as the one-dimensional continuum going from one end of total re-absorption into China to another end of an independent Hong Kong, the available literature has only considered a little over half of the continuum -- the part that ranges from "not far removed from" status-quo to little less than complete independence (see Diagram 3-2).

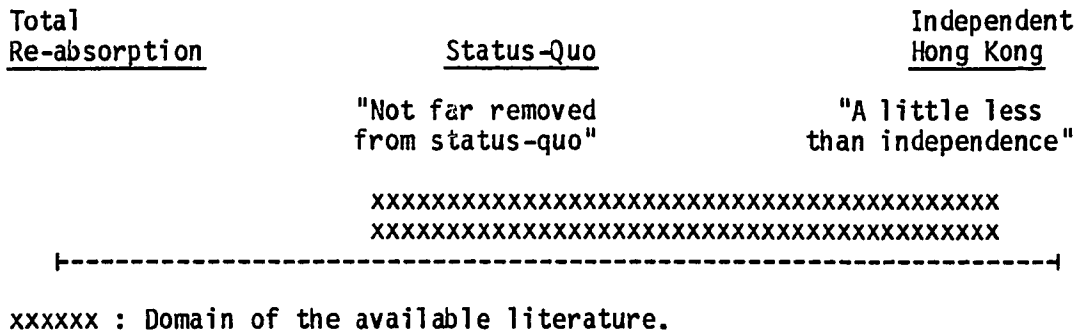
To put it another way, it is at least filling a research gap, if not outright very useful, to consider whether or not total re-absorption of Hong Kong back to China or independence of Hong Kong is a possible and yet viable political future of Hong Kong.

Several publications, which in my opinion have particularly contributed to the understanding of China-Hong Kong relations, deserve special mention.

Dick Wilson's "The Future of Hong Kong" distinguishes itself by probably being the first to say that the application of force is not necessary for China to liberate Hong Kong, and to suggest that Hong Kong would be allowed to exist as some form of separate economic unit when the lease expires. In another article, Wilson (1979: 594) lamented that "The Hong Kong population itself has no voice tragically on this question (Hong Kong futures), it knows that if it organizes itself in anyway to lobby towards one solution or another it will only provoke the People's Republic". Cheng (1977) thought, no matter how unlikely, that the Hong Kong people should have a say in Hong Kong's

Diagram 3-2

One-Dimensional Continuum of Possible Political Future of HK



future (p.486). He plainly stated that the Hong Kong people have the right to demand from China definite guarantees concerning Hong Kong interests (p.487). He also stated that the Hong Kong people have the right to demand the British government give top priority to local Hong Kong interests when negotiations on Hong Kong's futures take place. Indeed, Lucian Pye (1983: 468) thought "only the people of Hong Kong themselves can turn the negotiations to determine the future of their historically unique territory into something more than strictly bilateral ones between Great Britain and China".

Harris, probably the most prolific writer on recent Hong Kong public affairs, has changed his mind over time from forecasting the status-quo as the likely political future of Hong Kong (1974a, 1974b) to saying Chinese reabsorption of Hong Kong is a likely long term

possibility for Hong Kong (1981). He (1974: 260) also anchored his distinction, as did Pye (1983), on saying that the political future of Hong Kong will depend in large part on Chinese domestic politics. Yet Gary Catron's article prides itself on arguing for an opposing position, contending that Hong Kong is an unique case and therefore an exception sometimes to "general" Chinese foreign policy towards the non-Communist World.

Miners (1980) made his mark by contrasting the political difficulty of extending the lease with the economic advantages of extending it. He said, "China is faced by an acute dilemma where the economic arguments point in one direction and the political considerations in the other" (p. 105).

Pye (1983: 460) provided very helpful pointers for negotiating with China by his understanding of Chinese negotiating style. He contended that the Chinese usually negotiate with initial "hyperbole and apparently inflexible positions, which later (concedes) to more accommodating solutions by ingeniously claiming adherence to their principles even as they make exceptions" (p. 460). The effect of this negotiating style, he continued, "bemuses diplomats, (but) can terrify businessmen" (p. 460).

E. Stuart Kirby's "Hong Kong Looks Ahead" was probably the first article on the subject that employed different time-frames to discuss the future (mostly trade) of Hong Kong.

The articles by Apalin and Manezhev gained attention by accusing China of practising neocolonialism toward Hong Kong. Apalin, by

denouncing China's acquiescence over the existence of capitalist Hong Kong, implied that sinification is his preferred future for Hong Kong.

Barclay's "Hong Kong, the Past, Present and Likely Future" achieved a breakthrough by suggesting Hong Kong enter into a treaty with China which would permit Hong Kong citizens certain rights and privileges if and when the New Territories are returned to China. He gave the treaty between the United Kingdom and Ireland as an example for possible adoption in the Hong Kong case. Pye also suggested that the case of Hong Kong offers the opportunity to arrive at and to practise novel forms of government. Indeed, authors such as Cheng, Greenfield, Harris, Miners, Wilson and Wesley-Smith have proposed solutions to Hong Kong's futures. (All the proposed solutions will be examined in the respective ideal type chapters.) Wong (1982:2) was quick to point out that one must not confuse solutions with predictions.

All these proposed solutions are for the most part different only in name and in the ways of arriving at a resolution. Substantively, they are not dissimilar to one another. Most solutions reflect a desire for some kind of official or unofficial British presence, or China's guarantee of a continuing "free" Hong Kong.

Scenarios for sinification and for independence were barely mentioned, let alone discussed seriously. Possibilities were looked at mostly from China's and the British points of view. Very little, if any, were based on Hong Kong people's feelings towards their future.

Only one article reviewed here (Greenfield) and another one by New York Times correspondent Steve Lohr (Sept 17, 1982) mentioned the difficulty of finding solutions that are acceptable to the Chinese government, the British government and the Hong Kong people. None, however, mentioned the deep-seated, intense ambivalence within the HK people of being HK Chinese residents under British rule that should be a key to finding solutions acceptable to the party that has the most at stake, namely the Hong Kong people. J. Woronoff (1980) cautioned that a considerable number of Hong Kong people, who are former refugees or freedom seekers, fled China not just for economic gains, but for political reasons as well.

As a Hong Kong Chinese, this author has literally suffered many sleepless nights when confronted by his own ambivalence in the matter. The ambivalence is caused by the fear that any change in the status-quo would almost certainly mean a choice between being a Chinese or being a subject of British dependent territory. Any self-respecting Chinese would definitely not like to remain a second-class British subject. Yet being a British subject appears to be the only way of avoiding a communist life style. It is this internal emotionally-charged struggle of being either a self-respecting Chinese and living under communism or being a British subject and living under capitalism that has led so many Chinese, including this writer, to escape from it all -- by migrating to a different country.⁴⁹ Dick Wilson captured this exodus desire well. He said, "Everybody in Hong Kong has a friend or a relative who is

actively seeking to emigrate -- to Australia, New Zealand, Canada, the United States, Britain, Singapore -- in order to make sure that his family have as good a chance as he had." (1979: 593).

Being in a different country does not necessarily mean the struggle is over or less emotional, for there are also other identity and adjustment problems to deal with in life in a new country.⁵⁰ Very often, one must deal with new problems alone when previously one might share the burden with one's family members in Hong Kong. Moreover, many overseas Chinese, including this writer, still have many close relatives and friends in Hong Kong who must face the future in Hong Kong. It is, therefore, a sincere hope of this writer to articulate the Hong Kong people's point of view on the futures of Hong Kong.

In conclusion, numerous articles have been written about Hong Kong on a wide range of subjects. But little study has been done on China-Hong Kong relations, let alone the possible political futures of Hong Kong. Most academicians and journalists who have written on China-Hong Kong relations believe economic benefits are the cause of China's acquiescence over Hong Kong's capitalistic presence. Gary Catron added that at least up to the 1960s Hong Kong had been used by China to help divide US and Britain on the China issue. P. B. Harris further added that Hong Kong had been used as a sounding board for China to express any discomfort it might have with Britain or the US. Greenfield, Miners, and Pye also pointed to the strategic advantage of keeping Hong Kong British. Moscow too accused China of subjecting

Hong Kong itself to neocolonialist policy. Indeed, an examination of Chinese policy towards Hong Kong indicates that China does derive considerable benefits from Hong Kong and acquiesces in Hong Kong's presence even though she has acquired enough diplomatic good will and enough military power to re-gain Hong Kong at anytime.⁵¹ Therefore, it is no surprise that almost all Hong Kong watchers forecasted that China is likely to allow Hong Kong to maintain its status-quo or some variation thereof. Recent Chinese announcements might have seemed to confirm their forecasts.⁵¹

Beware! Surprise is the characteristic of the future, especially in view of the volatility of Chinese politics. Consider that at various times it has been held that:

- 1) China could never gain true unity and independence;
- 2) Chinese communism could never become a significant political force;
- 3) China would necessarily develop as a pro-Western power;
- 4) the Chinese peasants could not be collectivized;
- 5) the Sino-Soviet alliance could not be broken;
- 6) the authority of the Chinese Communist Party could not be seriously threatened from within.⁵³

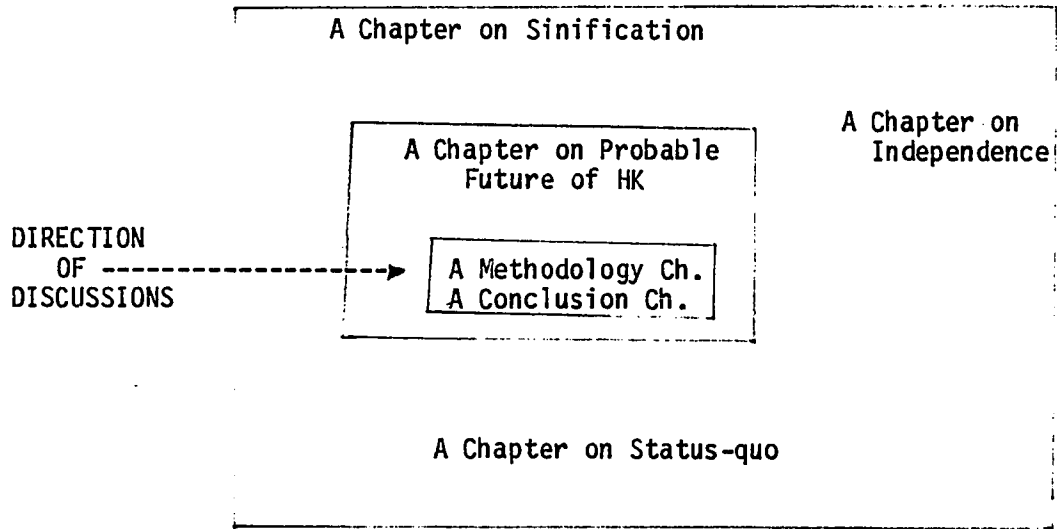
"None of these propositions was unreasonable at a particular point in time, but in every case the 'impossible' became not only possible but real"⁵⁴. In addition, the continuing rift with Vietnam, the rapprochement with the US started under the ardent anti-communist Richard Nixon, climaxing with the normalization of Sino-US relations under Jimmy Carter, followed by recent economic and technological

co-operation with cardinally conservative Ronald Reagan all the more confirm the volatility of Chinese politics. Anything can happen in China or in Hong Kong for the next 13 years (1997-1984). "A week in politics is a long time" as ex-British Prime Minister Sir Harold Wilson liked to say.⁵⁵ Thus, this is indeed a very opportune moment to examine possible political futures of Hong Kong.

This writer will employ the three ideal types to discuss possible, probable, and it is hoped the political future of Hong Kong in the next few chapters. For an overview of things to come, please refer to Diagram: 3-3.

Diagram 3-3

Outline of Findings Presentation



NOTES TO CHAPTER III

1. Gordon Lawrie, "Hong Kong and the People's Republic of China: Past and Future," International Affairs. Vol. 56 no. 2 Spring 1980. pp.282.
2. Since Huang Hua's speech at the UN General Assembly (A/AC.109/396) in 1972, China has proclaimed time and again that it claims (ultimate) sovereignty over Hong Kong and that there will be settlement on Hong Kong's futures "when the time is ripe."
3. Peter Wesley-Smith, Unequal Treaty 1898-1997. (Hong Kong: Oxford University Press, 1980), p.189.
4. Peter B. Harris, "Representative Politics in a British Dependence: some Reflections on Problems of Representation in Hong Kong," Parliamentary Affairs. Vol. XXVIII, no. 2 Spring 1975. pp. 181.
5. HKAR 1983. p. 6
6. Ibid.
7. Listed here in the text is the present form of the original Letters Patent and Royal Instructions, first enacted in 1843 as a Royal Charter and later was passed under the Great Seal of the United Kingdom, dated from February 14, 1914, and which has been amended a dozen times since, most recently in 1982.
8. HKAR 1983. p.6
9. N. J. Miners, "Government and Politics," in David Lethbridge, The Business Environment in Hong Kong. (Hong Kong: Oxford University Press, 1980). p. 143-144.
10. Ibid.
11. Ibid, p. 145.
12. HKAR 1983.
13. HKAR 1983.
14. HKAR 1983.
15. HKAR 1983.
16. Urban Council Annual Report 1982 p. 5.

17. Urban Council Annual Report 1982 p.5.
18. HKAR 1983. and Miners in Lethbridge, op cit. p. 152.
19. HKAR 1983.
20. Miners in Lethbridge, op cit. p. 145.
21. Jeanette Greenfield, "The Hong Kong Solution: 1997 (?)," Australian Outlook. Vol. 37, no. 1. April 1983. pp. 30.
22. HKAR 1983. p. 198.
23. Jon Woronoff, Hong Kong, Capitalist Paradise (Hong Kong: Heinemann Asia, 1980) p. 227 and p. 232. See also N.J. Miners, The Government and Politics of Hong Kong. (Hong Kong: Oxford University Press, 1981). p. 5-6.
24. HKAR 1983. p. 268.
25. HKAR 1983. p.268.
26. Gary Catron, "Hong Kong and Chinese Foreign Policy 1955-60," The China Quarterly. no. 51 July/Sept. 1972. pp.409. See also Melinda Liu, "China puts Hong Kong investors at ease," FEER. April 20, 1979, David Bonavia, "New Role for the Golden Goose," FEER. April 20, 1979 and other related articles all through FEER over the past three years.
27. For example, US, Japan, Singapore, Australia and Canada all have some kind of official presence in Hong Kong. For a complete list of foreign representatives in Hong Kong, please see HKAR 1983, Appendix: 2.
28. G. Catron, op. cit. pp. 409.
29. Ibid, pp. 409. See also Alexander Grantham, Via Posts: Hong Kong to Hong Kong (Hong Kong: Hong Kong University, 1965), p. 106.
30. For a detailed description of the conflict, please see journalist J. Cooper's, Colony in Conflict: The Hong Kong Disturbances May 1967 -- January 1968. (Hong Kong: Swindon Book Co., 1970).
31. See for example an August 20, 1967 account of the People's Daily as cited in Philip Geddes, In the Mounth of the Dragon, Hong Kong -- Past, Present and Future. (London: Century Publishing Co., 1982) p. 160

32. Whiting, Allen S. and R. Dernberger, China's Future (1977) p. 34. See also Peter Wesley-Smith, Unequal Treaty 1898-1997 p. 118.
33. Gordon Lawrie, op. cit. pp. 290. "No official attempt to takeover Hong Kong was ever made" (Lau, 1982: 10).
34. Conversation with Derek Davies, editor of the Far Eastern Economic Review (FEER), on January 1983. See also articles in FEER on China-Hong Kong exchanges.
35. British Air is negotiating with China to increase another flight between Hong Kong and Beijing; see Sing Tao Jih Pao, May 26, 1984 p. 2.
36. Negotiations are under way regarding the increase of frequency of direct service from two to three times per day. Both Chinese and Hong Kong railway officials are hopeful that the third train rides will be operational by July 1984 (Sing Tao Jih Pao, May 25, 1984: 7). In fact, according to the latest report, the third daily direct train from Hong Kong to Guangzhou was scheduled to commence on July 1, 1984 (Sing Tao Jih Pao, June 4, 1984: 2). Negotiations are also underway on direct railway service from Hong Kong to Shanghai and Beijing (Sing Tao Jih Pao, July 3, 1984: 6).
37. Sir David Trench, "Hong Kong and its position in the Southeast Asian Region," The Dillingham Lecture, October 1971, East-West Center, University of Hawaii, pp. 6.
38. G. Lawrie, Op. Cit. pp.287.
39. P. Geddes, Op. Cit. p. 151.
40. G. Lawrie, Op. Cit. p. 287. Miners also said, "Hong Kong offers a base for covert operations against China by agents of Taiwan and the Soviet Union. In deference to China's wishes neither country is allowed to set up a consulate in the colony" in N. J. Miners, The Government and Politics of Hong Kong. (Hong Kong: Oxford University Press, 1981) p. 2.
41. The establishment of the City District Office as the political agent at the district level "is not aiming at political mobilization of the populace; in fact, it is trying to depoliticize the political process" (King, 1977: 437). Lau also wrote that "The (Hong Kong) Government is not innocent of spreading those (obnoxious) connotations (of politiking) both to discourage politics of all kinds and to discredit any would-be 'trouble maker' or do-gooders. Since the early histories of Hong Kong, the policy to eradicate politics in the colony has been

laid down by the government" (1982: 36). Stan Shively (1972) wrote that "the indigenous population (of Hong Kong), in fact, is in many ways discouraged from participating in political affairs." For details, see Lau, 1982: 18; 36-8). See also D. Wilson, Anatomy of China (1966) P. 197.

42. The literature search on possible political futures of Hong Kong and its related subjects includes:
 - a. Every issue of International Index to Periodicals from April 1946 to March 1965.
 - b. Every issue of Social Sciences and Humanities Index from April 1966 to March 1974.
 - c. Every issue of Social Science Index from April 1974 to September 1979.
 - d. Every issue of Public Affairs Information Service Bulletin from October 1961 to December 1983.
 - e. Every issue of Bibliographical Index for Asian Studies from 1966 to 1975.
 - f. Comprehensive Dissertation Index (CDI) 1861 - 1972 History.
 - g. CDI 1861 - 1972 Law and Political Science.
 - h. CDI 1861 - 1972 Social Science.
 - i. Every issue of CDI Social Sciences and Humanities Supplement from 1972 to 1978 under the subject classification of history, law and political science, and sociology.
 - ji. Morris I. Berkowitz, Hong Kong Studies: A Bibliography. (Hong Kong, Dept. of Extramural Studies, Chinese University of Hong Kong).
 - k. H. A. Rydings (ed), A Hong Kong Union Catalogue: Works Relating to Hong Kong in Hong Kong Libraries Vol. I & II. (Hong Kong Centre of Asian Studies, University of Hong Kong, 1976).
43. Ibid; although this author would not call this literature search completely exhaustive, he would say it is suggestive.
44. Dennis Duncanson, "Colonial Rule in Hong Kong: A Review Article," Pacific Affairs. Vol. III, June 1977 p. 197.
45. P. B. Harris, "The International Future of Hong Kong," International Affairs. Vol. 48, no. 1 Jan. 1972. p. 61. Richard Hughes has a blunder and more "fatalistic" view. He said, "to try, therefore, to predict, or even speculate upon, Peking's long-range intentions towards Hong Kong is to enter an unreal world and to peddle draws as prophesy" (1968: 111).
46. Calculation made from footnotes no. 37 (f) to (i).

47. Author's own calculation, comparing the eight available articles to 14 at present.
48. Allen Whiting, China Crosses the Yalu. (1960) is a good example of this kind of analysis.
49. J. Cheng pointed out that most of the Hong Kong middle class desired to emigrate in his, "The Future of Hong Kong: A Hong Kong 'belonger's View," International Affairs. Vol. 58, no. 2 Summer 1982 pp. 480.
50. J. Cheng pointed out that "Their (Hong Kong emigrants in another country) occupational options after emigration are limited; nor can they take much part in the politics and public affairs of their countries of residence. Their mental and psychological satisfaction is often lower than before (they emigrated)," in ibid, pp. 481. See also comments from William Fung in Mary Lee, "There's more to Honey than Money in this Hive," FEER. March 12, 1982, p. 74.
51. Henry T. K. Au, "Chinese Foreign Policy Towards Hong Kong: Ideology or National Interest?" Journal of East and West Studies. April 1980.
52. See China recent announcements on its proposal to take Hong Kong back as a special administrative region in Christopher S. Wren, "Hong Kong Under Peking Rule," The Honolulu Star Bulletin. Jan 19, 1984. See also Michael Parks, "Hong Kong in 1997: A Capitalist China," The Honolulu Advertiser. Jan. 27, 1984.
53. The propositions were taken out of James Townsend, Politics in China (Boston: Little, Brown and Co., 1974) p. 2-3.
54. Ibid, p.3.
55. P. B. Harris, Reflections on Hong Kong. (Hong Kong: Heinemann Asia, 1981) p.99.

CHAPTER IV

SINIFICATION

DEFINITION

By "the sinification of Hong Kong" this writer means the complete re-absorption of Hong Kong back to China. It means the total elimination of the political relationships that HK is experiencing now. It is represented numerically by a (-4) in our conceptual scheme. Under sinification, Hong Kong will be totally under the control of China in politics, economics and social affairs. Specifically, China will be the political and organizational head of Hong Kong. China will speak for Hong Kong in all foreign affairs. The People's Liberation Army (PLA) will replace the British garrison in the defense of Hong Kong against foreign invasion. The People's Police Force will replace the Royal Hong Kong Police Force (RHPF) in the maintenance of Hong Kong's internal law and order. The opportunistic, fast-paced capitalist economy of Hong Kong will be replaced by the rigid, planned socialist economy of China. The freedom enjoyed by Hong Kong residents such as the popular horse race and the incessant, fast night life will be replaced by Chinese communist party discipline on social activities and rules requiring late marriages. In short, for many Hong Kong residents, whatever it might mean otherwise (from other perspectives), the sinification of Hong Kong would mean the arrival of Big Brother from George Orwell's 1984. A possible example of the sinification of Hong Kong would be

the rule of Hong Kong by China as a regular part of Guangdong Province.

SINIFICATION REQUIREMENTS

In order to reach the conclusion of the possibility of sinification as the political future of Hong Kong, direct and/or indirect evidence for the following requirements is needed:

1. Primarily, the existence of China's determined intent and action to rule Hong Kong as a full-fledged socialist unit of China.
2. Secondly, a requirement implied by the first requirement, that is either a) China's willingness to sacrifice all benefits derived from the continual existence of a colonial or an independent Hong Kong, or b) the control of top Chinese leadership by persons similar to the "gang of four" faction who are determined to observe communist ideological purity as much as possible.

FACTORS THAT MAY PUSH FOR SINIFICATION

Now let's look at the essential forces that may tend to push Hong Kong towards the possibility of sinification. The forces are:

- A. Resurgence of Chinese Nationalism,
- B. Increase in emphasis on communist ideological purity,
- C. Decline of Hong Kong's economic performance,
- D. Rise of an indigenous Hong Kong independence movement.

It is obvious that Chinese Nationalism should be considered a factor in pushing Hong Kong towards the possibility of sinification.

If Chinese nationalism were not a factor, there would be no need to consider sinification as a possibility. Therefore the concept of nationalism with one people speaking a common language and living under an unified nation is relevant to this discussion.

Communist ideological purity is a force in moving Hong Kong towards sinification because it dictates that the Chinese communists cannot allow Hong Kong to be "exploited" by the capitalists. As has been shown in the literature review chapter, 17 out of 32 publications¹ attributed the existence of capitalist Hong Kong to the economic gains that China reaped from Hong Kong. Such an attribution, even if it may be only partially true, would suggest that China would have little hesitation to recover Hong Kong completely should there be no economic gains for China. Consequently, the decline of Hong Kong's economic performance is considered a factor. The aspiration for an independent Hong Kong is a factor here because it runs against the spirit of Chinese nationalism. An indigenous call for Hong Kong independence could backfire by inviting China to nip the movement in the bud by re-taking Hong Kong.

What follows will be an examination of how the presence and absence of the aforementioned forces would push Hong Kong towards or away from the possibility of sinification. Then an evaluation will be made based on the present conditions as to how likely the possibility of sinification is. The desirability and feasibility of variations of ideal-type sinification will also be examined in light of these forces.

A. THE RESURGENCE OF CHINESE NATIONALISM

Chinese nationalism has played an important role in modern history. Harold Hinton referred to Chinese nationalism as a major "engine of change"² that transformed old China from the weaknesses of the Ching Dynasty to the exuberance of China today. "...throughout the three-hundred-odd years of modern China, the thread of nationalistic-racial protest against elements in Chinese life formed a distinct theme of history" (I.C.Y.Hsu, 75:9). Hsiao I-Shan, a noted China historian, even attempted to conceive the history of modern China as a history of nationalistic revolution.³ Chinese nationalism will again undoubtedly play an important role in the political future of Hong Kong. The amount of Chinese nationalism (both in Hong Kong and in China) in existence during the settlement of Hong Kong's future would affect the outcome of the agreement. The complete absence of Chinese nationalism regarding Hong Kong would mean that sinification as a possible future of Hong Kong is unlikely and that independence of Hong Kong may become a very likely possibility. On the other hand, a strong presence of Chinese nationalism would probably give China no choice but to re-absorb Hong Kong completely. A moderate presence of Chinese nationalism, hopefully moderated by the presence of Chinese pragmatism, may leave room for the possibility of China's agreeing to a symbolic recovery of Hong Kong or some variation (of the status-quo) thereof.

It was the sudden attack in May 31, 1841, of the "retreating" British at San-yuan-li, launched by 10,000 irate Cantonese under the

direction of the local gentry, in the very war that lost Hong Kong Island to England, that has been hailed by Marxist historians as the first sign of modern Chinese nationalism.⁴ There are other manifestations of Chinese nationalism regarding Hong Kong. As early as August 16, 1945, Chiang Kai Shek called for the surrender of Hong Kong immediately after the capitulation of Japan.⁵ British and Chinese forces were reported racing each other to Hong Kong. Even the Americans assumed that China would take over Hong Kong as part of "the spoil of victory."⁶ Later in 1949, Mao Tsetung announced, "The Chinese people . . . have now stood up Ours will no longer be a nation subject to insult and humiliation."⁷ There were strong hints at the intention to recover full sovereignty over Taiwan, Hong Kong, Macau and Tibet. During the Great Proletarian Cultural Revolution in 1967, many Chinese announcements on settling the debt of British imperialism were made.⁸

Prominent scholars agree that territorial reunification, a form of Chinese nationalism, is a major aim of China. A. Doak Barnett, a renowned Chinese specialist, maintains that "One of Peking's basic national aims is to complete the territorial unification of the country."⁹ Alice Hsieh, another expert on China, has this to say: "Since the establishment of the Peking's regime, China's overriding objectives have been . . . the filling out of her territorial boundaries in Taiwan and Tibet."¹⁰

If territorial unification is such an important priority, why has China not taken Hong Kong back? It is not because of the lack of

opportunities (or "excuses") to re-absorb Hong Kong. Communist China has had several opportunities to re-take Hong Kong if it had wanted to. The fact that China did not re-take Hong Kong even when "opportunities" presented themselves indicates China's prudent and pragmatic attitudes towards Hong Kong.

The earliest opportunity to re-take Hong Kong came when irregular Chinese Communist forces took full control of the Chinese side of the China-Hong Kong border in 1949.¹¹ It would have seemed the ideal time to re-take Hong Kong when the communist "revolution" was during its peak, winning all major battles against the Kuomintang (KMT). Mao himself even stated, before and after the establishment of the PRC, that unification of lost territories was one of China's top goals.¹² But the PRC did not take back Hong Kong, probably because problems facing China's internal stability amidst and right after the civil war took precedence over the small area called Hong Kong. Moreover, objective conditions showing the British willingness to defend Hong Kong by bringing in reinforcements to the British Hong Kong-based garrison¹³ could have deterred the PRC from taking over Hong Kong at that time.

During the 1950s, China should have been able to deal with Hong Kong right after it had straightened out its internal political problems. But, the unexpected occurred: China entered the Korean War (1950). As a result, the US placed an economic embargo on China, and the US Seventh Fleet on the Taiwan Strait barred any communist attacks on Taiwan. The US probably proved to be a very formidable opponent to

the Chinese communists because it was the world's major nuclear power then. With an external war and a Five-Year Plan going internally, "prudent" Chinese communists presumably could not find time to face the question of Hong Kong.

During the 1960s, it was a new story. In the Great Proletarian Cultural Revolution, certain important people in the Chinese top leadership were purged.¹⁴ Communist ideology was riding high. It would appear that if the Red Guards were radical enough to purge the party's top leadership, they would have had the clout to march to Hong Kong. Again, China did not take Hong Kong, though there were some incidents of leftist-incited riots in HK during the Great Cultural Proletarian Revolution years.¹⁵ Nevertheless, if the PRC had really wanted to re-take Hong Kong, that would have been a good time especially because China joined the nuclear club in 1964. China could have argued that rioting in Hong Kong was a sign of internal decay, warranting China's assistance. But the objective conditions in the 1960s were not favorable for such action. China was experiencing a period of considerable danger, or at least assumed danger. The KMT seemed to attempt an invasion, perhaps with US support, against Communist China.¹⁶ Serious fighting broke out on the Sino-Indian Border on October 1962. The Sino-Soviet rift became public in 1963.¹⁷ The US escalated the Vietnam War; the "disruptive" GPCR burned in China's backyard and caused the isolated international position of China. So, China once again practised a pragmatic policy towards Hong Kong.

In the 1970s, relations with other countries generally were growing, and China was admitted to the UN.¹⁸ The global political climate might have proved helpful to the re-taking of Hong Kong. But China has not taken Hong Kong, probably because the Soviet Union had replaced the US as China's number one enemy.¹⁹ As US-China relations grew warmer, China began to show a right-shifting of its trade²⁰ and economic policies.²¹ With the "Four Modernizations" in mind and the US-China normalization of relations nearing, aggressive action in Hong Kong would have jeopardized both.

Although there have been opportunities for China to re-take Hong Kong, China's policy towards Hong Kong has been carefully calculated within the framework of global political conditions, not just based on Chinese nationalism alone. Given any ideologically-minded radicals in real control of China's foreign policy, Hong Kong might have been taken back by China even at great risk. But China's foreign policy towards Hong Kong was run with tact and pragmatism, avoiding adventurism and brinkmanship.

In addition to Chinese nationalism expressed outside Hong Kong, there were incidents of Chinese nationalism expressed inside Hong Kong. The workers' strike of 1921-2 and the KMT's combination strike and boycott of 1925-6 are two examples.²² There were also campaigns to add Chinese as an official language in Hong Kong.²⁴ Demonstrations at the Victoria Park against the US handing over of the Island of Senkakou to Japan can also be considered as a manifestation of Chinese nationalism.²³ Recent protests of the Japanese

Government's alleged intentions to change the wording of the country's history texts from the word "invasion" to the word "advance" in depicting Japanese behavior towards China and other parts of the Southeast Asian countries can also be viewed as manifestation of Chinese nationalism in Hong Kong.²⁵

Close to half of the student respondents (41%) and most of the elite respondents (87%) implicitly recognized China's legitimacy over Hong Kong by agreeing that China would be the decisive decision maker of Hong Kong's future. Despite the long years of "separation" from China and the existing capitalist fervor in Hong Kong, close to a quarter of the student respondents (22%) thought China should rule Hong Kong. This is a fairly strong showing of Chinese nationalism, or at least a strong identification with China, considering the fact that most of the students sampled (87%) were born in Hong Kong and all were born after the communist takeover of China in 1949. However, such showing of Chinese nationalism does not necessarily suggest that the students in Hong Kong are happy to see Hong Kong to be ruled as a regular socialist unit of China.

Only a very, very small proportion of students (2%) preferred Hong Kong becoming part of Guangdong. No elite shared that sentiment. Even of the students (22%) who preferred China to rule Hong Kong, only one student (0.06%) wanted Hong Kong to be part of Guangdong. Most of the China-rule student advocates (73%) were afraid of sinification. Certainly, the more highly educated the students were, the more they were afraid of sinification ($b = -.26$; $p < .03$).

Similarly, those students who viewed Taiwan favorably were also afraid of sinification ($b = -.28$; $p < .08$). Of the small proportion of students (18%) that preferred an appointed type of government, none wanted China's rule.

Regardless of how the people in Hong Kong would feel towards sinification, present day China, with its diplomatic relations with 124 countries²⁶ and its fairly good relations with the United Kingdom and the US, can re-take Hong Kong if it should so desire. World opinion would probably not be against it.²⁷ Although re-absorbing Hong Kong would not add much importance to the size of China (with the exception of the deep natural harbor of Hong Kong)²⁸, it carries major symbolic significance. For it was the Treaty of Nanking (1842), which ceded Hong Kong to Britain, that marked the beginning of over a century of China's humiliation at foreign hands, culminating in the loss of China's sovereignty in the form of fixed tariffs, extraterritoriality and most favored nation status granted to foreigners.²⁹ The re-absorption of Hong Kong would symbolically end all the humiliations that started with the cessation of Hong Kong to Britain. Therefore, it would be wise to assume that China's long-term national objective regarding Hong Kong is to integrate Hong Kong into the PRC.³⁰ The extent and the speed of integration of Hong Kong into the PRC will depend on the interplay of Chinese nationalism and Chinese pragmatism vis-a-vis the concrete situations.

B. THE INCREASE IN EMPHASIS ON COMMUNIST IDEOLOGICAL PURITY.

According to the latest PRC's constitution adopted on December 4, 1982, "China is a socialist state under the people's democratic dictatorship...The socialist system is the basic system" (Article 1) and "the state practises economic planning on the basis of socialist public ownership" (Article 15).³¹ If Hong Kong is Chinese territory as China has maintained, strictly speaking, China may be judged as guilty of communist ideological heresy by allowing Hong Kong to remain under the British capitalists. My readers must have heard of what violent and horrible acts the "true" communists committed when they tried to enforce ideological purity aimed at ridding "capitalist roaders" in China during the Great Proletarian Cultural Revolution years. This ideological struggle involves the "questions of the style and practice of revolution, the will and commitment to push for bold and radical change as well as the institutional obstacles to revolutionary performance" (Wang, 1977: 118). Communist ideology had an impact on Hong Kong's past as was evidenced by the local leftist-incited riots in 1967 against so-called British "bloody oppression" of workers in Kong, which was believed to be inspired by what happened in China at the time. Certainly communist ideology will play a role in the future of Hong Kong. An absence of emphasis on communist ideological purity may allow the Chinese leadership to consider the possibility of leaving Hong Kong capitalist during the settlement of Hong Kong's future. On the other hand, the presence of a radical leadership with strong emphasis on ideological purity would

probably dictate that China enforce socialism in Hong Kong. This view was shared by half of the students sampled (67%) and most of the elite (78%) when they forecasted that sinification would be likely if "the gang of four" or a similar ideologically-inclined faction comes to decide Hong Kong's future. Communist ideological purity per se may not be as volatile a factor as the potential exploitation of ideological purity by factional power contenders in their attempt to gain control of the Chinese leadership.

The existence of capitalist Hong Kong has caused embarrassment to the PRC leadership. For example, the continuous arrivals of Chinese refugees in HK especially in periods such as 1961-62, 1978-1981 demonstrate the disparity in living standards between capitalistic HK and communist China. The use of HK as a supply base for the US Seventh Fleet during the Vietnam War (Apalin, 1968) against one of China's former closest allies, Vietnam, also caused embarrassment to China. Domestically, the existence of capitalist Hong Kong can be used as a political football in the internal power struggle of the top Chinese leadership. Radicals or other power contenders may use Hong Kong to challenge the existing leadership by accusing the leadership of a sellout to capitalism, thereby attempting to gain the control of power for themselves. Externally, the Soviet Union must have found capitalist Hong Kong a good source of ridicule against China, accusing Beijing of employing a double standard³² of advocating revolutionary violence against imperialistic rule in Asia, Africa and Latin America on the one hand and acquiescing to capitalist control over Hong Kong

on the other hand, thereby downgrading China's claim to communist orthodoxy. But as Allen Whiting said, "Examples abound of the degree to which reality overrules rhetoric and practical considerations prevail over theoretical."³³ Mao himself committed this kind of "heresy" when he periodically announced his intention to liberate paper-tiger US-protected Taiwan in public. Yet in private conversation he was reported to have said, "Tibet has no other country that has signed a treaty with it like Taiwan. Our air force can go there, also our army. Now the Taiwan situation is entirely different. Taiwan signed a treaty with America."³⁴ Deng, whose political inclination is considered more pragmatic than ideological, is also reportedly to have said, "it doesn't matter whether it is a black cat or a white cat, as long as it can catch mice it's a good cat."³⁵ Though noises were made at settling the imperialistic account with Britain during the Great Proletarian Cultural Revolution, no actual demands arose for the return of Hong Kong. In the case of Hong Kong, the "heresy" is justified by the fact that such a non-antagonistic secondary contradiction will be settled sooner or later "when the time is ripe", as mentioned by Huang Hua in his 1972 speech at the UN (see Chapter two, page four). There was, however, no definition given of what is meant by "when the time is ripe." Apparently such silence is designed to allow China's flexibility in choosing all options available regarding the future of Hong Kong. Similar to China's behavior towards Hong Kong, there was no strong ideological commitment from the student respondents. Eleven students

said they preferred a socialist economy for Hong Kong while only two wanted Hong Kong to become a regular part of Guangdong. Although China's ideological perspective on Hong Kong has been moderated by pragmatic influences, the ascendancy to power by a strongly ideologically-oriented group or the increase in disparity in wealth during economic hard times (e.g. a famine) in China may upgrade Hong Kong into a relatively major, if not principal, contradiction, forcing China to resolve the contradiction by absorbing Hong Kong.

C. DECLINE OF HK ECONOMIC IMPORTANCE TO CHINA

Many writers, including this one, believe that the economic gains for China from Hong Kong are probably the major pragmatic consideration that China allows Hong Kong to remain under the British.³⁶ If this is true, then the absence of economic gains from Hong Kong would leave no major incentive for China to tolerate the embarrassment caused by the existence of capitalist Hong Kong. The consequence may mean the re-absorption of Hong Kong back to its mother embrace, China.

According to Md Habibullah Khan and John Alton Zerby,

It (Hong Kong) has already attained a substantial level of progress and is presently passing through a relatively advanced stage of socioeconomic development. Structurally, Hong Kong is more similar to the mildly developed European and North American countries than to the countries of her own region. In Asia, she (Hong Kong) has hardly any match excepting Singapore, Israel, Lebanon and Kuwait. Trinidad-Tobago can perhaps be considered as the closest model for Hong Kong.³⁷

Hong Kong was ranked 7th out of 108 countries on an economic composite of 54 indicators.³⁸ While the economy of Hong Kong is relatively sound with a GDP at US \$29.1 billion,³⁹ a GDP per capita at US \$5,100.00,⁴⁰ a GDP growth rate at 9.9%,⁴¹ a 11% inflation rate⁴² and a very low unemployment rate,⁴³ Hong Kong does encounter pressures from inside and outside that may lead to the decline of its economic performance.⁴⁴ Externally, the trade barriers from abroad, including those of the United Kingdom,⁴⁵ in the form of higher tariffs and fixed quotas, some of which were not mutually agreed upon but imposed on Hong Kong, hurt Hong Kong's drive for more economic growth. Indeed, in March 1982, Michael Sandberg, the Chairman of the Hong Kong and Shanghai Banking Corporation, remarked that rising trade barriers were the single greatest threat to the economic health of places such as Hong Kong, Singapore, Taiwan and S. Korea (FEER, March 12, 1982, p. 10). Domestically, demand and expectation of higher wages and reduced work hours increase the cost of production and render Hong Kong products less competitive on the world market vis-a-vis those of other newly developed countries such as Taiwan and Korea. Even the automation of production and the resultant increase in productivity may not make up the difference in higher cost of production.

Faced with these unfavorable conditions of competition, the businessmen in Hong Kong are increasingly taking the role of neo-colonizers themselves.⁴⁶ "They would go abroad to make use of cheaper labor elsewhere in Taiwan and other less developed

countries."⁴⁷ This writer personally knows of a number of such cases. For example, a former classmate's father, who is a successful Hong Kong businessman, set up factories in Taiwan to manufacture plastic bags for the US. Another friend's father, a successful Hong Kong businessman also, manufactures rubber rafts in Taiwan for the US market. Despite Taiwan's own "uncertain" future, "Taiwan is attracting a slow stream of investment from Hong Kong. In the first quarter of 1984, the value of investment applications approved from Hong Kong jumped to US\$ 17.2 million from US\$ 1.39 million in the corresponding period of 1983" (Tanzer, 1984: 19). Still another friend's businessman father from Hong Kong is engaged in exporting Malaysian timber to the US. Expansions abroad from Hong Kong are not limited to the less developed countries only. There are Hong Kong businessmen who have set up offices and do business in some of the developed countries as well, perhaps to avail themselves of the opportunity to take advantage of doing business beyond the quota and tariffs restrictions. Hong Kong businessmen are known to have set up firms of their own in the US, importing goods that range from dried seafood to rattan furniture to the US.⁴⁸ Often the entrepreneurs, who started firms in foreign countries, especially the developed ones, may end up emigrating to the respective countries in which they invested.

While the exact effects of Hong Kong businessmen doing business in foreign places on the Hong Kong economy is still unclear, its potential for damage to Hong Kong's economic performances is obvious.

Investments abroad made by Hong Kong businessmen mean the loss of jobs and investments in Hong Kong. While a case may be made that money earned from investments abroad by Hong Kong businessmen may eventually more than compensate for the loss of jobs and investments in Hong Kong when the investors transfer their profits back to Hong Kong, such expected behavior by investors is unlikely in view of the political uncertainty regarding Hong Kong's future. In fact, investment opportunities abroad may pose the potential danger of a "brain drain" from Hong Kong with experienced and talented managers (who invested abroad) going abroad to live, and with foreign-trained Hong Kong college students staying in their current countries of study.⁴⁹ Such potential losses of investments, jobs, experienced entrepreneurs and young blood to countries abroad would at least retard the economic growth of Hong Kong which is so vital to the maintenance of existing living standards amidst population growth, not to mention the raising of living standards for the entire population.

Not only can Hong Kong's economic performance affect China's ultimate intentions over Hong Kong, but China's attitude and behavior towards Hong Kong can also affect Hong Kong economic performance. A Chinese announcement hinting a possible continuance of its policy towards Hong Kong or similar remarks may have a boosting effect to Hong Kong's economy as was evidenced by Deng XsiaoPing's remark telling Hong Kong's investors to "put their hearts at ease."⁵⁰ Likewise, a Chinese announcement of China's intention to re-absorb Hong Kong as a regular socialist unit would probably cause a real and

immediate threat to Hong Kong's economic well-being. The uncertainty and the fear of expropriation and/or nationalization without just, prompt and efficient compensation would shatter all business confidence in Hong Kong, leading to a corresponding decline in Hong Kong's economic performance. China will have destroyed its own economic incentives for not re-taking Hong Kong. Moreover, if and when any one or all of China's four special economic zones, with its cheap labor and rent, begins to takeoff economically, HK's economic significance to China would be lessened. China would then be less reluctant to allow HK to exist much as it is now with all the capitalist economic and political freedoms, thereby threatening the economic performance of HK.

In short, there are real potential dangers for the decline of Hong Kong economic performance which may lead to the sinification of Hong Kong. On the other hand, there are writers, notably Greenfield (1983) and Lawrie, who argued that China may not want to re-take Hong Kong when Hong Kong is broke, especially if China must feed the 5.5 million people in Hong Kong. In the final analysis, for most Hong Kong people, whether or not China re-takes Hong Kong if and when there is a economic decline, is of secondary importance. The primary attention is probably being paid to maintaining the economic prosperity of Hong Kong. To most Hong Kong people, an economically-weak Hong Kong, even without China's rule, may be almost, if not exactly, as dreadful as the sinification of Hong Kong.

D. RISE OF AN INDIGENOUS HK INDEPENDENCE MOVEMENT

In addition to HK, Taiwan is also an outstanding issue left over from history. Taiwan is believed to have to exist within the constraints of having no "normal" relations with the Soviet Union and no local independence movement if Taiwan does not want to provoke a military take-over from China.⁵¹ Like Taiwan, Hong Kong must observe certain restrictions in its behavior should it want to keep China's acquiescence over its continued separate existence. The unspoken "constraints" that Hong Kong must live with are believed to be a) the near absence of KMT influence in Hong Kong, b) the virtual absence of the Soviet Union's influence in Hong Kong and c) the absence of an indigenous independence movement in Hong Kong.⁵² While the restrictions on KMT's and Soviet influence in Hong Kong may not be strictly "enforced" in view of China's "rapprochement" with these two political actors in recent years, the restrictions on the absence of a Hong Kong independence movement is probably still applicable to Hong Kong. For any independence movement in Hong Kong would likely strike a sensitive chord on China's claim on sovereignty over Hong Kong. China may then perceive itself to have no choice but to accelerate its plan for the reabsorption of Hong Kong or to abolish whatever status-quo plans it may have for Hong Kong.

Although over a quarter of the elite sample (29%) and 13% of student respondents named independence as their preferred future of Hong Kong (see Table 4-1), there is at present no known organized independence movement in Hong Kong. The most that any group comes to

resemble an "independent" movement is a group called the Hong Kong Observers which is composed mainly of competent, highly-educated, foreign-trained professionals of Hong Kong (Chinese) ancestry. Even this very visible and vocal group in Hong Kong has not proclaimed independence as their preferred future. In its inaugural statement, Hong Kong Observers stated,

- a. To promote and organise interest and activities to participate in the governance of Hongkong.
- b. To press and solicit the Government of Hongkong to be responsive to the needs of the people of Hongkong
- c. To organise research of issues of public interest affecting Hongkong.
- d. To promote community welfare.⁵³

If this high-powered, well-connected group of young professional people, who are well exposed to the Western ideals of democracy and justice and who have the intellectual, if not the financial, wherewithal to provide independent leadership, are not seeking Hong Kong independence, it is unlikely that other groups will stand up and ask for independence. No wonder no elite and only four students thought the independence of Hong Kong would be preferable and likely (see Table 4-2).

Although there is no known indigenous independence movement in Hong Kong, there is at least one other factor to watch for, which may give rise to an independence movement. The factor is China's intention and behavior towards Hong Kong. Just as an indigenous call

Table 4-1

Independence Of HK As Preferred Or Feared Future

INDEPENDENCE as	<u>ELITE</u>	<u>STUDENT</u>
PREFERRED Future	29%	13%
FEARED Future	0%	7%

Table 4-2

Independence of HK As Preferred or Likely Future

In Numbers	INDEPENDENCE OF HK AS PREFERRED AND LIKELY FUTURE
ELITE	0
STUDENT	4

for independence carries the real potential of a backfire, a call from China to completely re-absorb Hong Kong at a quick pace without regard to "objective" Hong Kong conditions may lead to the possibility of a backfire, leaving the Hong Kong people with no choice but to appeal to the UN and to world opinion for their cause for the independence of Hong Kong. For example, when three Hong Kong "politicians" (Executive Councillors), Sir Sze Yuen Chung, Lydia Dunn and Q. W. Lee recently told Deng Xiaoping of a confidence problem in Hong Kong, their views were immediately brushed aside as unrepresentative of the state of confidence in Hong Kong. Deng insisted that "there was no lack of confidence in Hong Kong" said Sir Sze Yuen.⁵⁴ Such a harsh rebuke by Deng without careful consideration of the views expressed by the three Hong Kong councillors is the kind of Chinese behavior that, if persistent and intensified, might trigger an outcry for Hong Kong's independence.⁵⁵

PRESENT FEASIBILITY OF SINIFICATION

At present, there seems to be no great surge of Chinese nationalism, no serious call for communist ideological purity, no noticeable decline of Hong Kong economic performance and no indication of the emergence of an Hong Kong independence movement. None of the factors, which this author considers essential for the realization of sinification as a possibility, seem to dominate China-Hong Kong relations or the negotiations on Hong Kong's future. Although the sovereignty of Hong Kong is a non-negotiable item from China's point

of view, China has repeatedly indicated its respect for historical incidents⁵⁶ in dealing with the future of Hong Kong, perhaps hinting at a willingness to accommodate the "reasonable" wishes of the Hong Kong people.

It is, therefore, little wonder that only a very small segment of Hong Kong population (7% based on the 1982 Hong Kong Observers' Polls)⁵⁷ and the student sample (9%) thought sinification of Hong Kong was likely. No elite thought sinification was likely (see Table 4-3). Of the students who thought China would be the likely ruler (59%), only a small minority (8%) thought Hong Kong would become part of Guangdong Province. Even fewer students (7%) thought Hong Kong would have a socialist economy even if absorbed as a part of Guangdong. Only one student out of 92 who answered the question actually predicted "perfect" sinification: Hong Kong would be ruled by China as part of Guangdong in an elected (communist-style) socialist economic system.

Although some elite (31%) thought China would be the likely ruler of Hong Kong, none of them thought sinification to be likely. In fact, regardless of their choice of who the likely ruler would be or what likely form of government or economy Hong Kong would have, no elite thought sinification to be likely.

Most elite (85%) and students (77%) preferred a capitalistic economy in Hong Kong. Only a minority, with 15% elite and 16% students, preferred a socialistic economy in Hong Kong (see Table 4-4). No elite and very few students (3%) preferred socialism under

China. Indeed, most students (84%) and the elite (93%) expressed that sinification is their great fear for the future (Table 4-5). Many more respondents feared sinification as a future possibility than preferred it. Most students (77%) and elite (64%) said they would leave Hong Kong if the Chinese Communists were to re-take Hong Kong (see Table 4-6). The same feelings were expressed by the HK public in the 15-24 age group (see Table 4-6). Since 1976, half a million people, all of them refugees from China and Vietnam have demonstrated what Lenin called "voting with their feet" (Harris, 1981: 97) by fleeing to Hong Kong. To these and most residents of Hong Kong, sinification is the most feared and the worst possible future possibility.

Thus, if China cares to give any appearance of taking Hong Kong's public opinion into consideration, it would be good politics for China not to pursue a radical course of action regarding the future of Hong Kong. China may have indeed gotten word of the horror of sinification in the minds of its potential future citizens since it has taken action to allay Hong Kong's fears in the proposed takeover of Hong Kong by China. Article 31 of the PRC's Constitution, adopted in 1982, reads: "The State may establish Special Administrative Regions when necessary. The systems to be instituted in Special Administrative Regions shall be prescribed by law enacted by the National People's Congress in the light of the specific conditions."⁵⁸ The adoption of this article in the Constitution was widely believed to be a soothing sop aimed at allaying fear in Hong Kong (and particularly

Table 4-3

Sinification As likely Future

(%)	<u>SINIFICATION AS LIKELY FUTURE</u>
ELITE	0
STUDENT	9
HK OBSERVERS	7

Table 4-4

Socialism or Capitalism As Preferred Economic System

<u>PREFERRED ECONOMIC SYSTEM</u>	<u>ELITE</u>	<u>STUDENTS</u>
SOCIALISM	15%	16%
CAPITALISM	85%	79%

Table 4-5

Sinification As Feared Or Preferred Future

<u>SINIFICATION AS</u>	<u>ELITE</u>	<u>STUDENTS</u>
FEARED FUTURE	93%	84%
PREFERRED FUTURE	7%	3%

Table 4-6

Residency Choice Under Communist HK

<u>IF COMMUNISTS TAKE OVER HK</u>	<u>ELITE WOULD</u>	<u>STUDENTS WOULD</u>	<u>HK Observers PoTT</u>
STAY	27%	9%	---
LEAVE	64%	77%	70%*
UNSURE	9%	15%	---

* This figure only applies to the 15-24 age group. Nevertheless, 57% of the respondents said they would like to emigrate if given the chance.

those in Taiwan). Moreover, China went so far as to announce that China will allow Hong Kong to remain capitalist even after China resumes the exercise of sovereignty over Hong Kong in 1997.⁵⁹ The Chief economist of China, Ma Hong, boasted of how he perceived a capitalist Hong Kong would help China to achieve the Four Modernizations.⁶⁰ Essentially, he envisioned:⁶¹

1. Hong Kong to help give China needed foreign exchanges to finance modernization projects through selling Chinese goods in Hong Kong, through re-exports through Hong Kong, and through remittance sent by Chinese relatives in Hong Kong.
2. Utilizing Hong Kong's world class, advanced technological skills to bring up those in China in order to improve China's productivity.
3. Utilizing Hong Kong's managerial experience to help run China's firms more efficiently.
4. Utilizing Hong Kong's investments capitals to help spurn up joint ventures in China and;
5. Developing special areas adjacent to Hong Kong into export processing zone to take advantage of its proximity to Hong Kong to absorb Hong Kong's scientific and technological skills and to increase China's number of export orders.

China, in effect, hinted that it will not "completely" reabsorb Hong Kong.

Going back to the requirements for drawing sinification as a conclusion, China does seem to have the desire to re-unify Hong Kong

with the rest of China. But China seems also to be pragmatic enough to understand the tense situation and appears willing to take a long term view on Hong Kong's future, so much so that China has publicly stated that Hong Kong will be allowed to remain capitalist for another 50 years. In other words, the evidence so far presented does not satisfy requirement #1 of China's intention of reabsorbing Hong Kong as a full fledged socialist unit, at least in the short run. As for requirement #2a, China does not seem willing to relinquish the benefits it has reaped from capitalist Hong Kong. China, at present, appears to desire "stable" relations (mostly economic) with Hong Kong more than it desires the "complete" reunification or reabsorption of Hong Kong. Consequently, requirement #2a is not fulfilled.

As for requirement #2b, although most of the respondents (57% students & 78% elite) thought sinification is likely if the "gang of four" were to decide the fate of Hong Kong, the return of the "gang of four" or of similar ideologically-inclined factions does not seem to be in sight in the immediate future. The pragmatic faction of Deng seems to have consolidated its power by appointing Deng's proteges Hu Yao Bang and Zhao Ziyang to the positions of the Party's General Secretary and State's Premier respectively. Thus, requirement #2b is not fulfilled. A plausible case may also be made that even if requirement #2b were fulfilled, the "gang of four" would not necessarily desire to sinify Hong Kong since it did not do so during the height of the GPCR. In short, none of the requirements is fulfilled at this time; and the possibility of sinification cannot be

drawn as an conclusion.

To sum up, sinification of Hong Kong seems to be the most dreaded future possibility for most respondents. Although China's ultimate intention is probably to achieve complete reunification with Hong Kong, the Chinese leadership, based on its assessment of the present concrete situation at hand, seems willing to shelve the sinification possibility at least for perhaps the next 50 years, if not forever.

Nevertheless, concerned Hong Kong watchers must always be on the lookout for causes that may give rise to the factors that are likely to lead to the sinification of Hong Kong. After all, Article One of the 1982 Constitution stated that "The People's Republic of China is a socialist state The socialist system is the basic system of the People's Republic of China. Sabotage of the socialist system by any organization or individual is prohibited"⁶² notwithstanding what article 31 might imply to the contrary in the practice of economic activities. Article 31 said, "The state may establish special administrative regions when necessary. The systems to be instituted in special administrative regions shall be prescribed by law enacted by the National People's Congress in the light of the specific conditions."⁶³ Since ideal type sinification does not appear to be a feasible possibility now, it is useful to look at a few variations of the ideal type in terms of their desirability and feasibility.

SINIFICATION VARIATIONS.

Proposals that do not meet the requirements for ideal type sinification and that call for official British withdrawal from HK

with a concomitant Chinese (PRC) presence would be considered variations of ideal-type sinification.

Any Chinese presence in Hong Kong without an official British presence would likely to have a few general disadvantages for China and Hong Kong vis-a-vis the present conditions of Hong Kong. "The extent to which China might suffer economically by occupying Hong Kong would depend a great deal on the conditions of the takeover and the type of new regime that was established" (Miners, 1981: 24). The possible disadvantages in general are as follows:

1. There will be potential risk of a brain drain from Hong Kong since many professional, managerial and entrepreneurial people are unlikely to risk their futures under possible communism (Miners, 81: 26).
2. Multinational Corporations may still invest in a communist-run Hong Kong just as they did in the rest of China. But indigenous Hong Kong capitalists, who for one reason or another remain in Hong Kong, may no longer feel secure enough to further invest in Hong Kong. Consequently, they are likely to look for every possible foreign investment opportunity instead of considering Hong Kong the first choice for the locus of their investments.
3. A China-controlled Hong Kong may stand to lose the quotas it has secured from the EEC and the USA. Hong Kong's exports to those countries may have to be counted as part of the Chinese quotas (Miners, 1981: 26-7).
4. Some countries may ban Hong Kong's exports "for ideological reasons or because their non-essential goods to Hong Kong"

(Miners, 1981: 27) are discouraged or even unwanted by the Chinese communists.

5. A China-run Hong Kong is likely to have foreign exchange control which may hurt the present invisible earnings of Hong Kong. Multinational Corporations may locate their headquarters elsewhere. Foreign banks and insurance companies may leave Hong Kong without the ease of an uncontrolled foreign exchange environment.
6. A China-run Hong Kong may entail some restrictions on Hong Kong's status as a free port. Hong Kong's entrepot trade would be hurt if Hong Kong ceased to be a truly free port.
7. The HK\$6,000 million a year tourist industry would be hard hit. Most tourists would not visit Hong Kong if the duty-free luxurious goods were replaced only by China's products. Possibly new types of tourists would come to see how Hong Kong transforms under China.
8. A China-run Hong Kong may cease to provide China with the opportunity to window-shop the latest in foreign technology. Nor would Hong Kong be "a source for foreign-trained experts" (Miners, 1981: 27).
9. A China-run Hong Kong may not provide China with as good a springboard as the ready-made, well-run, British Hong Kong would for commercial and financial moves into the S.E. Asia because HK would presumably lose its political "neutrality."

On the other hand, a China-run Hong Kong brings the following general advantages:

1. China is likely to bring effective means, as is the case in China, to arrest soaring rental rate and to curb rising wages in Hong Kong, thereby reducing the cost of production and result in the increase of Hong Kong's exports.
2. Regular Chinese currency control may result in a far higher proportion of Hong Kong's foreign exchange earnings being kept by China. No unnecessary spending on items such as Sunkist oranges, foreign education, shares on the New York stock exchange and real estate in the US. Imports would probably be restricted to essential capital goods, foodstuffs, fuel and raw materials (Miners, 1981: 26).
3. Trade negotiations by China would put Hong Kong, a part of China, in a better bargaining position for China can threaten retaliation (Miners, 1981: 26) with its huge potential market if a satisfactory agreement was not reached.

The general information of the ideal types here and those in the next two chapters were drawn from publications such as Asiaweek, Far Eastern Economic Review, The Seventies, Cheng Ming, Pai Shing, Ming Pao Monthly and the books and articles reviewed in Chapter Three.

With these general advantages and disadvantages as background, let us examine the specific advantages and disadvantages of different variations of ideal-type sinification.

Variation A. (Unless otherwise stated, scenario details for this possibility were drawn from Asiaweek 9/24/82).

Name: Special Economic Zone of China (SEZ).

Proponents: Walter Easer, a British anti-colonist Hong Kong specialist.

Law, Chak Tong and Chan, Tin Sung, both NT community leaders, felt this option is entirely possible.

N. J. Miners believes that this option indeed is the likely political future of Hong Kong (1981: 25).

History: The idea of making Hong Kong a special region such as that of a SEZ of China can be said to have a long origin. In the late 1920s and early 1930s, about 30 years after the NT was leased to the British, Sir John Pratt of the British Foreign Office envisioned that Hong Kong would come under Anglo-Chinese protection. Unfortunately, the Second World War, the Japanese Occupation of Hong Kong, and the Chinese Civil War prevented any discussion of this proposition (M. Lee, FEER 3/13/81: 39). In May 1980, the idea of making Hong Kong a SEZ was hinted at by Xi Zhongxun, former governor of Guangdong and now a vice-chairman of the National People's Congress of China when he referred to HK as a special zone (M. Lee, 3/13/81: 39).

Essentials

Sovereignty: China.

Who Rules: Hong Kong self-rule.

Economic System: Capitalist and Socialist mixed.

General Administration: Under this variation, Hong Kong's administration is envisioned to be similar to present SEZs in China such as Shenzhen, Zhuhai and Xiamen. Hong Kong will be under Chinese law and Chinese taxation (Miners, 1979: 110; & 1980). There will also

be special legislation in the SEZ, favoring foreign investments (The Seventies. (Chinese) 9/82: 35). Essentially, there will be a considerable degree of autonomy when compared to the rest of China. An examination of existing SEZ regulations may give an idea of what Hong Kong might be like as a Chinese SEZ.

If the name Hongkong were substituted for Guangdong and Shenzhen, then Chapter V of the SEZ regulations (on administration) would read thus:
The (Hongkong) Provincial Administration of the SEZ exercises the following functions:
Draws up development plans and organises their implementation.
Examines and approves investment projects in the special zone.
Deals with the registration of industrial and commercial enterprises in the special zone and with land allotment.
Coordinates working relations among the banking, insurance, taxation, customs, frontier inspection, postal and telecommunications and other organisations in the special zone.
Provides staff needed by the enterprise in the special zone and protects their legitimate rights and interests.
Runs education, cultural, health and other public welfare facilities in the special zone.
Maintains law and order in the special zone and protects according to law the persons and properties from encroachment.
The (Hongkong) special zone is under the direct jurisdiction of the (Hongkong) Provincial Administration of SEZ. (M. Lee, 3/13/81: 39).

Evaluation of the Desirability and Feasibility of a China-run SEZ as a Possible Political Future of HK.

For the Chinese

1. Politically, the resumption of sovereignty over Hong Kong saves China's face and satisfies whatever Chinese nationalistic sentiments there are.

2. Ideologically, this option of only allowing specially-approved commercial dealings, but perhaps not every deal, at the dictate of the market forces, and the imposition of currency control under Chinese law may mollify residual leftist elements within the CCP (Asiaweek 9/24/82).
3. Economically, such an option does not kill the goose that lays the golden eggs by allowing Hong Kong to function as freely as possible. On the other hand, the necessity of securing approval for investment projects is bound to create suspicion from investors, especially local Hong Kong investors, of China's credibility or its ability to live up to its promises concerning the economic activities of the SEZ.
4. If Hong Kong prospered under this option, it would mean that it would be much easier for Beijing to persuade Taiwan to follow suit in Beijing's unification initiatives.
5. By making Hong Kong a Chinese SEZ, Beijing will be spared the "burden" of "completely" converting and administrating an estimated 8 million burgeoning capitalists in Hong Kong by 1997 (M. Lee, 3/13/81: 40). Beijing can take its time in "re-educating" Hong Kong capitalists under this option.
6. With the sovereignty of Hong Kong reverting to China and hopefully the economic prosperity of Hong Kong left unhampered as much as possible, this option seems to be acceptable from the Chinese point of view.

For the British

1. Politically, the fact that this option confers certain special privileges to Hong Kong from China prevents the British from the appearance of abandoning its moral obligations to Hong Kong. The British can then bow out gracefully.
2. Economically, British commercial interests are likely to still function fairly freely within the SEZ in view of the special legislation that supposedly favors foreign investors.
3. As long as the British do not look embarrassed when they leave Hong Kong and as long as British economic interests are preserved as this option seems to indicate, this would seem to be a minimally acceptable option for Great Britain.
4. But if Margaret Thatcher really meant it when she said Britain would live up to its moral obligations in Hong Kong, Britain would probably try, if the Conservatives are still in power, to hold out for more freedom for the Hong Kong people than this option would allow for.

For the HK People

1. The transfer of sovereignty back to China symbolically ends the humiliation of being British colonial subjects. Presumably, Hong Kong people will become special-status Chinese citizens.
2. Hong Kong, being a Chinese-run SEZ under Chinese law, may not function economically as efficiently as before, resulting in the risk of a lowering of living standards.
3. Since Hong Kong-SEZ will be administrated under Chinese law, there

may be great potential for unwarranted Chinese governmental "interference" into Hong Kong's economic and human rights activities.

4. Little is known for sure whether or not any promise of self-rule from China will be symbolic or genuine in giving the Hong Kong people an opportunity to truly govern themselves.
5. Hong Kong people are likely to have reservations about this SEZ option considering the potential for "interference" from China.

From a non-stakeholder viewpoint, the possibility of a brain drain is very real if this option is adopted since (even with its special Chinese law) it is probably considered restrictive by existing Hong Kong standards. Besides, there are already reports of bureaucratic wrangling between provincial and SEZ authorities as well as between provincial and central governments over existing SEZs (M. Lee, 3/13/82: 39). Hong Kong, if it is to be another SEZ, is not likely to be immune to these bureaucratic problems, which are likely to be an added cause for the Hong Kong people to leave Hong Kong. This option, if adopted, may not leave Hong Kong with the talent that it has at present to help China modernize, though it will certainly regain China's sovereignty over Hong Kong.

Variation B. (Unless otherwise stated, scenario details were drawn from Seventies (Chinese) 8/82: 35 and Pao Sing (Chinese) 8/82).

Name: Special Administrative Region (SAR).

Proponents: Ji Pengfei, State Councilor of Office of Hong Kong and

Macao Affairs, PRC. Chang Pao-Min (1983: 82) said what he called an autonomous region, which is similar to the SAR, is likely.

History: In a meeting with 12 Hong Kong and Macau communist-supporters in June 1982, Deng Xiao Ping was reportedly to have brought up his solution outline to the future of Hong Kong, namely "Resume Sovereignty, Maintain Prosperity." There was also a report that Premier Zhao in a meeting brought up the "One Nation, Two Systems" principle regarding the future of Hong Kong. An article empowering the state to create SARs within China itself surfaced in June in Article 30 of the draft constitution of the PRC. Originally, the article was believed to have been aimed at Taiwan. But in July, Peng Zhen commented that Article 30 of the draft constitution was for the fundamental benefits of compatriots in Taiwan, HK and Macao as well as all overseas Chinese.

Essentials

Sovereignty: China.

Who rule: Hong Kong People Self-Rule.

Economic System: Capitalist.

Duration: At Least 50 Years After 1997.

General Administration: The administration of Hong Kong will essentially remain the same as it is today except there will be a Hong Kong Chinese governor, a change from the Union Jack to the Five Star, and the removal of the word "royal" from all governmental agencies (M. Lee, FEER). Hong Kong will have its own:

1. governor and government by local representatives supervised by China,
2. legislative power,
3. judicial system and court of final appeal,
4. financial and economic policies,
5. free port status,
6. convertible currencies, and
7. police force.

China will directly handle Hong Kong's diplomatic and defence affairs.

Evaluation of the Desirability and Feasibility of Such an Possible Future.

For the Chinese

Presumably this solution must be acceptable and probably desirable for the Chinese since it is they who proposed such an solution. This option carries most of the benefits and limitations that a China-run SEZ would carry. They are briefly:

1. Politically, China can face the third world and the USSR squarely (with one less cause for embarrassment) by regaining sovereignty over Hong Kong.
2. Economically, China may still enjoy the economic benefits it derived from Hong Kong by allowing Hong Kong to function much as it does now. An economically-properous Hong Kong would probably contribute to China's modernization efforts.
3. A successful Hong Kong under this option may help China in persuading Taiwan to open re-unification talks.

4. Some people worry that China may have difficulties justifying the special status of Hong Kong to its populace. The reply may well be that if China has had little trouble justifying Hong Kong, a de facto part of Britain now, China should have less trouble justifying a future Hong Kong which is to be a part of China.

For the British

This option carries the same advantages for the British as the Chinese-run SEZ option does. In addition, this option promises to allow more autonomy for Hong Kong than the Chinese-run SEZ option does, which would make the British less reluctant to agree to such a solution.

For the HK People

Hong Kong people would prefer this option to a Chinese-run SEZ option since this option presumably allows Hong Kong more freedom such as the keeping of existing Hong Kong laws and currency. The core question again is the lack of confidence of Hong Kong people on China's credibility and ability to deliver on its promises.

In sum, given the proposed freedom for Hong Kong and the endorsement from the major decision-maker in the issue, China, this option seems more than possible.

Variation C. (Unless otherwise stated, scenario details for this possibility were drawn from Seventies. (Chinese) 12/83).

Name: Puerto Rico Model.

Proponent: Professor C. Y. Yung (Shongran Weng), Head of the
Department of Political Science and Public Administration

of the Chinese University of Hong Kong.

History: Based on the assumed pre-conditions that

1. Britain, China and Hong Kong all want to maintain the prosperity of Hong Kong,
2. China, in addition, wants sovereignty over Hong Kong,
3. Hong Kong wants to keep its existing living style, and
4. United Kingdom wants to bow out of Hong Kong honorably,

a number of possible futures of Hong Kong have been brought up.

Possibilities such as sinification, China-run SEZ, SAR, British-run SEZ, Macau formula, joint British-Chinese administration are however not feasible for reasons such as the mistrust by Hong Kong people of Chinese intention, the unacceptability of the proposal to China and/or to the British, and the impracticality of various proposals.

In view of all these, the Puerto Rico Model was proposed to give another alternative for the general public to consider.

Essentials

Sovereignty: China

Who Rules: Hong Kong People Self-Rule

Economic System: Capitalist

General Administration: Under the Puerto Rico Model, Hong Kong would not remain a British colony, nor would it become an independent state, nor would it become a regular part of China such as a Chinese province. Hong Kong's status would be very special. Britain would transfer sovereignty over Hong Kong to China. China would mostly take care of Hong Kong's defence and foreign affairs. Owing to the power

disparity between Hong Kong and China, the UN would be called upon to act as a facilitator here to ensure British and Chinese adherence to the special status of Hong Kong. China would then transfer to Hong Kong appropriate power for self-rule. The Hong Kong people would devise their own political, economic, legal and education systems. Hong Kong citizens would become Chinese citizens and have the right to reside in other parts of China. Hong Kong citizens would be subject to Chinese conscription. Only those Hong Kong citizens who live in mainland China (not Hong Kong) could vote in Chinese national elections. Citizens and business concerns in Hong Kong would need only pay whatever local Hong Kong taxes required of them, but they would not need to pay Chinese national taxes. It is envisioned that Hong Kong may eventually surpass present day Puerto Rico in its ability for self-governance by issuing its own special passports and visas as well as concluding various international agreements or enjoying limited representation in dealings in the international arena.

Evaluation of the Desirability and the Feasibility of the Puerto Rico Model.

For the Chinese

1. This option carries all the benefits and limitations that the SAR option carries with sovereignty of Hong Kong back to China and potential for Hong Kong to help in the modernization efforts.
2. The only reservation is that China may not like the idea of having the UN act as some kind of an overseer in China's dealings with Hong Kong.

For the British

1. Having the UN involved as a facilitator would allow the United Kingdom to bow out of Hong Kong honorably.
2. The UN involvement is likely to make it easier for the British Parliament to approve such a settlement.

For the HK People

1. This option seems to confer more freedom for the Hong Kong people than either the China-run SEZ or SAR does.
2. Having the UN involved as a third party may lessen the Hong Kong people's mistrust of China's intentions since the potential for unwanted Chinese interference may be prevented by the UN.

The major difference between this option and the SAR option is that of the involvement of the UN. Supporters of this option may like to think that if China is amiable toward the SAR option, it would be likely for China to go as far as this option would allow. The only question is whether China would tolerate having the UN remind it of what it should or should not be doing in Hong Kong.

Comparison of the Variations

Comparing the essentials of all three sinification variations on their face value (Table: 4-7), there are substantive differences between the China-run SEZ option and the SAR option. For example, contrary to the SEZ option, the proposed SAR would have a capitalist economy with convertible Hong Kong dollars and no exchange controls.

The SAR-Hong Kong would be a duty-free port, governed by existing Hong Kong law. Judging the proposals at their face value, the SAR will be more acceptable to the British and to the Hong Kong people than the SEZ because of the greater freedom that the SAR provides.

Unlike the amount of difference between the SEZ and the SAR, there seems to be only one difference between the SAR and the PR model -- the presence of the UN as some sort of an overseer. This presence of the UN as an overseer may prove to be crucial to the continuing economic success of Hong Kong. The Hong Kong people are probably less reluctant to trust Chinese intentions with the UN as a third party than with no third party overseer. Quite naturally, the PR model is likely to be more acceptable than the SAR to the British and to the Hong Kong people.

In evaluating the normative worth of the options, all three options fulfill Chinese nationalistic sentiments in varying degrees by including the resumption of Chinese sovereignty over Hong Kong. Judging from the proposed essential arrangements under the three options, the SEZ (under Chinese laws) seems to fulfill Chinese nationalistic sentiments more than the SAR does (Table: 4-8.). The SAR (with no third party overseer) in turn seems to fulfill more nationalistic sentiments than the PR does.

In terms of conformity with communist ideology, none of the options, at its face value, seems to conform much with communist ideology. However, the SEZ, with its mixed socialist-capitalist economy seems to be in more conformity with communist ideology than

Table 4-7

The Essentials Of Sinification Variations And HK's Preference

<u>Essential Dimensions</u>	<u>Variation A</u>	<u>Variation B</u>	<u>Variation C</u>	<u>HK People's Preference</u>
Name	SEZ	SAR	PR	Any name
Sovereignty	China	China	China	No Choice
Who Rule	HK people	HK People	HK people	HK People
Econ. System	Social/Cap.	Capitalist	Capitalist	Capitalist
Currency	Renminbao	HK\$	HK\$	HK\$
Port Status	Taxed	Duty-Free	Duty-Free	Duty-Free
Exchange control	Yes	No	No	No Control
Law	Chinese	HK law	HK law	HK law
3rd party	No	No	Yes	Yes

Table 4-8

Normative Evaluation Of Sinification Variations

<u>Rank-order estimates</u>	<u>Low Degree</u>	-----			<u>High Degree</u>
Fulfillment of Natn'l sentiment				PR SAR SEZ	
Conformity with Ideology	PR SAR SEZ				
Amount of China's Control		PR	SAR	SEZ	
Amount of Trust Required of HK			PR	SAR	SEZ
Probability of Disruption of Econ.	PR SAR SEZ				
Probability of An Independent HK	SEZ SAR PR				
Potential For Genuine Self-Rule	SEZ SAR PR				

the SAR or the PR model does.

In terms of the freedom enjoyed by Hong Kong as expressed by the amount of Chinese control, the SEZ option (with its Chinese law and currency) seems to exert the most control over Hong Kong -- least freedom for Hong Kong. Next is the SAR. The PR (with the UN as an overseer) seems to provide China with the least control over Hong Kong -- most freedom for Hong Kong.

In terms of the amount of trust in China required of the Hong Kong people, the three options require a medium to a high degree of trust. The SAR, the option that exerts the most control over Hong Kong, requires the most trust from the Hong Kong people. Next comes the SAR and then the PR.

In terms of the probability for disruption of existing the Hong Kong economy, the three options carry low to medium probability. The PR model, which many require the fewest changes in Hong Kong, is likely to have the lowest disruptive probability of the three options. The SAR, probably with more changes required, is likely to carry a higher probability. The SEZ, which seems to requires the most changes, is likely to have the highest probability of disruption of the Hong Kong economy.

In terms of probability of the emergence of a Hong Kong independent movement, all three options (featuring special adjustments for conditions in Hong Kong) carry a low probability. Barring any counter-productive effects in the extreme, the PR model, the option that exerts the least control on Hong Kong, seems to carry the highest

probability for the emergence of an independent movement. Next comes the SAR and then the SEZ.

In terms of potentials to develop genuine self-rule for Hong Kong, the three options offer low to medium potential for self-rule. The SEZ with its Chinese law and restrictions on exchange control offers the least potential. The SAR with a capitalistic system under existing law offers medium potential for genuine self-rule. The PR option, with the UN as a safeguard, offers even more potential for genuine self-rule.

Based on the essential dimensions proposed and the respective normative implications each option carries, it is now possible to gauge the preference of the parties involved.

From the Chinese point of view, the SEZ or the SAR option would seem more acceptable than the PR model due to its ability to fulfill Chinese nationalistic sentiments and to conform with communist ideology in a larger degree than the PR model can. The SAR option may be the more likely option picked by the Chinese due to China's professed preference for the SAR.

From the British point of view, the PR option is likely to be the most preferable choice since it offers the great amount of freedom to Hong Kong. Besides, having the UN as a facilitator in the transferring process would allow the British to bow out of Hong Kong honorably.

From the Hong Kong people's point of view, the PR option again is likely to be the most preferred option. The PR option not only offers more freedoms for Hong Kong, and thereby least probability of

disruption of the existing Hong Kong economy, but it also offers the least amount of need for trust in China. More importantly, the PR model offers a fairly high potential for genuine self-rule for Hong Kong.

From this evaluator's point of view, if China wants de facto sovereignty over Hong Kong, all three options will achieve that end to varying degrees.

But if China is sincerely intent on using Hong Kong to help in its "Four Modernizations" efforts, the PR option seems to serve this purpose better than the SAR option does for two major reasons. First, the proposed continuation of existing Hong Kong laws, economic system and the development of other measures of self-rule under the UN's aegis in the new Hong Kong-PR is probably easier for the Hong Kong people to accept and would thereby generate less pressure for the Hong Kong people to leave Hong Kong than the SEZ or the SAR would. This would result in a smaller scale brain drain, if any, than would otherwise be the case. Though there is no guarantee that the Hong Kong people would be successful in contributing to China's modernizations, the possibility that more experienced managerial and technical Hong Kong personnel would stay under the PR option would raise the probability of success. Second, a capitalistic, freer Hong Kong, especially one under UN oversight, would provide China with a kind of experimental development model, which, if proven successful, might be modified for adoption in other parts of China to further improve the overall modernization efforts.

Although the Hong Kong people prefer the status-quo to remain in the future, given China's overwhelming military strengths and economic powers over Hong Kong (Ch. 2), and China's promise of capitalistic self-rule for Hong Kong after re-absorption, the Hong Kong people, if forced, may reluctantly elect to accept the PR option over the SAR or the SEZ option.

As for the British, what can they do? They hold no essential bargaining chips short of persuading the Hong Kong people to revolt and disrupt China's plans for Hong Kong. Given the power imbalance in favor of China, the British should be happy at whatever concessions that they might get over Hong Kong. The China-proposed SAR option, short of the PR option, with its promise of self-rule, may be perceived as generous enough to be acceptable to the British.

Finally, any sinification-oriented options will find it hard to avoid suffering from the mistrust of the Hong Kong people caused by the inherent potential opportunities of such options for unrestricted Chinese interference in Hong Kong's "internal" affairs. In order to make any one of the above-mentioned or any sinification-oriented possibilities a viable and successful future of Hong Kong, China must clearly enuciate its intentions regarding Hong Kong. China must also act steadfastly to demonstrate not only its willingness, but also its ability, to keep its promises by restraining from unnecessary intervention in Hong Kong and by pacifying the mainland Chinese who may be rightfully jealous of the special privileges that Hong Kong is promised to enjoy.

NOTES TO CHAPTER IV

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23. See Hsin-Chi Kuan in Lin et al., 1979: 156-58. See also FEER Yearbook 1971 p. 147-48 and FEER Yearbook 1972 p. 155.
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41. Ibid, p. 155 average of 1970-81.
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 57. 1997 -- The Hong Kong Dilemma. Hong Kong: Hong Kong Observer, 1982.
 58. BR. December 27, 1982. p 16.
 59. Zhao Ziyang's speech in New York in "Zhao on 'Friendship Tour'," Honolulu Advertiser. January 17, 1984. B-1. Xu Jiatun, director of the New China News Agency in Hong Kong also revealed in a January 10, 1984 speech at the University of Hong Kong that Hong Kong will be allowed to remain capitalist for 50 years after 1997. For details, see Michael Spector, "Colonial Constituency," FEER. January 19, 1984 p.12-14. See also Cheng Ming. (Chinese) February 1984 p. 34.
 60. "Using Hong Kong to the Service of the Four Modernizations," The Seventies. September 1982. Title translated from Chinese by this author. pp. 46-52.
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 62. BR. December 27, 1982 p. 12; emphasis added.
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CHAPTER V
STATUS-QUO

DEFINITION

By the "status-quo" (SQ) of Hong Kong (HK) this writer means HK will remain as it is. Numerically, it is expressed as a (0) in the conceptual scheme.

The SQ of HK includes all of the following conditions:

- A. China will continue to have (ultimate) sovereignty over HK as has always been the case.¹ It is this point in the definition of status-quo that this writer's definition differs from those of other writers.² To this writer, China has always, at least tacitly, had sovereignty over HK. Since its founding, the PRC has consistently renounced all unequal treaties,³ proclaiming that it has the right to reckon with such treaties when the time is ripe. Besides, the HK government (HKG), the British Government (BG) and to a certain extent the HK people have always behaved in ways to avoid angering China,⁴ the "Big Brother" next door. This behavior on the part of the BG and HKG is sufficient to indicate that China has always had sovereignty over HK. The fact that China has elected to delay resuming the exercise of sovereignty over HK in the past does not imply that China has relinquished sovereignty over HK. The fact that China indicated in 1972 at the UN that it would settle the question of HK when the

time was ripe is a clear sign that it considers itself the ultimate sovereign in HK.

- B. An official British Administrative presence in HK tolerated so far by China, which includes:
 - 1) The existence of a British appointed governor.
 - 2) The British responsibility for and authority to administer the law and maintain order inside HK.
 - 3) Diplomatic representation by the British.
 - 4) HK defense responsibility by the British garrison.
 - 5) British-HK issued travel documents for travelling purposes for HK residents.
- C. Economically, HK will remain capitalistic.

REQUIREMENTS FOR STATUS QUO TO CONTINUE BEYOND 1997

The data requirements for the status-quo of HK to continue beyond 1997 are:

- A. China's willingness to tolerate an official British presence such as the British flag and garrison in HK. This condition implies that the continuous presence of political and economic benefits for the Chinese Government outweigh the political embarrassment that China faces as a result of the existence of a British colony of Chinese subjects on its borders.
- B. British willingness to stay in HK after 1997. This condition implies the presence of political, economic or military benefits for the British Government.

- C. The continued existence of a capitalist economy in HK
- D. The existence in HK of public and elite opinion in favor of the status-quo.

Since the ideal type status-quo is not only a possibility but a reality now, it is useful to look at the factors that have contributed to the maintenance and stability of the status-quo of HK. Hopefully, an examination of these factors may shed light on some useful indications to gauge the likelihood of the status-quo remaining a future possibility, if not a continual reality, for HK.

SOURCES OF HK'S STABILITY

The economic performance of HK acts as a stabilizing force in two ways. First, the economy has been able to sustain an increasing population from hardly 600,000 at the end of August 1945⁵ to 5.5 million in 1983. Second, it has been able to raise the general living standard of the population from a GDP of US \$ 950. million in 1960 to a GDP of US \$ 27.2 billion in 1981.⁶ Income per capita increased from US \$665.4 in 1961⁷ to US \$ 5,100. in 1981.⁸ Hospital beds increased from 1.94 per 1,000 in 1951 to 4.18 per 1,000 in 1982.⁹ Population per physician decreased from 3,060 in 1960 to 1,220 in 1980.¹⁰ Population per nursing person decreased from 2,800 in 1960 to 790 in 1980.¹¹ Thus HK is ranked 7th out of 108 semi-developed, developing, capitalist and communist countries grouped on an economic composite of 54 indicators, 12th on 66 social indicators, resulting in an overall socio-economic ranking of 9th.¹²

"A rapid rise in living standards is not usually associated with a sharp increase in population as well; but Hong Kong has managed to achieve both" (Youngson, 1982:52). This ability of the economy to absorb an increase in population, particularly those resulting from refugee arrivals, without cutting into the living standards of the existing population, has probably reduced a great number of potential causes of instability.

According to writers such as P. B. Harris and Mary Lee, the existence of Hong Kong that supports 5.5 million rice bowls is set on a tripod of consents or understandings by the UK Government, the Beijing Government and the HK people.¹³ There are many sources of stability of HK. Among some of the more important ones are:

- A. HK's own economic performance,
- B. HK's uniqueness as a colony,
- C. Chinese cultural traits,
- D. HK overall benefits to the UK,
- E. HK overall benefits to the PRC.

A. HK's Own Economic Performance.

From what Lord Palmerson called "a barren rock" some 100 years ago, HK has transformed itself into one of the most vibrant economies of S. E. Asia. HK is now the third largest container port (after Rotterdam, Holland, & New York, New York) in the world.¹⁴ Its gold and silver exchange activities make HK the world's third largest gold-dealing centre.¹⁵ With 128 licensed domestic and foreign

banks, HK is also the third largest financial centre of the world, surpassing Tokyo and not too far behind New York and London.¹⁶

In 1981, despite the economic troubles that beset the world in general, particularly in the US and EECs which are HK's traditional major markets, domestic exports rose by 7.6% to a total of \$80,500 million and re-exports by 24%, for a rise in total exports of some 12%. GDP in 1981 rose by almost 10% and unemployment was only 3.7% of the labor force at a time of world recession.¹⁷

In the ten year period between 1972-1982, HK experienced an annual growth of GDP of 9.6%.¹⁸ The economy expanded two and a half times in the same period.¹⁹ Real income per capita doubled over the ten year period. Government expenditures also trebled in real terms. These expenditures, which were drawn entirely from revenue and not from the reserves, despite a low maximum personal tax rate of 15% and a corporate tax ceiling of 17.5%, constitute a feat of financial planning by any standard. Only 218,000 out of the 5.5 million people were liable to salaries tax in 1982.²⁰

It is this kind of phenomenal economic growth, even though happening in a colonial setting, and "the resultant rise in living standards for a majority of her (HK) residents (that) predispose them (HK people) towards acceptance of the existing conditions" (Lau, 1982: 16). More importantly, this rapid economic growth "has been accompanied by a decline in income inequality" (R. Hsia, 1978: 182). As early as over a decade ago, the Gini index of Hong Kong was lowered from "0.487 in 1966 to 0.411 in 1971. While the magnitude of the

change may be subject to question, the direction is beyond doubt....There was also a narrowing of earning differentials between skilled and unskilled workers and between blue-collar and white-collar workers" (R. Hsia, 78: 182-3). Nowadays, the rise of living standards as manifested in the fact that "the modernisation and upgrading of household equipment continues unabated -- one of the 'quiet revolutions' which have been going through all the income groups here (HK) over the last decade" (A. Chalkley, 1984: 4).

The economic performance of HK must be good enough, and apparently has been, to satisfy not just the local HK people, but also to satisfy Britain's and China's economic interests. If not, Britain and China might long ago have removed their blessings upon which the stability of HK lies and upon which lies the condition for continuing good economic performance of HK. Thus, the maintenance or rise of HK economic performance under the *modus vivendi* may be considered as a condition conducive to the continuation of the status-quo. A drop in HK economic performance may be considered as a condition unconducive to the continuation of the status-quo.²¹

B. HK'S UNIQUENESS AS A COLONY

HK, although a British Crown colony, can be regarded as a temporary place of refuge for the Chinese.²² This seems to be especially true for the aspiring Chinese capitalists (since 1949) who volunteered their "allegiance" to the British Crown. It is these volunteer, colonial, temporary characteristics of HK that are thought

to have contributed to the stability of the colony.

First, theorists on colonial rule such as Furnivall (1948) and Balandier (1966) have long believed that the high-pressured, politically- and racially- segregated colonial rule is conducive to stability within the colonies. As Professor C. Y. Yang agrees that "the most striking institutional feature of Hong Kong is its colonial polity which provided socio-political stability for the industrialization and metropolitan community development" (King et al., '81: xvi). Besides, the colonized Chinese people came to HK to subject themselves voluntarily to British colonial rule (Lau, 1982: 7). Most of those who fled the Chinese communists "harbored intense and uncompromising hostility towards communism and towards the communist Chinese Government" (Lau, 1982: 11). Consequently, "many politiking activities, including those which in many other places would be considered as legitimate actions directed at the government, have been popularly branded as moves to 'rock the boat' and summarily condemned" (Lau: '82: 11). This pervasive fear of conflict has contributed in no small way to the stability of the colony (Woronoff, 1980: 229).

Second, since the government of HK is modelled after classic colonial administrations, there are no political parties in HK to channel discontent into organized political action or violence (Lau, 1982: 17). Frustrations over the absence of basic democratic rights to participate in the political process are probably not deeply felt (Lau, 1982: 17) since most adult HK people "volunteered" to be British

subjects in the first place. Consequently, the colony has been fairly stable despite the lack of "democracy". However, this tolerance of the lack of democratic institutions is likely to change as the proportion of HK-born people becomes a significant portion of the population.

Third, most HK people are probably uncertain about the length of British rule in HK. Consequently they "tend to treat the colony (more) as a temporary resting place than as a permanent home" (Lau, 1982: 17). This sense of living in a "borrowed place" with probably limited "borrowed time"²³ prevents HK people from making any drastic political action which is unlikely to lead to "permanent" changes. Those who are really apprehensive about the future are probably looking for ways to emigrate. Those who do not care will probably resign their fate to the mandate of Heaven, in this case whoever is in power in China at the time of the "new future".

This writer has argued that the volunteer, colonial and temporary nature of HK contributed to the stability of HK. Presumably, the reverse may also be true. That an involuntary, non-colonial and permanent HK may not command the kind of stability it has now. Any regime that the HK people do not voluntarily pledge their allegiance to should certainly expect difficulties in achieving stability in HK. Likewise, a non-colonial and permanent HK would be unlikely to enjoy the apparent stability provided by the absence of organized political actions and violence.

C. CHINESE CULTURAL TRAIT

"In life, never set foot in an government office. In death, never set foot in hell."²⁴ This common Chinese saying probably reflects accurately the traditional Confucian-influenced emphasis on scholarly endeavors and on good relationships with one's government (ruler) among others (Five relationships) while avoiding other political activities. Since HK's population is made up of over 98% Chinese, the political passiveness of the Chinese may account to a certain extent for the stability of HK.

Lau stated that "Judging from the political behaviour of the Chinese in history, in China and in Hong Kong, it is reasonable to conclude that there is a cultural tendency to be politically passive" (Lau, 1982: 14). And that "the Chinese people are known for their resilient ability to endure hardship. Put in a desperate situation, they would prefer to stay away from the Government and from political activities" (Lau, 1982: 17).

This political passiveness may change as Chinese become more educated and increasingly exposed to Western democratic ideals.²⁵ Experiences also bear out that conflicts, if kept within certain "reasonable" limits, would probably not provoke intense reactions from China (Lau, 1982: 13). Such experiences tend to have an unquieting effect on HK. That may be why HK has recently begun to witness "the willingness of the poor Chinese to confront the government in a mild way" (Lau, 1982: 13).

D. HK OVERALL BENEFITS TO UK

"Hong Kong was not acquired as a settlement for the British, but rather as a diplomatic, commercial and military post in order to secure trade with China".²⁶ The benefits that Britain derives from HK may be regarded as a strong incentive for the British to ensure the stability of HK without which no benefits of any kind are likely. HK is of benefit to the UK in three ways: strategic, political and economic.

1. Strategic Benefits

Historically, HK, located at the crossroads of S. E. Asia with a deep natural harbor, may be thought of as a strategic place for the British to keep its military forces as part of a world-wide network to protect the British Empire. HK, therefore, was considered as an important Asian outpost (next to Singapore) for the maintenance of British sea-power. HK could easily be used, and was in fact used, as a repair and/or refueling port for the Royal Navy (Miners, 1981: 4-6) and as a rest and recreation (R & R) stop for the fighting US troops in Vietnam. In addition, British troops garrisoned in HK could conceivably be and were readily sent to South Korea,²⁷ Sabah and Sarawak, Brunei, Malaysia, Singapore and even China as needed. This strategic importance of HK seemed to have waned greatly in significance when the British adopted its 1967/68 policy of retreating militarily from east of the Suez Canal.²⁸ Nowadays, the British garrison in HK primarily provides a visible symbolic gesture of British commitment to HK's status-quo and in assisting the Royal Hong

Kong Police Force in maintaining internal law and order (Miners, 1981: 6). Although the strategic importance of HK to the UK has almost been reduced to nothing, there is no reason why HK, with "a useful naval base,"²⁹ cannot be used as a strategic port for the British in the future should the need arise. Presumably, should Britain ever decide actively to participate in S.E. Asian affairs in a military fashion, though it seems unlikely at present, HK, with its geographical location and well-developed infrastructure, could still be useful in supporting the British in staging military operations.

2. Political Benefits

Politically speaking, especially during and after the end of World War II, a British run HK had immense significance in British political prestige in Asia. "When Singapore fell to Japanese forces in 1942 . . . many supposed that that was the end of British-and European-power in the Far East."³⁰ A British commitment to HK would probably help indicate British resolution to restore its pre-WWII eminence in Singapore, Ceylon, Malaya or Burma.³¹ It could also be interpreted as an indication of British resolution to hold Aden, Malta, Gibraltar and the West Indies.³² In addition, a British run HK also showed British continuing interests in China, using HK as a springboard for further Anglo-Chinese trade.³⁰ However, nowadays amidst potential anti-colonialism sentiments in Britain and the world at large, the existence of colonial HK probably brings more political embarrassment to UK than it does political advantages. Such a political situation

would likely call for a British retreat from HK if the political consideration were the only criterion in British policy towards HK. On the other hand, the political stability of HK may now rely on those whose memories of the British Empire linger and whose motto is that "Britain cannot and will not let its wards down" (Woronoff, 1981: 229) should HK choose to remain a British colony.

3. Economic Benefits

Economic benefit was the original British motive (Lau, 1982: 7) when it went to war to insist on selling opium in China, resulting in the First Anglo-Chinese War, and thereby gaining HKI as a storage and refueling outpost for British trading activities in China. At the time, Britain experienced an unfavorable balance of trade with China as the result of Britain's buying of Chinese silk and tea. China, on the other hand, considered itself self-sufficient and wanted as little to do with the British as possible. The British discovered the opium trade from the East Indian Company as a way to reverse the outflow of British silver to China. "By 1836 the value of imports reached \$18 million, making it (opium) the world's most valuable single commodity trade. Between 1829 and 1836 \$36 million worth of silver flowed out of China. The traders had at last found something the Chinese wanted to buy. One merchant wrote 'Opium is like gold. I can sell it anytime'" (Crisswell, 1981: 19). As a result of the opium trade, British trade deficits were reduced and the trade balance began to be in British favor. China suffered not only from the outflow of silver

to Britain, but its people, among them many young able youth, also suffered from ill-health due to opium smoking. The Emperor himself was reported to have seethed with rage, "condemning the sale of opium as morally indefensible and ruinous to the health and property of his people" (Gleason, 1963: 18). The opium trade was, thus, ordered banned in China. Commissioner Lin Tse Hsu was appointed by the Ching Imperial Court to supervise the ban. But "In the 1830s Jardine and Matheson (probably the premier British trading firm in Hong Kong before its pull-out in 1984) controlled about 1/3 of foreign trade with China, which largely consisted of the illegal importation of opium from India in to China. The opium trade was not small time smuggling. Throughout the nineteenth century it yield 1/3 of the total revenue of British India and has been described as 'the largest commerce of the time in any single community" (Crisswell, 1981: 41). The British government, however, took a strong official line against the opium traffic but understandably "left the enforcement of anti-opium laws in Chinese hands" (Gleason, 1963: 18). The two so-called "Opium" wars were fought between Britain and China under other pretexts but in fact were over the opium trade in particular. After each opium war, China was forced to sign an unequal treaty (1842 and 1860), resulting in the cessation of HKI and KP to the British in perpetuity. The NT Lease was later secured in 1898 under another British campaign, thereby concluding the land acquisition of present day HK.

Although the British were willing to fight China then for economic gains, it seems unlikely that Britain will fight China over HK for economic gains now. Nevertheless, the British economic gains from HK must probably provide the British an added reluctance to leave HK.

"Even British Minister of State Richard Luce had to acknowledge that Hong Kong is vital to Britain since it is British (sic) largest market in the Far East."³⁴ The British, however, run visible trade deficits with HK as shown by Table 5-1. But these visible trade deficits are often made up by the invisible trade surpluses that the British enjoy.³⁵ As N. Miners pointed out:

Britain's adverse balance on visible trade is amply compensated for by a surplus on invisible transactions, including such items as the pensions paid to retired Hong Kong civil servants in Britain, dividend remittances to British shareholders in Hong Kong enterprises, consultancy fees and payments for insurance, shipping and other commercial facilities arranged through the city of London (Miner, 1981: 9).

"The invisible transactions on current and capital accounts between Hong Kong are kept ruthlessly invisible by the authorities."³⁶ Outsiders rarely get a hint as to how exactly to quantify British invisible gains from HK. But as Miner reported:

. . . in December 1975 the Head of the Hong Kong and Indian Ocean Department of the Foreign Office told a House of Commons committee that the annual surplus on invisible trade with HK was in the region of £200 million or £300 and could be higher. (Miners, 1981: 9)

In addition, "Hong Kong provides a useful shop window and local base for British exporters selling in Asia" (Miners, 1981: 9) because

Table 5-1

British visible Trade With Hong Kong

Year	Pounds million					HK \$million				
	<u>75</u>	<u>76</u>	<u>77</u>	<u>78</u>	<u>79</u>	<u>80</u>	<u>81</u>	<u>82</u>	<u>83*</u>	
British Import**	307	440	457	531	691	7609	8618	7842	5655	
British Export***	160	204	272	362	442	5456	6283	6892	4727	
Deficit	147	236	185	169	249	2153	2335	950	928	

* Figures are only up to August 1983.

**c.i.f. from 75-79 in pound million; 80-83 figures are in HK \$million.

*** f.o.b. from 75-79 in Pd. million; 80-83 figures are in HK \$million.

Source: Figures in 1975-79 comes from HMSO Monthly Digest of Statistics as cited in Miners, 1981: 9.

Figures in 1980-83 comes from Hong Kong Trade Statistics, Exports and Reexports. 1980, 1981, 1982, 1983.

1 Pound = HK\$ 10.00

of HK's available trading expertise. Not only does HK provide pensions to retired Britons who once worked there, but it is also providing employment to a sizable contingent of British expatriots along with very generous perks (Woronoff, 1981: 229).

Moreover, from 1941 to 1972, HK was compulsorily enrolled as a member of the sterling areas and had to keep its reserves in sterling. HK maintained a large sterling balance in London. In 1973, HK's foreign reserve of £736 million constituted 12% of British total foreign liabilities or 27% of total gold and foreign exchange reserves (Miners, 1981: 10-12). These large reserves deposited in London in effect represented a long-term HK loan made to Britain. Although the loan carried an interest return to HK, HK suffered a great loss of HK \$450 million when the sterling was devalued in November 1967 from US \$2.8 to the pound to US \$2.4 to the pound. Other independent sterling areas suffered as well. A complicated guarantee system of up to 90% of loss compensation was instituted by the British to keep sterling-countries in the sterling community. By 1972, the pound sterling was allowed to float and HK reserves gradually began to diversify into other currencies.

Furthermore, with its geographical location at the crossroads of Asia and as a tax-free shopping and trading paradise, HK is a desirable stopover for airlines. Since Britain is responsible for the negotiation of landing rights at the KaiTak Airport in HK, the British have taken advantage of this position to reap economic gains by securing profitable routes for its national carrier, the British

Airways Corporation (formerly BOAC). Airlines, whose home countries have granted desirable routes to the British Airways, are likely to be favorably considered for approval of landing rights in HK (Miners, 81: 13). Similarly, the application for HK landing rights by airlines whose home countries have conceded no desirable routes to the British Airways may be scrutinized with disapproving eyes. Since "the profitability of an airline is directly related to the number of desirable routes on which it is allowed to operate" (Miners, 1981: 13), it is small wonder that the BOAC had a good record of profitability when compared to most world airlines.

Moreover, there are other less well-known benefits for the British. First, the public bus companies in HK are legally required to buy British made vehicles (Miners, 1981: 9; Woronoff, 1981: 230). Second, HK ships are likely to be registered under Britain since HK does not have a ship register, which means extra revenues for Britain (Woronoff, 1981: 230). Third, there is also a natural tendency of the people in the colony, particularly true among the British expatriots, to buy British (Miners, 1981). Fourth, "the colony is of inestimable financial value to the City of London and provides excellent banking, insurance, commercial, academic and professional openings to thousands of Britons".³⁷

Finally, depending on which point of view one takes, the costs for supporting the British garrison in HK can be viewed as either an economic advantage or disadvantage to Britain. It can be viewed as an advantage to Britain because HK provides part of the total costs of

running the British garrison in HK, which Britain should theoretically be expected to pay in full since it is after all the mother country. Under this arrangement, HK is in effect carrying some of the British defense burden by footing part of the bill (Woronoff, 1981: 229). On the other hand, it may be considered an economic disadvantage because Britain must pay at least part of the costs of running the garrison in HK. Presumably the money spent on HK's defense would probably be more beneficial to British strategic interests if spent elsewhere, e.g. on British troops in Northern Ireland.

Prior to 1976, British shouldered most of HK garrison's costs. Since 1976, under negotiated settlements in December 1975 and October 1980 with Britain, HK has paid 50% in 1976-77, 62.5% in 1977-78 and 75% thereafter for the actual costs of British garrison in HK (Miners, 1981: 8). In 1981-82, HK's share of the cost of British garrison in HK was £160 million compared to Britain's £40 million, which is 0.4% of the total British defense budget of over £10,000 million (ibid). And if this defense spending had really been considered an economic disadvantage to Britain, it would have well been outweighed by the other tangible and intangible economic benefits mentioned in the previous paragraphs (Miners, 1981: 14; Woronoff, 1981: 230).

In order to gauge the effect of the British economic benefits from HK on HK's future, these economic benefits must be considered in a larger context. British economic benefits from HK may be viewed as an incentive for Britain not to abandon HK for the time being. However, it would be foolish to conclude, based on economic benefits

that Britain is likely to do its best to keep the status-quo going in the future. These British economic interests in HK should be measured and balanced against British economic interests in a potentially far greater market than HK, namely China. Should British economic interests in China require the abandonment of HK, Britain may be likely to follow potentially bigger and longer-term interests. The economic interests in HK should also be measured against the British political climate at home and the anti-colonialist climate in the world. Only then will the likely effect of British economic interests on HK's future be known.

E. HK OVERALL BENEFITS TO CHINA

The stability of HK owes in large part to China's tolerance of the existence of the status-quo. This Chinese behavior has at least in part been motivated by the benefits that China gets from HK. In fact, "China has become increasingly appreciative of the usefulness of HK to its national development".³⁸ Similar to its benefits to the UK, HK benefits to China are of three types, namely strategic, political and economic.

1. Strategic Benefit

Some writers such as Pye, Davies, and Harris theorize that the Soviet Fleet is likely to blockade the Chinese Coast in case of a Sino-Russian War. In such case, they envision, a British-run HK will likely be the only unblockaded port along the Chinese Coast through

which China can get its supplies. This argument for an unblockaded HK is based on the rationale that blockading HK, a colony of a NATO member, the UK, would have the implication of potentially involving NATO into the scene, a two-front conflict that the Soviet Union is likely to avoid. Therefore, HK would be vital to supply China with whatever essential supplies it needs in such a situation.

This benefit is more of an intangible nature than a tangible one. Such a subtle benefit is quite elusive from any measurement. No one can say for sure that such a HK safety supply valve for China has actually discouraged any Soviet plan to blockade China in the past. Similarly, nobody can tell for sure that such a HK safety valve is likely to discourage the Soviet Fleet from ever attempting to blockade the Chinese Coast in the future. To push the argument further, nobody can be sure that the Soviet Union will not actually blockade even a British-run HK in a Sino-Russian conflict. Besides, the defense of a country, in this case China, is too important an issue to be left to some other sovereign country, namely the UK (since theoretically it is the mother country of HK).³⁹ Therefore, this benefit is more of a potential nature than a concrete one.

2. Political Benefits

As has been mentioned in the literature review chapter, the political benefits that China derived from HK were manifold. HK was used by China as a contact with the outside world with most of which China had no diplomatic relations.⁴⁰ HK was also used as a sounding

board for China's discontent over other countries' conduct, mostly British and American. HK stamps were used by China to send mail to countries where Chinese stamps were not welcome.⁴¹ HK was also employed as a dividing device in pitting the British against the US over the issue of the admission of the PRC into the UN. Moreover, HK was targeted as a conduit for revolutionary groups based in other countries going in and out of China. In short, HK offered a wide assortment of political benefits to China.

Fairly recent events such as the PRC's admission into the UN, the normalization of Sino-American relations and the establishment of diplomatic relations with over 100 countries and the opening up of trade opportunities in China seem to dwarf HK's political importance to China. On the other hand, a continuously stable and prosperous HK, especially if it is under the "symbolic" tutelage of China, would give immense political mileage to China's handling of the unification of Taiwan.

3 Economic Benefits

HK has played a genuinely major role in Beijing's commercial relations with the non-communist world. It is the most important single market for China's exports outside the communist bloc.⁴² The expanding visible trade between HK and China is illustrated in Table 5-2. Total trade between HK and China in 1982 is 33 times (measured in terms of monetary value) that of 1952.⁴³ The favorable Chinese balance of trade with HK in 1982 (+HK\$21,137 million) is 68 times that

Table 5-2

Visible Trade Between Hong Kong And China (1952-1983)

<u>YEAR</u>	<u>CHINA'S EXPORTS TO & THRU HK (as shown by values of HK's imports from China)</u>	<u>CHINA'S IMPORTS FROM & THRU HK (as shown by HK's total exports to China)</u>	<u>CHINA'S BALANCE OF TRADE WITH HK (HK\$ million)</u>
1952	830	520	+ 310
1953	857	540	+ 317
1954	692	391	+ 301
1955	898	182	+ 716
1956	1,038	136	+ 902
1957	1,131	123	+ 1,008
1958	1,397	156	+ 1,241
1959	1,034	114	+ 920
1960	1,186	120	+ 1,066
1961	1,028	99	+ 929
1962	1,213	85	+ 1,128
1963	1,487	70	+ 1,417
1964	1,970	60	+ 1,910
1965	2,322	72	+ 2,250
1966	2,769	69	+ 2,700
1967	2,282	48	+ 2,234
1968	2,429	45	+ 2,384
1969	2,700	37	+ 2,663
1970	2,830	64	+ 2,766
1971	3,330	62	+ 3,268
1972	3,847	103	+ 3,744
1973	5,634	222	+ 5,412
1974	5,991	296	+ 5,695
1975	6,805	165	+ 6,640
1976	7,761	147	+ 7,614
1977	7,222	175	+ 7,047
1978	10,550	1,296	+ 10,254
1979	15,130	1,918	+ 13,212
1980	21,948	6,247	+ 15,701
1981	29,510	10,968	+ 18,542
1982	32,935	11,798	+ 21,137
1983*	25,214	10,103	+ 15,111

* Only up to August 1983.

Sources: Hong Kong Department of Commerce and Industry, Hong Kong Trade Statistics-Exports. (every December issue from 1952-1958), and Hong Kong Trade Statistics- Exports and Re-Exports. (December) 1959-1967. Hong Kong Census and Statistical Department, Hong Kong Trade Statistic-Exports and Re-Exports. (December) 1968-1982 and August 1983.

(+HK\$310 million) of 1952. China has been reaping considerable advantage from trade with HK ever since 1952. For example, its balance of trade with HK for the past few years are +HK\$ 10,254 millions for 1978, +13212 millions for 1979, +15701 millions for 1980, +18542 millions for 1981 and +21,137 millions for 1982. Trade between HK and Taiwan is recorded in Table 5-3, for a comparative look at China's and Taiwan's trade with HK. Taiwan, like China, has been enjoying a favorable balance of trade with HK since 1959. Table 5-4 demonstrates trade performance with HK between China and Taiwan. Although both China and Taiwan have enjoyed favorable terms of trade with HK, those of China clearly have been much more favorable than those of Taiwan.

HK is Beijing's principal channel of overseas Chinese remittances.⁴⁴ "It is estimated that over 95% of overseas Chinese remittances to China pass through HK".⁴⁵ Table 5-5 reveals the amount of funds sent through HK to China between 1950 and 1964.

HK also plays a significant role as middleman between China and the rest of the world. For example, Table 5-6 shows the increasing value of trade between China and the rest of the world going through HK. From 1960 to 1982, there is a 76 times increase in China's imports going through HK (HK\$7,992 millions/HK\$105 millions). It is likely that there was even trade going on between China and Taiwan through HK.

This favorable Chinese visible trade with HK (Harris, 1981: 104) and remittances from overseas Chinese are considered to constitute one

Table 5-3

Visible Trade Between Hong Kong And Taiwan (1952-1983)

<u>YEAR</u>	<u>TAIWAN'S EXPORTS TO & THRU HONG KONG (as shown by HK's Imports from Taiwan in HK\$ M)</u>	<u>TAIWAN'S IMPORTS FROM & THRU HONG KONG (as shown by HK's Total Exports to Taiwan)</u>	<u>TAIWAN'S BALANCE OF TRADE WITH HONG KONG (HK\$ million)</u>
1952	45	207	- 162
1953	74	106	- 32
1954	46	80	- 34
1955	40	37	+ 3
1956	51	47	+ 4
1957	72	61	+ 11
1958	50	62	- 12
1959	102	58	+ 44
1960	124	76	+ 48
1961	154	64	+ 90
1962	136	64	+ 72
1963	172	60	+ 112
1964	178	70	+ 108
1965	154	86	+ 68
1966	167	97	+ 70
1967	260	131	+ 129
1968	413	165	+ 248
1969	502	212	+ 290
1970	820	301	+ 519
1971	991	413	+ 578
1972	----	----	----
1973	----	----	----
1974	1,765	1,055	+ 710
1975	1,943	837	+ 1,106
1976	3,057	1,135	+ 1,922
1977	2,939	1,122	+ 1,817
1978	4,257	1,732	+ 2,525
1979	6,035	2,435	+ 3,600
1980	7,961	3,065	+ 4,896
1981	10,762	3,380	+ 7,382
1982	10,198	3,689	+ 6,509
1983*	7,647	2,880	+ 4,767

* Only up to August 1983.

Sources: Hong Kong Department of Commerce and Industry, Hong Kong Trade Statistic-Exports (every December issue from 1952-1958), and Hong Kong Trade Statistic-Exports and Re-Exports (December 1959-1967).

Hong Kong Census and Statistical Department, Hong Kong Trade Statistic-Exports and Re-Exports (December 1968-1982) and August 1983.

Table 5-4

Comparison Of China's Balance Of Trade And Taiwan's Balance
Of Trade With Hong Kong (1952-1983 in HK \$ Million)

<u>YEAR</u>	<u>CHINA'S BALANCE OF TRADE WITH HONG KONG</u>	<u>TAIWAN'S BALANCE OF TRADE WITH HONG KONG</u>
1952	+ 310	- 162
1953	+ 317	- 32
1954	+ 301	- 34
1955	+ 716	+ 3
1956	+ 902	+ 4
1957	+ 1,008	+ 11
1958	+ 1,241	- 12
1959	+ 920	+ 44
1960	+ 1,066	+ 48
1961	+ 929	+ 90
1962	+ 1,128	+ 72
1963	+ 1,417	+ 112
1964	+ 1,910	+ 108
1965	+ 2,250	+ 68
1966	+ 2,700	+ 70
1967	+ 2,234	+ 129
1968	+ 2,384	+ 248
1969	+ 2,663	+ 290
1970	+ 2,766	+ 519
1971	+ 3,268	+ 578
1972	+ 3,744	unavailable
1973	+ 5,412	"
1974	+ 5,695	+ 710
1975	+ 6,640	+ 1,106
1976	+ 7,614	+ 1,922
1977	+ 7,047	+ 1,817
1978	+ 10,254	+ 2,525
1979	+ 13,212	+ 3,600
1980	+ 15,701	+ 4,896
1981	+ 18,542	+ 7,382
1982	+ 21,137	+ 6,509
1983*	+ 15,111	+ 4,767

* Up to August only.

Sources: Calculations from Table 5-2 and Table 5-3

Table 5-5

Chinese Overseas Remittances Through Hong Kong (1950-1964)
(US\$ million)

YEAR	CURRENCY		FOOD PARCELS		TOTAL
	THROUGH BANK	TOTAL	REMITTANCES	TAX	
1950	44.8	133			133
1951	48.8	145			145
1952	49.5	148			148
1953	35.9	108			108
1954	33.3	100			100
1955	30.7	92			92
1956	25.4	76			76
1957	18.1	54			54
1958	17.3	52			52
1959	12.1	36			36
1960	15.8	47	4.6	6.8	58.6
1961	----	47	16.4	24.5	87.9
1962	----	47	16.7	25.1	88.8
1963	----	52	11.0	16.4	79.4
1964	----	62	7.1	10.7	79.8

Sources: U.S. Congress, Joint Economic Committee, An Economic Profile of Mainland China. (Washington, D.C.: Government Printing Office, 1967), volume 2, as appeared in W.F. Beazer, The Commercial Future of Hong Kong. (New York: Praeger Publishers, New York, 1978) p. 139.

Table 5-6

Visible Trade Between Hong Kong And Communist
China 1952-1983 (HK\$ million)

<u>YEAR</u>	<u>CHINA'S TOTAL IMPORTS FROM & THRU HONG KONG</u> (As shown by HK's Total Exports to China)	=	<u>CHINA'S IMPORTS FROM HONG KONG</u> (As shown by HK's Exports to China)	+	<u>CHINA'S IMPORTS GOING THRU HK</u> (As shown by HK's Re-Exports to China)
1952	520		520		---
1953	540		540		---
1954	391		391		---
1955	182		182		Include Re-Exports
1956	136		136		to China
1957	123		123		---
1958	156		156		---
1959	114		9		105
1960	120		13		107
1961	99		8		91
1962	85		8		77
1963	70		8		62
1964	60		13		47
1965	72		18		54
1966	69		15		54
1967	48		6		42
1968	45		9		36
1969	37		7		30
1970	64		30		34
1971	62		19		43
1972	103		21		82
1973	222		49		173
1974	296		99		193
1975	165		28		137
1976	147		24		123
1977	175		28		148
1978	296		81		215
1979	1,918		603		1,315
1980	6,247		1,605		4,642
1981	10,968		2,924		8,044
1982	11,798		3,806		7,992
1983*	10,103		3,574		6,529

* Up to August, 1983

Sources: Hong Kong Department of Commerce and Industry, Hong Kong Trade Statistics-Exports. (December) 1952, '53, '54, '55, '56, '57, '58. and Hong Kong Trade Statistics -Exports and Re-Exports (Every December issue from 1959 to 1967). Hong Kong Census and Statistics Department, Hong Kong Trade Statistics-Exports and Re-exports. (Every December issue from 1968 to 1982, plus August 1983 issue). W.F. Beazer, The Commercial Future of Hong Kong. (New York: Praeger Press, 1978) p. 126-127.

third of China's hard foreign currency (Wesley-Smith, 1980: 188; Harris, 1981: 104), amounting to £600 million to £700 million (Harris, 81: 104). According to Harris, "Every day that the Colony survives in its present form, China gains a possible £2 million" (Harris, 78: 172).

China's economic activities in HK go beyond trade and remittances. There are direct Chinese investments in HK. China has 13 banks, and six department stores with 70 retail outlets in HK (Harris, 81: 104). Bank of China is considered to have at least 30% of total HK deposits (Harris, 81: 104; Yao, 1980 in D. Lethbridge). In addition, China has investment interests in advertising, cinemas, real-estate, marketing, travel and shipping agencies (Harris, 81: 104). China's investments in HK were estimated to be \$11 billion in 1981 (Harris, 81: 104). It was believed that China has invested so much in HK that its interests are already greater than those of any other government (D. Wilson, FEER, Dec. 10, 1976 p. 20). One retired China hand in London was reportedly to have said, "The way it's going, China might own most of Hong Kong by 1997."⁴⁶ Consequently, it seems logical for Harris to conclude that "If China is prepared to conduct her foreign economic policy on the basis of economic rationality then she would clearly not wish to foreclose on her (HK) lease with undue haste" (Harris, 1978: 172). As Wesley-Smith echoes that "HK sleeps easier everytime a new multi-million dollars deal is announced which can only show a return for China if the status-quo remains undisturbed for many years to come" (Wesley-Smith, 1980: 188).

Although the economic evidence pointing to a Chinese decision to continue maintaining the status-quo of HK is impressive, the same economic evidence may arguably be interpreted as indicating China's gradual takeover of HK by stealth (Harris, 81: 104). China's investments in HK may also mean that it is that much easier to reabsorb HK. Greenfield posits that "investment is after all one shrewd and subtle device of national recovery" (1983: 29). Thus the economic benefits that the status-quo of HK provides China may carry the potential for a change in the status-quo. Such a potential may be especially frightening to HK's stability in view of the fact that some (e.g. Pye) consider a reabsorbed HK may give China even more benefits than it is enjoying now if the international demands for HK goods and products do not falter after China reabsorbs HK.

SOURCES OF HK INSTABILITY

Although quite stable by South East Asian standards, HK, like many other countries and city-states, is not immune to the threat of potential instability. Instability may come from many sources. Some of the major potential sources are:

- A. Resurgence of Chinese nationalism,
- B. Increase in emphasis on Communist ideological purity,
- C. Decline of HK's economic performance,
- D. Rise of an indigenous HK independence Movement,
- E. Lack of an institutionalized mechanism for Chinese leadership succession,

- F. Policy oscillation due to volatility of Chinese politics,
- G. Lack of interest on the issue of HK in British politics,
- H. Excessive KMT influence in HK, and
- I. Uncertain political future of HK.

The first four sources that may lead to the sinification of HK are factors that have been discussed in the sinification chapter. Therefore, they will not be discussed here. The remaining sources of instability will briefly be examined here, starting with source E.

E. Lack of an Institutionalized Mechanism for Chinese Leadership Succession.

Although leadership succession in ancient China was far from perfect, nevertheless, birth right was the formal criterion employed in most cases of leadership succession. Nowadays, in the absence of an institutionalized succession mechanism, the passing of a Chinese strongman may have an unnerving effect on HK (Harris, 1972; Miner, 1975). As Richard Thornton observes

the history of the Chinese communist party,...has been punctuated by periodic leadership crises. The more prudent judgement based upon that history would be that the destabilizing tendencies inherent in the immature Chinese political system will continue to plague China's leaders.⁴⁷

This succession crisis was evidenced in the fact that Mao seemingly had had three "formal" successors: Liu Shao-chi, Lin Piao and Deng Xiao Ping, who for various reasons, all fell into disgrace in 1966-67, 1971 and 1976 respectively.⁴⁸ Deng, however, was able to gradually re-establish himself after arrest of the gang of four.

This shuffling of Mao's successors was probably the main reason why Harris (1972) and Miners (1975) had forewarned that the death of Mao Tse-Tung might trigger a power struggle whose contender might re-take HK to establish their devotion to Chinese unification and communist ideological purity in order to become Mao's successor. Although such a scenario has not occurred, the lack of a formalized succession mechanism invariably provides every potential for a similar scenario to appear.

Coupled with the succession problem is the advanced age of the Chinese leadership (A. Whiting, 1977: 17). Deng Xiao Ping is 80 years old. Although he has clearly positioned Hu Yaobang and Zhao Ziyang to be his successors, there are potential possibilities that whenever Deng passes away the two proteges may lose power as quickly as Hua Kuo Feng did. As Walter Miller reports, "...Western diplomats here (Beijing), in Hong Kong and Taiwan say it is too early to tell if either Zhao or Hu has the political clout to ensure a smooth leadership transition once Deng passes from the scene. Neither appears to have the network of friends within the party and armed forces equal to Deng's".⁴⁹ This potential succession crisis in China and its potential adverse effect on HK's stability are accentuated by Deng's recent revelation of the "so-so" condition of his health and his expectation of not living beyond the next five years.⁵⁰

F. Policy Oscillation due to Volatility of Chinese Politics.

Closely related to the potential for a succession crisis is the well known zig-zagging of Chinese policy. ". . . the Chinese had to search for their own path. It is still not clear that they have found it in many areas of life. The almost yearly oscillations and the ease with which they could move to the leftist, radical extreme of the cultural revolution and then swing toward a rightist course confirm the difficulties the Chinese have been having."⁵¹ This difficulty of agreeing on the most appropriate way to develop China manifested itself in the so-called "two-line" struggle. Many studies have been done on the two-line struggle.⁵² Johan Galtung theorizes that Chinese policy fluctuates left and right every seven years.⁵³ Most recently, Japanese Prime Minister Nakasone expressed candidly his doubts on China's ability to stick to its present policy. In a speech before a Beijing University audience, Nakasone comments

Foremost of these questions is whether you (China) will continue in the long-term with your policy of "Four Modernizations" and the attendant policy of opening up to the outside world⁵⁴

In addition, after noting China's process of trial and error during the last 35 years of the communist reign in China, Nakasone asked whether the present policies could withstand future political campaigns, "an allusion to the upheavals that came with the Cultural Revolution, the Great Leap Forward and other political movements."⁵⁵

Although HK was not taken back by China during the GPCR, there was spill-over from the internal turmoils of China, resulting in the street riots in 1967 in HK. No wonder Harris contends that "the

advent of a highly radical group to power in Peking without any restrictions upon its objectives which might include the liquidation of capitalist HK" is a likely cause for a Chinese "invasion" of the colony. This political volatility is accentuated by the fact in the next five years, "the original revolutionary generation will disappear entirely, leaving the system in the hands of those who entered political life after the founding of the PRC" (A. Whiting, 1977) and who have not known much about politics beyond domestic policy oscillation.

For the sake of the discussion here, even granted China's ability to stick with the present policy of modernization, this policy also carries in the long run the potential for instability in HK. It is generally believed that China's emphasis on the Four Modernizations has a stabilizing effect on HK because it "leads to a greater value being attached to the economic advantages that their island (HK) can offer".⁵⁶ Yet in the long run, the continuation of China's open door policy towards other countries vis-a-vis HK may dwarf HK's special contributions to China's economy.⁵⁷ As a result, if the present status-quo is to survive in the future, HK must constantly be on guard against being obsolete to China, at least in economic terms.

G. Lack of Widespread Interest on HK in British Politics.

HK, being about 6,000 miles away from London and using only 0.4% of British defense budget, is not considered an important issue in British politics.⁵⁸ Consequently, "HK, one must assume, was at the

bottom of the agenda of every meeting of the British cabinet in Downing Street The time for lunch or other duties always arrived before this item was reached."⁵⁹ It is safe to say that few British politicians, let alone ordinary Britons, are informed about the issue of HK's future. As Bill Wyllie complains,

A lot of your (British) politicians don't really understand what is going on in Hong Kong. It particularly applies to some of the Labour politicians; some of the statements they've made about Hong Kong demonstrate an abysmal ignorance. (Philip Geddes, 1982: 156).

Although HK has over the years provided a steady flow of economic benefits to Britain (see above sections), these benefits "from Hong Kong are not equally distributed among the British. They (the benefits) go mainly to the major British enterprises with substantial business interests in the Far East."⁶⁰ That may be why J. Cheng thinks that "most British would probably approach the question (the future of Hong Kong) from an ideological or moral perspective, and conclude that Britain should give up all colonies including Hong Kong."⁶¹

Given the existing protectionist mood in British industrial circles, it was little wonder that the Labour Party left-wingers were on record for the British withdrawal from HK.⁶² Certainly, if and when Labour is in power, the mere contemplation of British withdrawal from HK would probably have strong negative reverberations on the colony's stability and economy. This potential source of instability in HK is compensated for by the fact that "the greater the influence of the left wing in the Labour Party, the lower will be its (Labour

Party) chance of winning the next general election" (J. Cheng, 1982: 479). Nevertheless, the British Labour Party must always be viewed as a potential source of instability in HK, for after all, it was the British Labour Government in 1967 that decided to dismantle British military bases in Singapore (Wilson, 1975: 25). Following the tradition of past Labour policy, a British withdrawal from HK would not seem to be unreasonable.

H. Excessive KMT Influence in HK.

HK, with its present day apathetic crowds, has ironically had a history of revolutionary activities since the turn of the twentieth century. No less a person than Feng Tzu-Yu, the director of Tung-Menghui (Union League) in HK that played a part in the 1911 revolution, was reportedly to have

. . . named Hong Kong the most important centre where the revolution originated and revolutionary propaganda and insurrection against the Manchu Dynasty organized throughout the years from the establishment of the Hsing Chung Hui in 1894 to the overthrow of the Ching in 1911.⁶³

Chen Man-ju reported in his thesis on Chinese revolutionaries in HK that there were at least eight revolutionary attempts organized directly in HK (Ibid, see also Chen Man-ju, "Chinese Revolutionaries in Hong Kong," unpublished M.A. thesis, Hong Kong University). Even Dr. Sun Yat-Sen, educated in Hawaii's Iolani School, considered the founder of modern China by both the Communists and the KMT, acknowledged that his ideas of reform and revolution were formulated during his school years in HK.⁶⁴ Ng Lun reports,

His (Sun's) anti-Manchu sentiments were aroused by the freedom of reading and discussions among friends, as well as by the relative efficiency of the colonial government in Hong Kong, compared with the corrupt and ineffective administration which he saw in his native village. In Hong Kong, Sun was able to make searching contrasts between the backwardness of his native Chinese homeland and the progress of the British government.⁶⁵

Against this background of traditional revolutionary activities, HK may very well be a potential site for the KMT to launce its campaigns to harass or "eradicate the communist bandits". Just as the communists used HK to facilitate supplies to Canton during the civil war,⁶⁶ the communists must be aware of the potential use of HK by the KMT in operating listening posts or disseminating propoganda that could annoy the Chinese Communists. For example, there is a KMT enclave in Rennis Mills, HK, where the portrait of Generalissimo Chiang replaces that of Great Helmsman Mao. Therefore, Beijing had never failed to pressured London to act against those Beijing considers as KMT-incited plots in HK.⁶⁷ So far, Beijing has been able to tolerate the presence of KMT influence in HK. However, there is always the danger that an increase in KMT's popularity in HK and/or a major KMT provocation in HK may cause China to reabsorb HK. On the other hand, the survey this researcher conducted indicated that most HK people were neutral on the CCP-KMT conflict. For instance, no elite and only less than 1% of the students thought Taiwan had given excellent treatment to HK over the years (see Table 5-7). The same table shows that more students (61%) than elite(46%) considered Taiwan treatment to HK as fair. When asked about the PRC

Table 5-7

Elite's And Student's Opinion Of Taiwan's Treatment Of HK

(%)	<u>ELITE</u>	<u>STUDENT</u>
BAD	23	7
POOR	23	23
FAIR	46	61
GOOD	8	9
EXCELLENT	-	< 1

Table 5-8

Elite's And Student's Opinion On PRC Treatment Of HK

(%)	<u>ELITE</u>	<u>STUDENT</u>
BAD	7	7
POOR	0	23
FAIR	40	56
GOOD	40	13
EXCELLENT	14	< 1

treatment of HK, over half of elite and students gave at least an answer of fair (see Table 5-8). The same table shows that more elite(40%) than students (13%) thought PRC's treatment of HK as good while 14% elite and less than 1% student thought PRC gave HK excellent treatment (Table 5-9). Table 5-9 indicates that more elite thought HK had received good treatment from the PRC (40%) than they thought (8%) from Taiwan. Similary, more elite (23%) thought Taiwan had given HK bad treatment than they (7) thought the PRC had.

Table 5-9

Elite's Opinion Of Taiwan's And China's Treatment Of HK

(%)	<u>TAIWAN'S TREATMENT</u>	<u>CHINA'S TREATMENT</u>
BAD	23	7
POOR	23	-
FAIR	46	40
GOOD	8	40
EXCELLENT	--	14

Although China holds a more favorable place than Taiwan in the eyes of the elite surveyed, China's place is about equal with that of Taiwan in the eyes of the students surveyed. The view of the students may become crucial in such a "popularity" contest as the present

students are likely to become holders of important positions in both the private and the public sectors by 1997 should they choose to stay in HK. It would seem to be in China's interests to improve its image in these young people's eyes for the future ease of governing HK if and when HK is reabsorbed. Table 5-10 shows that there were about the same number of students (56%) who thought China's treatment of HK to be fair as those who thought (61%) Taiwan's. China and Taiwan tied each other in terms of being judged as giving bad (7%) or poor (23%) treatment to HK. It is noteworthy that more student (13%) considered China's treatment to HK as good than they (9%) considered Taiwan's.

Table 5-10

Student's Opinion Of Taiwan's And China's Treatment Of HK

(%)	<u>TAIWAN'S TREATMENT</u>	<u>CHINA'S TREATMENT</u>
BAD	7	7
POOR	23	23
FAIR	61	56
GOOD	9	13
EXCELLENT	1	< 1

In the final analysis , the elite and the student respondents were mostly a neutral crowd. When asked for their sentiments on

CCP-KMT conflict, 62% of the elite and 38% of the students said they were neutral (see Table 5-11). But more elite (23%) and students (18%) said they were pro-China than they (8% elite; 7% student) said they were pro-Taiwan.

Table 5-11
Sentiments On CCP-KMT Conflict

(%)	<u>ELITE'S</u>	<u>STUDENT'S</u>
PRO-TAIWAN	8	7
PRO-CHINA	23	18
NEUTRAL	62	38
INDIFFERENT (DK)	8	14

For now at least it seems that the "popularity" of KMT in HK is not likely to reach an unbearable level in the eyes of China so as to provoke any rash behavior by China towards HK. Nevertheless, the potential danger of China's "intervention" in HK due to perceived or real KMT influence in HK is always present.

I. THE 1997 EXPIRATION DATE OF THE 1898 LEASE

Although some people such as P. Wesley-Smith discounted the political significance of the 1997 lease termination date on HK's

future, based on China's renounced non-recognition of the 1898 treaty, the 1997 date does signify, at least in British eyes, the end of legal British presence in the NT, if not in all of HK. The approaching date of 1997 has since 1982 caused widespread concern, and perhaps even anxiety, over what Britain and China would do over the future of HK since most HK bank mortgages run for 15 years.

Britain and China have since September 1982 entered into negotiations over the future status of HK. However, since all Sino-British negotiation agendas are confidential, this confidentiality and the resulting speculative rumors have yet to ameliorate HK people's anxiety over their uncertain future. This anxiety of HK people has manifested itself in a sort of small scaled confidence crisis, which may be the model scenario of much worst to come, and which may adversely affect the HK economy, and thereby the stability of HK.

These confidence crises reflect themselves in the downturn of the HK stock market and the HK currency exchange rate almost every time any noise about possible changes in HK status is made.

For instance, even before Prime Minister Thatcher's visit to China in September 1982, the Hang Seng Index, the local HK stockmarket barometer analogous to the US Dow Jones, plunged 80 points and the HK dollar fell 1.5 % against the US dollar the day after the sale of a piece of prime land to the Bank of China at a "friendship" concessional rate (60% less than market rate) was announced.⁶⁸ Instead of boosting confidence in HK, this deal had the opposite

effect since the terms of sales in the deal suggested that "China intends to treat the British administration as a vassal government to be manoeuvred to suit specific Peking interests".⁶⁹ In fact, the 1997 uncertainty, with its exaggerating effects on underlying trends such as the world recession, increasing interest rate and a weak Wall Street, was said to be partly responsible for a 180-point plummet in the Hang Seng Index over the first two weeks of August 1982. At the beginning of October, the Hang Seng Index was reported to have plunged 280 points in six trading days after China's insistence on the invalidity of the three treaties.⁷⁰ The Hang Seng Index fell another 80 points on October 26, 1982.⁷¹ In September 1983, the nervousness at the resumption of Sino-British talks on HK's future was believed to have caused a 73.86 point drop, the steepest drop in a single day since October 1982.⁷²

Meanwhile on the HK dollar side, the Chinese verbal onslaught on the invalidity of the three treaties, together with the gloomy economic outlook announced by HK Financial Secretary Sir John Bremridge, was believed to have partly caused the decrease of the HK dollar to HK\$ 6.72 to US\$ 1, the lowest HK dollar performance since it began to float in 1973.⁷³ The political uncertainty of HK was considered to be partly responsible for the plunge of HK currency from January 1982 to October 1982, down 19% against the US dollar, down 17% against the sterling and down 8% against the Deutschmark.⁷⁴ The nervousness of HK was said to be responsible for a further plunge of the HK dollar to HK\$ 7.89 to US\$ 1 in September 14, 1983.⁷⁵ In

fact, the HK dollar was at one time rumored to have slipped to HK\$ 10.5 to US\$ 1 before the HK government interfered with an "official" HK-US exchange rate of HK\$ 7.8 to US\$ 1. This HK-US rate is still effective as of June 1984.

The confidence crisis has probably also manifested itself in the outflow of human and investment capitals. In addition to the increase in HK students studying in the US and settling down there after graduation,⁷⁶ many applicants were applying for position vacancies, mainly in the field of civil and mechanical engineering in the Singapore Mass Rapid Transit Provisional Authority. Successful candidates will after a few years be eligible for permanent residency in Singapore. "Two officials from the (Singapore) authority are now in HK conducting interviews".⁷⁷ In 1982, 91 of the 2,040 professionals or entrepreneurs who migrated to Canada were from HK.⁷⁸ In 1983, 337 of the 1,980 entrepreneurs who migrated to Canada were from HK, an increase of about 270%⁷⁹ of the same category of people migrating from HK to Canada over the previous year.⁸⁰ Even newly independent countries such as Vanuatu are not bypassed as a potential place for migration. There were reportedly 200 HK businessmen there in January 1984.⁸¹ This and other cases of potential intention to emigrate have become to sound more and more familiar in HK as the uncertainty of HK's future lingers.

Moreover, countries from practically all over the world are attempting to cash in on the political uncertainty of HK. "Among those (people) hoping to profit from capital flight from HK are

American, Australians, Canadian and Caribbean property vendors as well as (the) governments of S. E. Asian countries".⁸² For example, in October 1982, the Thai Cabinet appointed a special government private-sector task force led by Industry Minister Chatichai Choonhavan to map out specific incentives for HK flight capital. Already, the Bank of Thailand had reported an increase in detectable, legitimate short-term private remittances from HK to Bangkok, reaching a high of Baht 414 million (US\$ 18 million) in September 1982 against average remittances of only Baht 1 million in the past.⁸³ One can only guess as to how much greater the amount might be for remittances that might have gone through illegitimate channels. In short, there have been outflows of HK capital to Taiwan (as mentioned earlier), to the San Francisco Bay Area,⁸⁴ to Honolulu⁸⁵ and even to Japan and Singapore.⁸⁶ No wonder the Sunday Advertiser in Honolulu editorializes that "almost every week, a new report sheds light on the millions of dollars of 'flight capital' that are winging their way out of Hong Kong because of concern over the colony's future after 1997".⁸⁷

In sum, the downturn in the HK stock market, the weak performance of the HK dollar against major global currencies, and the outflow of money and talented people adds up to great potential damage to the health of the HK economy, upon which HK's stability rests.

Furthermore, now that the uncertain political future of HK seems likely to alter not just the political structure, but possibly the

economic structure and thereby the economic freedom of HK, the HK people are beginning to demand political participation in deciding HK's future. This is so not so much because HK people want the establishment and protection of political freedom as much as HK people want to protect the economic freedom which they cling so dearly to. After all, most HK people, including this writer, be they politically active or not, are self-professed capitalists. This local agitation for a voice in HK's future, if not properly handled, has a very real potential of causing instability in HK, which may further complicate HK's future and bring about more local agitation.

FEASIBILITY OF THE STATUS-QUO AS A FUTURE POSSIBILITY

The maintenance of the status-quo of HK is a future that most HK residents prefer and think most likely to occur (Table 5-12). As "early" as 1977, 81.6% of adult Chinese respondents in HK were found to endorse the status-quo.⁸⁸ As late as August 1982, about three months after China had been dropping hints of the idea about making HK a Special Economic Zone (SEZ) or a Special Administrative Region (SAR), the status-quo was still the most predicted item (33%) by the student sample as the most likely political future of HK. SAR was the students' second most popular prediction (29%). 6% of students provided "perfect" evidence for this ideal type. They predicted that HK would remain as it is, run by the UK as a capitalist economy administered by an appointed-type government.

Table 5-12

Status-Quo As Preferred Or Feared Future

Status-Quo As (%)	June 1982 HK Observer Poll	August 1982 Student Poll	January 1982 Elite Poll
Likely Future	39	33	8
Preferred Future	69	58	36
Feared Future	5	5	0

Half of the 24% of students, who predicted UK to be the likely ruler, thought the status-quo to be most likely. 14% of the students thought HK would remain status-quo even if the gang of four faction were to be back in power during the settlement. Even among those who thought the gang of four would "sinify" HK were they to regain power (56%), most of them (90%) agreed that some variation of the status-quo would be likely. Most of the student sample (82%) desires some kind of status-quo: 58% desiring the status-quo, 18% the status-quo with closer ties with China and 6% the status-quo with fewer ties with China. A small minority of students (3%) preferred SAR. There were almost as many students who predicted a status-quo ruled by the UK (12%) as there were who predicted a status-quo ruled by China (13%). Of the students (59%) who thought China would be the likely ruler, 43% said some variation of the status-quo would be likely for HK while 41% said SAR was likely. Specifically, 1% of students said UK would rule HK as a Chinese SAR in a mixed economy with an appointive government. 4% of the students said UK's running an elected, capitalist HK was likely. Few students (3%) thought that China would rule HK as a SAR

with a capitalist economy under a mixed government.

Most in the elite sample (77%), compared to 24% of the students, said SAR was likely while only 8% of the elite, compared to 33% of the students, thought the present status-quo was likely. These differences in findings might in part reflect the difference in the timing of the survey, with the elite survey conducted over half a year later than the student survey, allowing more time for SAR-oriented rumors and forecasts to influence the elite evaluation of the future of HK. These differences might also in part reflect the difference in the average age of the elite and student samples with the generally older elite (mean age = 48.2) giving a more "realistic" prediction and the generally younger students (mean age = 22.3) giving a more "idealistic" prediction of HK's futures. Among the older students, who are over 24 years old, only 19% (5/26) predicted status-quo and 46% (12/26) predicted SAR as the likely political future of HK, perhaps a more "realistic" view than that of the overall student sample. This finding parallels the view given by the elite, which in effect indicate that age does make a difference in the forecasts. 15% of the elite said the status-quo with closer ties with China would be likely.

Over half of the students sampled (58%), compared to 36% of the elite, preferred status-quo while only 3% students, compared to 14% of the elite, preferred SAR. The views expressed by the students and the elite are similar in direction but different in intensity. In this case, it is understandable that more students than elite preferred the

status-quo, and that fewer students than elite found SAR desirable probably because the students, who are much younger than the elite, were mostly born in HK (87%) and are more used to HK's style of living and, therefore, will have more to lose in SAR. Most students (85%) preferred capitalism; 33% wanted capitalism and the status-quo.

According to a simulation run by this researcher in 1977, the political future of HK was forecasted to go on as it is. Since then, many simulation runs on HK's futures based on different assumptions have been made. Five simulation runs based on data from the Fall of 1981 students show that the main tendency in China's decision on HK's future is to allow HK to remain as it is, with a little more freedom (Mean Estimated Issue Position = .62). This result is confirmed by a t-test that shows the "true" central tendency of China's decision is not significantly away from China's position toward HK now ($p < .18$). Simulation runs from the Spring of 1982 data show that not only will China allow HK to remain as it is but that China will also grant substantially more freedom to HK (mean Estimated Issue Position = 2.28, $n = 5$). A t-test on the result shows that the "true" central tendency of China's position on HK's future to be significantly away from China's present position on HK. But the major point to be made here is that all simulation results from student data show China will allow HK to continue to have at least the freedom HK is enjoying now (All Estimated Issue Positions ≥ 0 . No negative Estimated Issue Positions. $n = 10$).

According to the simulation results of 40 sets of random numbers, given that China has the choice of either taking or not taking an issue position on HK's future, by chance, the main tendency of China is to grant HK a little more freedom than it is enjoying now (mean Estimated Issue Position = .15) and that the "true" issue position that China would take would not be significantly away from its present position towards HK ($p < .55$).

According to the simulation results of another set of random numbers that have a built-in assumption that China must take an issue position on HK's future, the average China's Estimated Issue Position is $-.0925$. In less technical language, if China were to be forced to take a position on HK's future, the chances are that it will on the average take the position of reducing by a little the freedom that HK is enjoying now (mean Estimated Issue Position = $-.0925$). But this reduction of HK's freedom will not be very different from the status-quo (mean Estimated Issue Position $< -.1$). In fact, there would be a big chance for error ($p < .74$) if the central tendency of China's position in this case was to be thought of as significantly away from its present position. This particular finding seems to correspond quite closely to the recent course of events on HK's future and China's position toward HK's political futures. If the reader recalls, it was the British who initiated the talks in 1979⁸⁹ while China has always tried to defer the settlement of HK to a time which for them is advantageous. In other words, it is not unreasonable to argue that China was forced to take a position on HK's future by the British⁹⁰ as instigated particularly by the construction and

properties businessmen in HK.⁹¹ Since then, China has taken a position of "regaining" sovereignty over HK (-'ve sign of mean Estimated Issue Position), but it has also promised to allow HK to remain much as it is (mean Estimated Issue Position's closeness to zero). According to the Chinese announcement, the reduction of freedom in HK will come in the form of the elimination of the word "Royal" from all respective HK Government agencies, the replacement of the Union Jack with China's Five Stars and other similar "symbolic" changes.

China has substantially amended its constitution to help ease the way of "symbolically" reabsorbing HK as a SAR by adopting Article 31.⁹² Other Chinese official announcements made by the late Liao Cheng Zhi and Vice Foreign Minister Yao Guang, both former heads of Chinese delegations on talks concerning HK's future, added substance to Article 31 by indicating China's intention to allow HK "virtually" to continue as it is for 50 years after 1997. Assistant Foreign Minister Zhou Nan, the newly appointed successor of Yao Guang, is not expected to deviate from previously announced policies concerning HK futures. Indeed, one of the most recent round of Chinese proposals was made by Ji Pengfei, a state councilor who directs the Chinese Office of Hong Kong and Macao Affairs. Ji's comments made in the Peking Weekly magazine Outlook was recorded by New York Times Journalist Christopher S. Wren in his "Hong Kong under Peking Rule". Ji repeated China's pledge to keep the basic capitalistic way of life in HK unchanged.

This announcement confirmed what one member of the elite sample told this researcher in January 1983. At the time, the elite, who had close contacts with Chinese authorities in HK, informed this writer that HK can remain virtually as it is except with a few "symbolic" changes such as

1. The replacement of the Union Jack by the Chinese Five Stars,
2. The elimination of the word "royal" from all the existing governmental agencies that have the word "royal". "The (Royal) Hong Kong Police Force can stay", added the member. He continued to say that HK can remain capitalist and be governed by HK people. These and similar promises from China on HK's futures were publicized by the FEER and by many magazines and newspapers.

These promises, to those who mistrust China, might have sounded too good to be true. Most HK investors who have their roots in Shanghai remember all too vividly the liberation of Shanghai.⁹³ Quite a number of them and the general public suspect that HK will be ruled by HK people in appearance only while, in effect, China does the actual ruling.

This uncertainty of who will actually rule and what will actually happen to HK raises questions about the credibility of China's pledges. There seems to be no way to find out except to wait and see what the actual future of HK will be. Anything short of the actual event itself will have to be based on educated guesses, if not outright faith. However, there are indications in Chinese behavior, pointed out by an elite, which may make HK people less reluctant to

believe China's promises on HK. The elite, who are extremely familiar with Chinese foreign affairs, contend that every time China makes an announcement on HK's future, it is a promise made not only to the HK people but also to the world at large. If China were to break its promises on HK, the elite's argument goes, China would be hard pressed to defend its credibility before the world. So, according to the elite, China's intention to maintain credibility with other countries in the world is a solid guarantee concerning China's promises on HK's future.

There is another side to this argument. The elite seems to have forgotten that critics of China have repeatedly "praised" China's customary skillfulness in justifying everything it wants done, including seemingly contradictory acts. Besides, any sovereign state may and probably will break even a promise to the world if doing so serves the state's larger interest, real or imagined.

Britain's initial position seemed to push for the continuation of the status-quo, as hinted by Prime Minister Thatcher's insistence in September 1982 on the validity of the three treaties. But Britain has maintained confidentiality in its talks with China thus far. The only visible indication from Britain is that it will strive to work with China to achieve a solution to HK future that will be acceptable to Britain, China and the HK people.

Referring back to our requirements, no conclusion can yet be drawn on British willingness to stay in HK beyond 1997. The promises from China that HK will remain capitalist, if taken at its face value,

fulfills requirement number 3. Clearly much evidence shows the fulfillment of requirement 4. However, China's announcement of its intention to resume sovereignty over HK in 1997 seems, at least for now, to be solid evidence against the very crucial requirement number 2.

In short, the status-quo cannot be drawn as the conclusion of the political future of HK. There is, however, strong proposal pointing in the direction of a variation of the status-quo as the likely future of HK.

STATUS-QUO VARIATIONS

Before this author discusses the essentials, the desirability and feasibility of specific variations of the SQ, it would be useful to review the general difficulties that any SQ variation must face.

As much as the HK people desire the continuation of the SQ or of any SQ variations beyond 1997, there are some serious technical difficulties involved in any acknowledged joint venture between China and Britain over HK. The difficulties are:

1. Official British presence in HK may mean extra-territoriality and continued colonial enclave within China (Miners, 1981). How any self-respecting Chinese officials can connive with the British to confer "imperial" power over Chinese soil after the original grant has expired is almost beyond imagination.
2. The impracticality of two overlords over one small place called HK. Chang Poa Min argues, "Apart from the incompatibility between

two ideologies and two political and cultural traditions, it is simply impossible to have entirely equal distribution of power, and neither side would be willing to play second fiddle" (1983: 80).

3. In the eyes of third parties, any Chinese approval of any joint venture may not only indicate the desirability and superiority of continuing British rule in a Chinese territory, "but (it) also demonstrates China's inability or lack of confidence in running a small place not bigger than a typical Chinese county (like HK)" (Chang, 1983: 80).
4. After about 150 years of unquestioned British supremacy in HK, it would be very doubtful for Britain to remain in HK without full control, just for China's sake (Chang, 1983: 80).
5. In resolving the future of HK, China must consider the effect of the settlement of HK on China's re-unification efforts with Taiwan. Chinese acceptance of any variation of the SQ would indirectly encourage Taiwan's resolve to maintain the SQ of Taiwan, making reunification more difficult, if not impossible.

Even though our discussion shows that there was not sufficient evidence to conclude that ideal-type SQ is the probable political future of HK, nevertheless, it is useful to briefly examine some of the ways that people have proposed to maintain the SQ or to achieve one of the SQ variations in the future. First, let's take a look at the different ways to achieve maintenance of the SQ in the future.

VARIATION A

Name: Status-Quo achieved by the Theory of Inertia (SQ-I).

Proponents: Dr. Peter Wesley-Smith, Senior Lecturer of Law at the University of Hong Kong, proposed this option in a Rotary Club luncheon, saying that HK problem was a psychological problem. Therefore, just ignore it, do practically nothing about it, and it will heal itself. Although this option seems very unlikely now that the negotiation for HK's future is under way, this option was mentioned by Dick Wilson (1977: 598), Miniers (1979: 106), The Seventies (September 1982) and Asia Week (10/17/1980).

Essentials:

Sovereignty: Unclear (Undecided).

Who Rules: British.

Economic System: Capitalist.

General Administration: According to Wesley-Smith, the issue of HK's future is a political, not legal, problem. Therefore Britain should not let the legal aspect of a treaty cause political action. And even if there may be opposition from China and British lawyers to Britain's adopting such an attitude, as D. Wilson says (July 1977: 598) there may come a time when the rigidity of the law requires to be over-ridden by political necessity. Since China does not recognize the three "unequal" treaties, the 1997 treaty expiration date does not apply to HK. Both Britain and China can acquiesce over the continued existence of the modus vivendi of HK, which is economically beneficial

to all parties concerned. All Britain needs to do is to continue running all HK, even after 1997. The British presence in post-1997 HK would be viewed as an Act of State which does not need to have another Order in Council to make the running of HK legal. The legality of all matters related to running HK in this way could be solved (or bypassed) when necessary by having the Chief Secretary of HK issue an Executive Certificate for an undertaking. The suggested way to go about achieving this option is as follows:

the practicable solution would be (for China) to make very clear that the convention (of Peking 1898) is utterly void, that British administration of the New Territories is simply tolerated despite being without legal foundation, and that conditions are still not ripe for dealing with this legacy of British imperialism. Britain must choose a safe device for maintenance of its authority and stoically withstand Chinese protests demanded by ideological consistency, at British interference with Chinese sovereignty. At the same time, investors must be unofficially reassured that Hongkong will remain a bulwark of capitalist enterprise for the foreseeable future (Excerpt from Wesley-Smith, 1980 as appeared in Asia Week 10/17/80: 75).

Under this option, HK would probably be run exactly like it is being run now.

Evaluation of the Desirability and Feasibility of the SQ-I model to Continue on as a Possible Political Future of HK.

For the Chinese

1. China was not in a hurry to resolve the future of HK before the issue was raised in Prime Minister Thatcher's visit to China in September 1982. This option would probably have been acceptable since the option gives the Chinese flexibility to do whatever they

see fit with HK at any time they choose (Au, 1980). There would be nothing that they needed to do except to re-affirm what they have said all along about the invalidity of the three treaties and that HK is Chinese territory temporarily under British administration. Meanwhile, China could enjoy reaping the economic benefits from HK's future while retaining the ultimate voice in HK's future.

2. There would be no opportunity for China to save face politically -- to erase the national humiliation suffered from the treaties that gave HK away to Britain.

For the British

1. It would be quite nice for the British to stay on beyond 1997 since the UK enjoys at least as many benefits from the SQ of HK as China does.
2. However, the British would be hard pressed to find any acceptable legal justification to stay in the NT beyond 1997 when the Lease upon which British legal authority over the NT stands expires.
3. Besides, in this age of anti-colonialist and trade union protectionist attitudes in Britain, British domestic public opinion might pressure against Britain's presence in post 1997 HK even if the British Government planned to tacitly accept this option by staying beyond 1997, thereby committing an act of state which could be used as grounds for future jurisdiction in post 1997 NT.

4. It might not be worth the trouble for Britain to commit a political act of staying in the NT beyond 1997, which would entail uncertain and complex political ramifications, just for the benefits it derives from HK.
5. More importantly, this option offers no solution to the uncertainty of HK's future.

For the HK People

1. It would certainly be nice for the SQ to go on since the SQ is the people's most popular choice. Everything would remain the same -- free-spirited living and capitalistic enterprises as usual.
2. However, by having Britain stay in the NT beyond 1997 without securing any open assurance from China would not resolve the uncertainty of HK's future.
3. Such an uncertainty would undoubtedly adversely affect business confidence in HK.
4. The HK people might not like the long-term implication of this option which might call for the eventual transfer of sovereignty over HK to China.

From an observer's standpoint, since the question of 1997 has already been brought up and publicly discussed on since Thatcher's visit to China in September 1982, the silent pretending of the insignificance of the lease termination date is no longer a possibility. Besides, apart from the political nature of the HK problem, this proposal assumes that somehow the British can avoid the constitutional problems of administering the NT beyond 1997.

At one time though, this solution did not seem impractical at all. As a matter of fact, the Chinese were reportedly to have suggested that legal problems deriving from British staying in HK beyond 1997 "could best be solved by an Act of Parliament or a proclamation by the Queen in Council or even the Governor" (C. Hollingworth, 82: 37). Neither the Chinese nor the British at the time seemed to be sensitive to the potential loss of confidence in HK's future without some form of concrete settlement (Ibid).

Even though the SQ of HK is what most HK people want in the future and this option is intended to achieve the SQ, this option may not prove to be a viable one.

Moreover, this option could only be temporary medicine for the anxiety experienced by the HK people. Sooner or later, there would have to be some kind of solution of a more permanent nature, agreed upon by Britain and China, and hopefully with some essential inputs from the HK people. Negotiations on the future of HK are already under way -- an irreversible process in which parties involved can no longer plea silence on the issue.

VARIATION B

Name: SQ by Postponement (SQ-P).

Proponent: Dr. Edward K.Y. Chan, Head of the Research Centre of Asian Affairs of the Hong Kong University.

Essentials:

Sovereignty: Unclear/undecided.

Who Rules: Britain.

Economic System: Capitalist.

General Administration: This option calls for the Chinese to announce that China would put aside the issue of HK's future for the next 50 years. HK would then be run much like it is now.

Evaluation of the Desirability and Feasibility of the SQ-P model as a Possible Future

For the Chinese

1. China could continue to reap benefits from a "reassured" and stable HK for about another 40 years beyond 1997.
2. On the other hand, taking a short-term perspective, China has nothing to gain by binding itself to a time frame for solving HK's future. China at present can presumably act on HK anytime it wants to while still reaping the benefits from HK.
3. Besides, agreeing to such a postponement might imply China's inability to order its own house or a Chinese sellout to capitalism in HK.

For the British

1. Although it is politically possible for the British to agree to such a postponement with China, the potential benefits from remaining in HK might not be worth the political struggle that would have to be waged in the UK. Such a proposal would run counter to British policy on its colonies since 1945, which has allowed self-determination movements in its former colonies.
2. Besides, Britain may presumably continue developing its economic interests in a non-colonial HK.

3. Nevertheless, agreeing to such an option presumably would allow the British more time to think about how best to handle its moral obligations towards the people of HK.

For the HK People

1. Certainly, the people of HK would welcome such an option since the majority of them have indicated they would prefer the SQ to continue.
2. This option might perhaps be the "ideal formal answer" that HK property businessmen want from Beijing and Britain in view of the timing of the request to find a settlement for HK's future. The issue of HK's future was brought up when there was moderate leadership in China and a conservative government in the UK, perhaps aiming to get the most optimum settlement out of the more pragmatic governments in both countries.

From a third party standpoint, though this option gives HK residents time to plan for their futures, it is not a likely possibility for the following reasons:

1. It is not in China's interest to be tied to a specific time frame in resolving HK's future.
2. Britain is likely to be reluctant to remain the mother country of HK when she can maintain her economic interests in a non-colonial HK.

VARIATION C

Name: SQ by Internal Legislation (SQ-L).

Proponent: Unknown; mentioned in The Seventies (9/82) as a future option.

Essentials:

Sovereignty: Unclear; perhaps tacitly China's.

Who Rules: Britain.

Economic System: Capitalist.

General Administration: China would denounce all unequal treaties relating to HK but be willing through the use of legislation to tolerate the SQ of HK for an indefinitely long period of time. In response to China's action, Britain would announce that it did not insist on its rights from the unequal treaties, but was willing to accept the responsibility of administering HK for China for another 50 years or a length of time agreed upon.

Evaluation of the Desirability and Feasibility of the SQ-L model as a Possible Future.

For the Chinese

1. First, China has always denounced all treaties, including those that involve HK, which it perceives to be unequal. A reiteration of such a stance seems to serve no effective purpose.
2. As a sovereign country, China can do what it wants (within reasonable bounds) through acts of state. If China wants to tolerate the SQ of HK, China can simply act that way. It would seem unwise for China to bind itself, a sovereign state, with internal legislation that would govern the conduct of its policy over HK just to perpetuate a situation that is against China's

national pride and ideological inclination, regardless of how beneficial to China that situation might be.

3. Furthermore, any internal legislation adopted by China may be repealed by China unilaterally. So the adoption of legislation to govern China's policy towards HK might not erase the suspicion that the HK people have over China's ultimate intentions.

For the British

1. Relinquishing the rights from the unequal treaties would mean eradicating the legal basis of British presence in HK. Even if China consented to the continuing British presence in the future of HK, such an act would amount to the British admission of guilt in running HK all these years. The British Parliament is unlikely to approve such a policy.
2. Britain is unlikely to play the number two political master in HK when Britain economic interests are likely to be served by a non-British (Chinese Special Administrative Region) HK.

For the HK People

1. It would be desirable if both Britain and China could formally agree to a basis for the maintenance and the continuance of the SQ.
2. However, the HK people might not like the conclusion of this option, which might call for the eventual transfer of sovereignty over HK to China.

From a fourth party standpoint, this option seems to be similar to the 50 years postponement option with one major exception: both Britain and China act through internal legislation to effect the

maintenance of the SQ of HK for a fixed period of time. This seems to be a "stronger" option because more positive steps such as decision and commitment are required in this option than in the postponement option. However, this option also suffers from the fact that a more permanent solution would probably be needed to be found once the life of this solution expires.

VARIATION D

Name: Macau Formula or SQ by International Treaty between Britain and China (SQ-T). This option was mentioned in FEER (2/15/82), The Seventies (Chinese, 9/82) and AsiaWeek (9/24/82).

Proponents: Mr. Lo, Chi Kwong, Chairman of Hong Kong Prospect Institute Ltd. and members, including influential academics and writers such as Li, yee, Wu, K. Y. and Y. S. Cheng. Mr. Gorder Wu, a HK property developer is said to be another proponent.

Essentials:

Sovereignty: On hold: essentially British although Beijing can demand the return of sovereignty at proper notice.

Who Rules: British Government.

Economic System: Capitalist.

General Administration:

- * There would be friendship treaty between Britain and China, proclaiming HK as a ground for Anglo-Chinese cooperation.
- * The treaty would affirm the maintenance of HK status-quo. The taking of such a stance by the two countries should and would not

be considered to predetermine in any way the final determination of HK's sovereignty.

- * Britain would recognize the Chinese right to bring up the sovereignty issue.
- * Britain would also be willing to discuss the transfer of sovereignty to China at an appropriate time.
- * China would acknowledge that a British-run HK would not only be beneficial to Britain and China but also conform to the wishes of the HK people.
- * There would be representatives of the HK Government and the HK people at the signing of the Treaty.
- * Revision and renewal of the friendship treaty will be up to the wishes of the HK people.
- * The terms of the treaty should not last less than 30 years.
- * HK would be run essentially like it is being run now.

Evaluation of the Desirability and Feasibility of the SQ-T Model as a Possible Future

For the Chinese

1. Signing a friendship treaty to affirm the maintenance of the SQ of HK without resolving the status of HK's sovereignty (to which China has always claimed) would make a mockery of Chinese past statements over HK and would damage Chinese credibility in the future.
2. Acknowledging the benefits of a British-run capitalist HK would indirectly confirm the Soviet accusations of China's exploitation

of its compatriots in HK at the hands of the British. China would appear to be speaking out of both sides of its mouth before countries in the Third World whose cause China so champions.

3. China, a claimant to HK's sovereignty, would appear weak if the decision to revise or renew such a treaty lies at the hands of the HK people and not China itself.
4. In short, this is not a politically face-saving option for China in the settlement of HK's future. Even if China were to allow a SQ variation for HK's future, this option is likely an unacceptable one.

For the British

1. Signing a friendship treaty with the Chinese would not only erase the shadow of guilt that the British may have suffered from running a colonial HK, but it would also strengthen the British political basis for running HK in the future.
2. Since the SQ of HK is beneficial to Britain, China and HK, since the SQ is what the HK people want for their future, and since the revision and renewal of the treaty is up to the HK people (a stance that is consistent with post-1945 British policy of allowing self-determination for its former colonies), this option might perhaps be an acceptable one.

For the HK People

1. This will certainly be an acceptable option since the majority of the HK people want the SQ to remain in the future. 37% and 50% of the respondents of a HK Observers poll respectively said this

option is "very acceptable" and "quite acceptable" (AsiaWeek 9/24/82).

2. This option is even more attractive than the SQ because the option allows the HK people to decide in a limited way what they want after the option expires.
3. However, the HK people might not like the conclusion of this option, which pretty much assumes the eventual transfer of sovereignty over

HK to China.

From a third party standpoint, this option seems to give the HK people exceedingly generous terms in light of HK's traditional lack of influence in the British and the Chinese political arena. Although "no face was lost when a similar agreement was reached with Portugal largely because, Chinese officials claim, there was little or no publicity" (Hollingworth, 1982: 37), China's face will be at stake because the settlement of HK's future is very unlikely to escape full media publicity in S. E. Asia, not to mention the world. Therefore, it would be a bit unrealistic to expect China to let stand the ambiguity of HK's sovereignty and to acknowledge the virtue of a British-run HK only for the sake of the HK people and the benefits that China derives from HK. Given the imbalance of the power situation in favor of China, China is very unlikely to accept such an option.

VARIATION E

Name: United Nations Trusteeship (UN-T).

Proponents: Unknown; perhaps Derek Davies since he proposed the moving of the UN to HK (personal conversation in January 1983).

Essentials:

Sovereignty: On hold: eventually will be returned to China.

Who Rules: Britain.

Economic System: Capitalist.

General administration: Upon tacit approval from China, Britain would apply to the UN General Assembly, requesting the UN to be a trustee of HK. The UN General Assembly, in turn, would appoint Britain to be responsible for the administration of HK. In order to smooth the eventual transfer of HK to China, any proposal for transfer would be heard at the UN General Assembly. HK would, therefore, be run before the transition much like it is now with a British administration.

Evaluation of the Desirability and Feasibility of the UN-T Model as a

Possible Future

For the Chinese

1. China can handle its "internal" affairs directly with the party involved and without any help from a third party like the UN.
2. The effect of the UN as a trustee of HK on China's reunification efforts on Taiwan is not quite sure. This procedure might or might not win the heart of the Taiwanese compatriots.
3. In any event, allowing a third party to take charge is not a face-saving option. Thus, China would not likely endorse this

approach even if this option were to run temporarily before the eventual transfer of HK.

For the British

1. It would be beneficial to involve the UN if this is what it would take to allay the fear of the HK people before the final transition.
2. Britain could appear to attend to HK people's interest in HK's future, thereby capturing an opportunity to bow out of HK with grace.
3. However, Britain was, while the UN was not, a party to the Anglo-Chinese treaties that ceded HK to Britain. The British would probably be hard pressed to find grounds for bringing in the UN when Britain can presumably deal with China directly.

For the HK People

1. It would probably contribute to the stability of HK to have a third party like the UN to legitimize British rule in HK.
2. However, the HK people might not like the conclusion of this option, which calls for the eventual transfer of sovereignty over HK to China.

From the writer's point of view, this option is more of a transition than a solution to HK's future. A solution of a more permanent nature would have to be found at the end of this option. It would be difficult for Britain to secure tacit approval from China to make HK a UN trust territory. Meanwhile, China probably would not save face by letting the UN handle its "internal" affairs in HK.

Thus, China is unlikely to approve such an option.

VARIATION F

Name: British Trusteeship (UK-T).

Proponent: Vivian Chan of the HK Reformer Club in November 1981 (The Seventies 9/82; see also AsiaWeek 9/24/82).

Essentials:

Sovereignty: China.

Who Rules: British (with no Chinese participation).

Economic System: Capitalist.

General Administration: The British would announce that the whole of HK, including The HKI and KP would no longer be British soil effective June 30, 1997. China in turn would announce that HK would be a special Chinese territory under an administrative trust of the British for an initial 20 years after 1997. Thereafter, China would give 10 years of advance notice if it intended to resume control over HK. In this way, HK would be run much like it is under the British now.

Evaluation of the Desirability and Feasibility of the UK-T Model as a Possible Future

For the Chinese

1. This option of putting the control of HK under British trusteeship is similar to the present de facto situation where the Chinese themselves have proclaimed that HK is a Chinese territory temporary under British Administration. It is no wonder that Cecil Chan of the FHKI considered this option acceptable to China,

citing example of Chinese permission to the China Merchant Steam Navigation Company to administer Shekou in Shenzhen for China (AsiaWeek 9/24/82).

2. On the other hand, this option differs significantly from the SQ of HK in that China would be conferring legitimacy to British rule in HK by inviting the British to run the "Trust Territory of HK". No wonder Hilary Miller, a British Labour Party Member of the Parliament, considered the option unlikely as she reasoned that a leader of the third world like China would not likely "rent" out part of its territory.
3. To this author, the reasoning behind the acceptability and the unacceptability of this option to China seem equally persuasive. However, the acceptability of this option would probably be in large part determined by the Chinese domestic political situation: which faction is in power and the progress of reunification with Taiwan. A radical Chinese leadership or a stalemate in the Taiwan reunification situation would likely damage the acceptability of this option. A pragmatic Chinese leadership or good progress on the Taiwan reunification question would likely make this option less unacceptable.

For the British

1. The present SQ of HK is beneficial to the British in many ways (see previous sections of this chapter). A Chinese invitation to UK to govern HK would confer on the British the "genuine" legitimacy that some critics have thought the British lack in

running HK. With full administrative authority in the hands of the British, it is no wonder the British Labour Party Members of Parliament such as John Tilley and Robert Parry deem this option acceptable to Britain (AsiaWeek 9/24/84).

For the HK People

1. The SQ of HK, although carries no formal Chinese approval to its existence, is what the HK people want for the future. A formal China-approved British presence in HK would be all the more attractive. 47% of the HK residents found this option "quite acceptable" when polled by the HK Observers (poll in April, 1982), quite a high rate of approval considering the great number of possible options available.

Both the British and the HK people seems willing to accept this option. However, Professor John Burns of the HK University's political science department warned that de jure reversion of HK to China would not work because HK's manufacturing industry will suffer with no European Economic Community quotas (Asiaweek 9/24/82).

In addition, this author is not too sure about the acceptability of this option to China. Given the unlikely progress of the Taiwan reunification situation, China is unlikely to accept this option even though this option entails the eventual return of HK to China.

VARIATION G

Name: Special Economic Zone of China run by the British (SEZ-B).

Proponent: Dr. Joseph Y.S. Cheng, Lecturer at the Political Science

Department at the Chinese University of HK. He believes this option would be the likely future of HK as stated in his "The Future of HK: A HK 'Belonger's' Views," International Affairs Summer 1982 pp. 476-488. (Unless otherwise stated, all factual details are drawn from the article)

Essentials:

Assumptions: 1. China would not give up its sovereignty over HK
2. China would not ignore the NT Lease.

Sovereignty: China.

Who Rules: British.

Economic System: Capitalist.

General Administration: This option is to be achieved through negotiations between China and Britain. Dr. Cheng envisioned the SEZ-B to have as much autonomy as was offered Taiwan by China. This would be achieved by the mobilization of public opinion to safeguard HK interests in the new SEZ-B (1982: 486), by having the HK people ask the Chinese leaders for the same guarantee that they offered to Taiwan (1982: 487). In addition, he thought the HK people should demand that the British give HK interests top priority in the Sino-British negotiations (1982: 487). HK would remain a free port with its own legal system. HK would remain in control of its internal security and immigration. No mention of HK defense or diplomatic representation was made. Presumably, these two "external" functions would be taken over by China. Cheng expected that there would be a few decades (1982: 487) before HK would be returned to China's administration.

He also advocated the use of these few decades to implement gradual political reform such as more opportunities to participate in governmental decision-making process in HK (1982: 487).

The Evaluation of the Desirability and Feasibility of the SEZ-B Model as a Possible Future of HK

For the Chinese

1. "Assuming China cannot ignore the NT Lease" is an unsound assumption because China has time and again proclaimed the three "unequal" treaties void, thereby placing all options in its own hand to deal with the HK issue as it sees fit (Au, 1980).
2. Cheng reasoned that assuming Anglo-Chinese agreement on this option would be reached before July 1, 1997, this option would have the advantage of permitting China not to deal with the NT Lease and thus avoid "having to compromise on its principle concerning unequal treaties" (1982: 485). But China has all options open in dealing with the NT Lease in the first place (Au, 1980). In denouncing the legal validity of the NT Lease, China has not compromised its principles. The advantage reasoned by Cheng is built on the soundness of assumption no. 1. If assumption no. 1 is unsound, as is the case, it follows that the advantage is invalid.
3. According to Cheng, another advantage that this option would give China is that China's sovereignty over HK could firmly be established through negotiations between the British and Chinese Governments (1982: 485). China, however, is powerful enough and

its government legitimate enough to firmly establish China's sovereignty over HK unilaterally, without having have to negotiate with the British. This is again a phony advantage.

4. Cheng thought that this option would provide the advantage of duration flexibility. He contends that "the period of the trusteeship does not need to be specified" (1982: 485). It may be continued indefinitely until either side informs the other of its intention to terminate it by one year's notice or any other reasonable period of time agreed upon (1982: 485).
5. Cheng also contends that this option would allow China through negotiations "the right to send a representative to HK" (1982: 485) sometime before or after HK becomes a British-run Chinese SEZ. The implication is that the British would not allow Chinese representatives in a British-run HK under normal circumstance. This advantage again is no advantage at all because China can insist on, and probably prevail in, sending representatives to HK, with or without a negotiated settlement. If the British were not willing to play a part in HK with the Chinese present, so be it.
6. Like other SQ variations, this option suffers from the fact that it is not politically face-saving for China to allow the British to run a Chinese SEZ.

For the British

1. A formal agreement between Britain and China, as this option calls for, would extend British rule over SEZ-B without the stigma of "unequal" treaties attached to it (Cheng, 1982: 485).

2. Cheng contended that this option would "leave enough room for the British Government largely to retain its present positions in HK" (1982: 485). But other journalists and this author doubt British willingness to stay on in the future without enjoying its present full power in HK.
3. However, with the Four Modernizations going, the increasing attention of HK would strengthen British interest to stay on and rule in HK, thereby making the British more inclined to allow Chinese representatives in SEZ-B.
4. Cheng optimistically predicted that "from a political and humanitarian point of view, this arrangement would enable the British government to be more accountable to the people of HK" (1982: 485). But it is unclear to this author and perhaps others just exactly how a China-owned, British-run SEZ would make the British government more accountable to the people of HK.
5. This option would be acceptable to the British as long as the British felt that the benefits derived from staying on in HK outweighed the loss of power in HK.

For the HK People

1. Hopefully, a Chinese SEZ with an official British presence would perhaps allow some form of self-rule to take place in HK as Cheng envisioned, allowing HK public opinion to push for political reforms.
2. Almost any China-approved British presence in HK is welcome. This option of allowing Britain to keep most of the power it has now is

unlikely to be unacceptable to the HK people.

From a third party standpoint, this option is very similar to the British Trusteeship option. There is, however, one major difference between the two -- some but limited Chinese participation in this option. So the British and the HK people would probably prefer this option less than they prefer the British Trusteeship option. China, on the other hand, would find this option more acceptable than the British Trusteeship option, should the Chinese allow the British to stay in HK beyond 1997.

VARIATION H

Name: British Trusteeship with Chinese Participation (BT-C)

Proponents: W.Y. Leung, Vice-Chairman of the Communications Department of the HK Baptist College.

Essentials:

Sovereignty: China (in Form A and Form B).

Who Rules: Both Britain and China.

Economic System: Capitalist.

General Administration: There are two major forms.

Form A: HK's financial, trade, industrial and other internal affairs are run by Britain for 30-50 years after 1997. HK's defense and diplomatic affairs are run by China.

Form B: Joint rule on HK's financial, trade, industrial and other internal affairs. HK's defense and diplomatic affairs are the sole responsibility of China.

Evaluation of the Desirability and Feasibility of the BT-C Model as a Possible Future

For the Chinese

1. This option, especially in Form A, is similar to the nine point proposal that was offered to Taiwan in China's reunification drive. HK, as in the proposal to Taiwan, would have autonomy in internal affairs. Form B of this option would give Chinese participation in HK's internal affairs, however.
2. If Taiwan could be lured to the unification talks if HK were given this option, China might consider adopting this option.
3. Otherwise, why should China allow the British to run the internal affairs of a Chinese territory? To do so would imply Chinese admission of British superiority in running HK.

For the British

1. It would be better to leave HK entirely than to play second fiddle to China.
2. This option seems unacceptable unless there are compelling incentives to share the administration of HK with China.

For the HK People

1. Any official British presence is welcome. Although this option would not allow the British to handle HK's external affairs, it is better than any option that provides for no British presence at all.

From a third party's standpoint, this seems an unlikely option since both Britain and China want to save political face. Unless

there are extra lucrative benefits for Britain, the British are not likely to play second fiddle in HK. Unless there are compelling reasons such as luring Taiwan to the negotiating table, China is not likely to allow the appearance of weakness by allowing the British to run HK's internal affairs after 1997.

VARITATION 1

Name: Free City (FC).

Proponents: Urban Councillor M.F. Wong. According to Councillor Wong, HK cannot gain independence. Nor can the status-quo of HK remain unchanged. Yet this is not an appropriate time for sinification. So he proposed the "free city" idea.

Essentials:

Sovereignty: Unclear, perhaps on hold.

Who rules: Britain and China.

Economic System: Capitalist.

General Administration:

Both Britain and China would guarantee HK to be a free city for 40 years.

Existing regulations on legal, trade and manufacturing affairs would remain unchanged.

The HK Executive, Legislative and Urban Councils would gradually become popularly elected.

Any British military presence or HK Volunteer Regimen would be abolished. The Police Force would be used to maintain law and order.

In the initial 10 years, Britain and China would take turns appointing the administrative heads of all government departments. Thereafter, the administrative heads would be elected.

Evaluation of the Desirability and the Feasibility of the FC Model as a Possible Future

For the Chinese

1. It is not a politically face-saving option if the British are allowed to remain in HK.
2. Moreover, this option's treatment of the sovereignty status of HK is at best giving China an opportunity to claim HK's sovereignty and at worst implying China's weakness in its stance on HK's sovereignty.
3. This option, which has the effect of making China look soft on the issue of HK sovereignty, is likely to be unacceptable to China.

For the British

1. This option of allowing the HK people gradual self-rule should be welcomed because this would allow the British to eventually bow out of HK with grace.
2. However, it is unclear how likely the British would be to stay in HK beyond 1997 when the status of HK sovereignty remains unclear. On the one hand, the British would have no legal rights to stay in HK. On the other hand, the British staying in HK beyond 1997

might offer the hope of striking a "non-package" deal with China in which the HKI and KP could eventually be governed by the HK people.

For the HK People

1. Again, any official British presence would be welcome. Also, this option of unclear status of HK sovereignty would offer HK people the hope that the British might be able to stay in HK on a more permanent basis.

From a non-stakeholder's standpoint, this option is certainly a good one when it allows the HK people to gradually and increasingly govern themselves. But this option, besides likely being unacceptable to China, would pose problems in the practical decision-making process since the ultimate status of HK sovereignty would remain unclear.

VARIATION J

Name: Independent Special Zone (ISZ).

Proponents: Richard M.C. Lee , Chairman of Lee Hysan Estate Co. who has excellent Peking contacts. Dr. Joseph Y. S. Cheng.

Essentials:

Sovereignty: China.

Who Rules: Chinese and British.

Economic System: Capitalist.

General Administration: The sovereignty of HK would revert to China. A special administrative committee would be set up to run this special independent zone. HK would become like a British protectorate that

flies the Chinese flag. British law and business practices would remain intact. There would be alternate Chinese and British governor every three or four years. Senior British administrators would stay on in the civil service on a contractual basis. Foreign exchange reserves would be denominated and stored in HK. The new HK legislature would consist of members, a third appointed by Beijing, a third appointed by London and the remaining third elected in HK. All senior post appointment in the HK Government would need the approval of two thirds of the legislature.

Evaluation of the Desirability and the Feasibility of the ISZ model as a possible future

For the Chinese

1. The acknowledgement of Chinese sovereignty over HK and the proposed Chinese participation in HK would make this a politically face-saving option.
2. However, the appointment of a British governor on every other term of office and the continual usage of British laws in HK would likely cause China to think twice before giving serious thought to this option.

For the British

1. This option of allowing the HK people some kind of a self-rule measure may make the British look good.
2. Again there seems to be no advantages "built" into this option to induce the British to stay on in HK.

For the HK People

1. A British presence in HK is always better than an absence of the British as long as HK has to reckon with a communist China.
2. This would seem an acceptable option since one third of the members of the HK legislature would be elected from HK.

From a third party observer's point of view, this seem like quite an innovative SQ option acceptable to Britain and HK. The proposed appointment of a British governor and the practice of existing British law would need to be modified to make the option more attractive to China.

VARIATION SUMMARY

Now is the time to summarize the major similarities and differences of the aforementioned ten SQ variations. Table 5-13 summarizes the essentials of the ten SQ variations and the preferences of the HK people.

As the name of these variations may indicate, all the models called for British presence in the maintenance of a capitalist, free-port HK. All models presume British willingness to stay on in HK, even if staying on might mean a bit of bending and twisting of the legal basis of the British presence in HK.⁹⁴ However, no model, with the possible exception of the SEZ-B, talked of, let alone made any convincing arguments on, any incentives inherent in the structure of the particular model that would lead the British to stay in HK.

Most models (7) proposed to give the British a free hand in the internal administration of HK with the exception of the Free City

Table 5-13

The Essentials Of Status-Quo Variations And
Hong Kong's Preference

<u>ESSENTIAL DIMENSIONS</u>	<u>VARIATIONS</u>										
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>	<u>J</u>	<u>HK's^a</u>
<u>Name</u>	<u>SQ-I</u>	<u>SQ-P</u>	<u>SQ-L</u>	<u>SQ-T</u>	<u>UN-T</u>	<u>UK-T</u>	<u>SEZ-B</u>	<u>BT-C</u>	<u>FC</u>	<u>ISC</u>	<u>NONE</u>
<u>Svgnty^b</u>	U	U	U	U	U	PRC	PRC	PRC	U	PRC	PRC
<u>Who Rules</u>	UK	UK	UK	UK	UK	UK	UK	JT	JT	JT	UK
<u>PRC Parti^c</u>	NO	NO	NO	NO	NO	NO	MAYBE	YES	YES	YES	NO
<u>3rd^d</u>	NO	NO	NO	NO	YES	NO	NO	NO	NO	NO	YES
<u>Econ^e</u>	CP	CP	CP	CP	CP	CP	CP	CP	CP	CP	CP
<u>Port^f</u>	FR	FR	FR	FR	FR	FR	FR	FR	FR	FR	FR
<u>Time^g</u>	IN	50	50	30	U	20	IN	30-50	40	U	IN
<u>Renewal^h</u>	JT	JT	JT	HK	JT	PRC	PRC	JT	JT	U	HK

Notes:

- a. Hong Kong people's preference.
- b. Sovereignty over Hong Kong. U = undecided. JT = Joint.
- c. China's participation in running Hong Kong's daily administration.
- d. Third party participation in the settlement of HK's future.
- e. Economic system; CP = capitalism.
- f. Port status of Hong Kong; FR = free port.
- g. Duration of the life of the model; IN = infinite; U = undecided; 50 = 50 years and so forth.
- h. Renewal parties. JT = Joint parties; HK = Hong Kong

model, the independent special zone and the British Trusteeship model that called for Chinese participation. Only one model, SQ by international treaty, called for the UN as a third party to a British trusteeship over HK.

Most models proposed an average of 30 years length of duration, with two model (UN-T and ISZ) having an unclear length of time and two models (SQ-I & SEZ-B) proposing an indefinite duration. This 30 years average highlights the temporary nature of the models. The temporary characteristic of the models reflects the proponents' beliefs that the SQ variations probably cannot be maintained forever and that some sort of a more permanent arrangement must be made again in the future.

Only one model (SQ-T) proposed to allow the HK people to decide what they would do after the duration of the model expires. All other models called for either the PRC or the UK or both to re-decide on the fate of HK once the agreement expires.

In a sense, one may say these proposed SQ models are manifestations of a delaying tactic which would give time to the HK people to make the best use of the SQ of HK and to start, if they have not done so, preparing for their future in HK or elsewhere.

Although none of the SQ variations seems probable in view of China's announcement of making HK a SAR, it is useful to compare and evaluate the merits and demerits of the variations should there be a sudden change of heart or alternation of political climate in China or for any other reason that SQ variations should become serious possibilities for HK's future.

Normative Evaluation of All SQ Variations

Since China is considered the decisive decision-maker, how face-saving a model is for China should be considered a criterion in evaluating the normative worth (i.e. desirability and feasibility) of any SQ models.

All models require the Chinese communists to compromise on their ideology since all models call for capitalism to remain in HK.

In terms of national honor, before the issue of HK's future was raised, the SQ-I model (i.e. closely identical to the modus vivendi) would have been the most face-saving model. The SQ-I model had worked for all the preceding years. It seemed likely that China would not have suffered any more loss of face from acquiescing in HK's future.

But since the issue of HK's future has been raised, the sovereignty of HK has become a crucial factor in deciding which model is most politically face-saving for China (Overholt, 1984: 747). Since China has publicly claimed HK's sovereignty, China's agreeing to a solution that provides for an unclear status of HK's sovereignty would reflect badly on China's status in the world. Thus, the Chinese abandoning of the "claim" to sovereignty over HK is a most unlikely possibility (Choy's China Research Team, "Leasing System for HK, Three Obstacles," Pai Shing Chinese July 16, 1982: 52). Therefore, the most face-saving variations would be those that recognize Chinese sovereignty over HK -- the UK-T, the SEZ-B, BT-C and ISZ models. Of the four models, the BT-C and the ISZ model, which call for Chinese-British joint administration in HK are the most face-saving

ones because they allow actual, not just symbolic, Chinese participation. Next comes the SEZ-B which is silent on Chinese participation. China might possibly participate should it want to. The UK-T model provides for no Chinese participation. All other models, which provide no clear acknowledgement of Chinese sovereignty over HK, if adopted, would be face-losing for China.

Since all SQ variations call for the continual presence of the British in HK, the number of incentives for the British to stay in HK would be an appropriate criterion in evaluating the feasibility of the variations. Unfortunately, none of the variations, with the possible exception of the SEZ-B model, provides strong incentives for the British to stay on. Even Y. S. Cheng, proponent of the SEZ-B model, did not make a convincing argument for the British to stay in HK. He talked of the increasing attention being paid to HK due to Chinese modernization efforts that would strengthen the British interest to stay (1982), but he was not specific as to exactly how the increased attention that HK is receiving would lure the British into remaining. All models, in effect, suffer from the unwarranted assumption that the British are willing to stay on in HK for as long as the Chinese allowed them to.

The potential that a SQ variation has for the British to leave HK with grace may be considered as some kind of a "surrogate" incentive for the British to stay on during a transitory stage of HK's future. The SQ-T model, which gives HK's people power to decide on their future, if adopted, may make the British look good in their efforts to

democratize the future HK. On the other hand, the SQ-T model, if adopted, would deprive the British of the power to bow out gracefully if HK's and Britain's wishes for HK's future clash. All remaining models which provide for Chinese participation in the model renewal process would afford the British the appearance of being forced to abandon its moral obligations in HK, even if in fact abandoning the moral obligations in HK is the British intention.

In order to secure Chinese approval of British presence in HK, a good SQ model should provide China with the incentive to do so. Therefore, whether or not an SQ variation contributes to China's modernization efforts should be a criterion in evaluating the worth of the model to China. Similar to the British incentive issue, all SQ variations in their silence on incentives for the Chinese seem to suffer from two assumptions:

1. That any SQ variation is beneficial to British, Chinese and HK interests.
2. That both Britain and China recognize the validity and importance of assumption # 1 to the extent that they are willing to agree on a SQ variation if given the right opportunity.

True, all the variations deal with the difficulty and the impracticability of Chinese reabsorption of HK without the British acting as a "buffer". None of the variations, however, seems to articulate the real advantages to China. Presumably, Chinese permission for a British presence would result in less brain drain and capital outflow in the future (than a British absence would) which is

believed to be crucial to the HK economy and thereby to China's modernization. All models meet this condition. Furthermore, a British free hand in HK would presumably result in lesser brain drain and capital outflow than a joint British-Chinese presence in HK. On this count, if the above presumptions are true, the ISZ, the BT-C and FC models which call for Chinese participation in HK affairs would be less beneficial to China's modernization.

In deciding on the future of HK, China is likely to look beyond the economic benefits. China is likely to consider the effect of a HK settlement on its overall unification strategy. Therefore, the degree of compatibility of a SQ variation with Chinese reunification efforts towards Taiwan is used here as a criterion in evaluating the variations.

China's consent to any settlement on HK's future that does not clearly acknowledge Chinese sovereignty over HK would provide a bad precedent for Chinese reunification with Taiwan. Consequently, any SQ variation that does not concede HK sovereignty to China would understandably not be considered compatible with the broader Chinese reunification efforts. Only models ISZ, BT-C, SEZ-B and UK-T proposed to formally acknowledge Chinese sovereignty over HK.

In addition, China will obviously desire to have some authority over a supposedly integral part of China in the distant, if not the near, future. This seems to be part of what reunification is all about. Of the four qualified models, the ISZ and the BT-C models may be the most compatible models with Chinese reunification strategy in

the long run since they call for Chinese participation in HK's internal affairs. But in the short run, the Chinese participation built in the ISZ and the BT-C could scare off Taiwan from participating in any reunification talks.

Moreover, there does not seem to be significant difference between the UK-T and the SEZ-B models in terms of their compatibility with Chinese reunification efforts. The only major difference between the two seems to be in name. Presumably, the name "Special Economic Zone of China under British Administration" (SEZ-B) may be more compatible namewise with Chinese reunification efforts than the name "British Trusteeship".

Since the HK people are the ones who must live with the chosen option, the degree of conformity to the wishes of the HK people is employed as a criterion here.

Presumably, all SQ variations reflect the wishes of the HK people to a certain extent, featuring British presence, capitalism and free port status. However, a few variations stand out in terms of their conformity or non-conformity to the HK people's wishes. The SQ-T model, which allows the British presence and the renewal power to the HK people, would perhaps be the model most reflective of the wishes of the HK people. The ISZ, BT-C and FC models, which allow Chinese participation, may perhaps be the models least conforming to the wishes of the HK people.

In terms of the potentials for HK self-rule, most SQ variations provide no such potential. This should not come as a surprise because

the British, not the HK people, are supposed to rule HK according the rationale reflected by the structure of the proposals. However, the ISZ and FC models do call for popularly elected members in HK's Executive, Legislative and Urban Councils. Next comes the SQ-T model which gives the HK people the power to renew the option itself. Then comes the SEZ-B model which calls for the mobilization of public opinion to achieve the very option. Presumably, such a mobilization process would increase the potential for HK self-rule.

In terms of the permanency of the SQ variations, almost all variations last an average of 30-50 years, with the SQ-I the ISZ and the SEZ-B models silent on their duration. One might say all these variations are more temporary transitions than permanent solutions. A graphic summary of the above discussions is displayed in Table 5-14.

Overall Evaluation Of All Variations From Different Points of View From the Chinese Point of View

Any SQ variation must ideally be politically face-saving for China before it can be acceptable to Beijing. Now that the issue of HK has been raised, only models ISZ, BT-C, SEZ-B and UK-T would do the job (see Set P of Diagram 5-1).

Ideally, the acceptable SQ variation should also be beneficial to China's modernization efforts. All SQ variations which call for British presence were designed to maintain the stability and prosperity of HK which are considered beneficial to China's Four Modernizations. So, presumably, all SQ variations can be considered

Table 5-14

Normative Evaluation Of SQ Variations

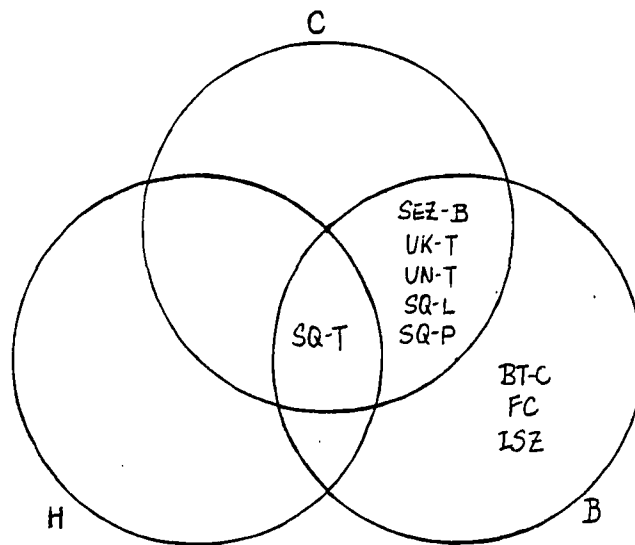
<u>RANK-ORDERED ESTIMATES</u>	LOW	-----				HIGH
	<u>DEGREE</u>					<u>DEGREE</u>
<u>Face-saving For China</u>	UN-T	All Other Models		ISZ UK-T	SQ-I ^a SEZ-B	BT-C
<u>Incentives for UK^b Leave with Grace</u>	SQ-T	All Other Models	SEZ-B		UN-T	
<u>Contribute to China's Modernization Efforts</u>		ISZ BT-C	FC		All Other Models	
<u>Compatability with PRC's Reunification Strategy</u>		All Other Models		BT-C ISZ ISZ UK-T	UK-T SEZ-B ^c SEZ-B	BT-C
<u>Reflection of HK People's Wishes</u>			Other Models		BT-C FC	SQ-T
<u>Potentials for HK Self-Rule</u>		Other Models	SEZ-B SQ-T	FC		
<u>Future Permanency</u>		All Models				

Notes

- a. SQ-I was the most face-saving option before the Sino-British negotiations on Hong Kong's future.
- b. The specific models on this line are ranked on the basis of incentives for the British to stay on in Hong Kong. The specific model on the following line is ranked on the basis of opportunities to bow out of Hong Kong gracefully.
- c. All models on this line appear according to their compatability with China's reunification efforts on a short run basis. Models on the following line appears according to their compatability with China's reunification efforts on a long run basis.

Diagram 5-3

"Ideal" Status-Quo Variations For the HK People



NOTES:

$B = \{x : x \text{ is an Option that calls for British Presence} \}$

$C = \{x : x \text{ is an Option that allows no Chinese Participation} \}$

$H = \{x : x \text{ is an Option that provides Potential for the Hong Kong People to decide for their Future.} \}$

beneficial to Chinese modernization efforts (see Set M of Diagram 5-1).

All acceptable SQ variations (to China) must also be compatible to China's reunification efforts on Taiwan. On this, any model that calls for third party involvement or the absence of fully-acknowledged Chinese sovereignty over HK can be ruled out. Only model SEZ-B, BT-C and UK-T would satisfy this requirement (see Set U of Diagram 5-1).

By making use of a Venn diagram, it is clear that the ideal SQ models for China which meet all three of the above requirements are elements of the intersecting set of the three sets, namely ISZ, BT-C and SEZ-B.

From the British Point of View

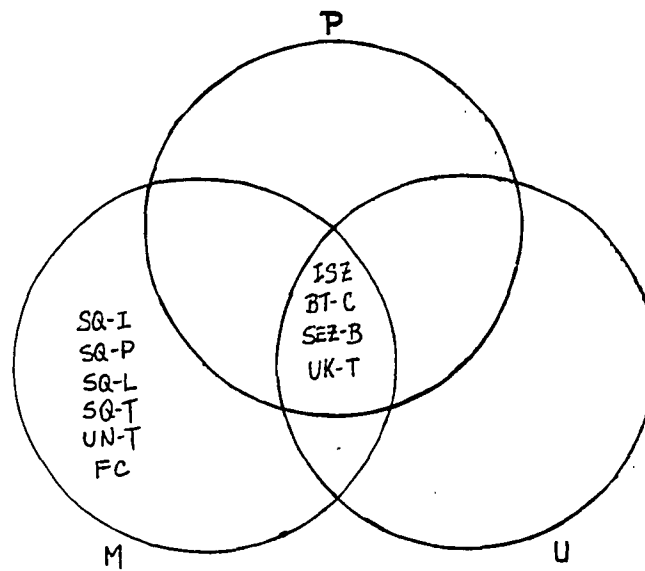
The sovereignty of HK was implicitly conceded to China when the British acknowledged the difficulty of running "HK" after 92% of the present HK is reverted to China.

Other than having the usual capitalist, free port status of HK, an ideal acceptable SQ variation must have substantial tangible and intangible incentives for the British to stay on in HK. Regretably, all SQ variations propose no such incentives (see Set I of Diagram 5-2) other than the presumption that the British should not get, and would not get, fewer benefits than it is now getting from HK.

Short of meeting the incentive requirement, the next ideal acceptable SQ variation should provide opportunities for the British to bow out of HK gracefully if the British should decide to leave HK during or at the end of an option (see Set O of Diagram 5-2). Model SQ-T, which allows the HK people to decide their future, may or may

Diagram 5-1

"Ideal" Status-Quo Variations For China



NOTES:

$M = \{X: X \text{ is an Option that Contributes to Chinese Modernization Efforts}\}$

$P = \{X: X \text{ is an Option that is Politically Face-saving for China}\}$

$U = \{X: X \text{ is an Option that is Compatible with Chinese Unification Effort on Taiwan.}\}$

not be an option that allows the British to leave gracefully. On the one hand, agreeing to an option that gives the HK people the power to decide their future would reflect well on British efforts to effect a HK settlement. On the other hand, leaving the power of renewal of an option at the hands of the HK people would deprive the British of the opportunity to bow out gracefully should Britain decide to leave and the HK people decide to keep the British. All other models in which China is supposed to be at least a party to the renewal process would likely be acceptable, since should the British want to leave HK they can always make it look as if they were not allowed to perform their moral obligations in HK by China.

After over 100 years of supremacy in HK, the British are unlikely to play second fiddle to China in HK (Chang, 1983). So, an ideal acceptable SQ variation should be one that provides for no Chinese participation. Models SQ-P, SQ-L, SQ-T, UN-T, UK-T and SEZ-B would meet this requirement (see Set C of Diagram 5-2).

If the British made their decision on whether to stay in HK or not on the basis of incentives alone, the British would not likely decide to stay. Short of having a "guarantee" of benefits, the British might consider accepting either option SEZ-B, UK-T, UN-T, SQ-P or SQ-L, as these options provide a free hand for the British in HK and an opportunity to bow out gracefully.

From the HK People's Point of View

Naturally, any acceptable SQ variation must provide for British presence. All proposed models meet this requirement (see Set B of

Diagram 5-3). Since the desire for a British presence may not be due so much to a genuine desire for the British to stay as to a mistrust of Chinese intentions or a fear of Chinese inability to run HK prosperously, an ideal SQ variation should have the least possible, if not the total absence of, Chinese participation in HK's affairs. All proposed models except the ISZ, the BT-C and the FT meet this requirement (see Set C of Diagram 5-3). Finally, a genuinely ideal SQ variation should also have the potential to allow the HK people to decide their own future. Only model SQ-T meets this requirement (see Set H of Diagram 5-3).

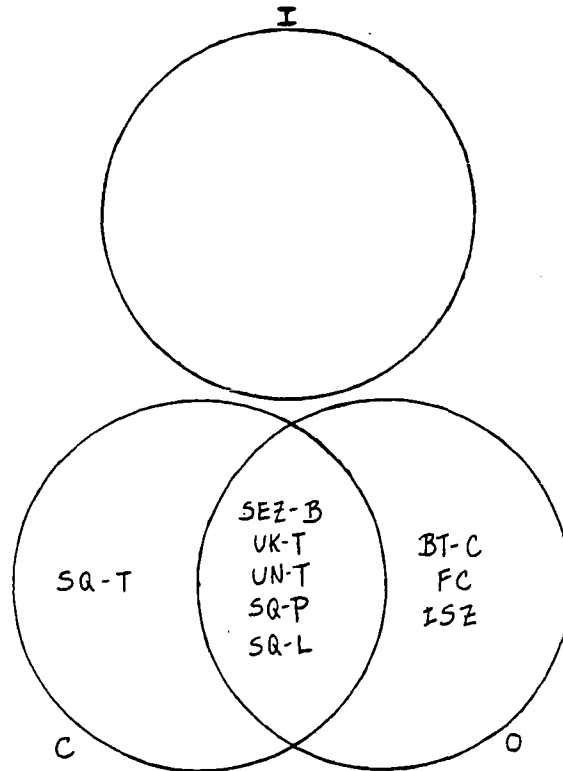
Utilizing the help of a Venn diagram, it is clear that based on the above three criteria, the ideal SQ variation for the HK people would be the SQ-T model.

From the point of view of a third party, since the HK people are not considered independent, legitimate participants in the Sino-British talks on HK's future and since model SQ-T is not on the ideal list of either China or Britain, model SQ-T, though an ideal SQ variation for the HK people, is unlikely to be adopted as the probable future of HK.

A comparison of British and Chinese ideal lists show that model SEZ-B and model UK-T appear on both. Thus these two models seem to have a greater probability of being picked as the probable political future of HK should events or chance dictate that a SQ variation should be picked as the future of HK.

Diagram 5-2

"Ideal" Status-Quo Variations For Britain



NOTES:

$C = \{x : x \text{ is an Option that offers no Chinese Participation.}\}$

$O = \{x : x \text{ is an Option that allows the British an Opportunity to bow out of HK gracefully.}\}$

$I = \{x : x \text{ is an Option that provides substantial Incentives for the British to stay in HK.}\}$

NOTES TO CHAPTER V

1. Sovereignty "is the inherent right of a state" (BR 9/26/83: 17) to rule supreme in its territory. Sovereignty, as a political concept, embraces "full, or at least the fullest possible, freedom of action on the part of the state in the political, economic and military spheres" (Dicks, 1983: 430). Under the strictest sense of the term, Britain has not been fully exercising its sovereignty over HK because "Britain has accepted many restraints on her freedom of action (in HK), not least being the abandonment after 1949 of her general policy of steering colonies towards self-government and independence" (Dick, 1983: 430). It is this lack of full "effective" sovereignty that leads this writer to view that China not only possesses "titular" or "residual" sovereignty over HK, but also some "effective" sovereignty.
2. This author assumes that China has always had sovereignty over Hong Kong but has not chosen to exercise it until informed otherwise of Chinese intentions to "resume" exercising sovereignty in 1997. Some editors agreed with this author. The editors expressed that "They (the HK Gov't and Chinese Gov't) should avoid arguing on 'the question of sovereignty' because HK has always been part of China's territory...and this is an 'indisputable fact'" (The Express (Chinese) August 19, 1982).
3. China re-examined in 1945/49 all its previous treaties.
4. Miners (1982). Lau, Siu-Kai, Society and Politics in Hong Kong (Hong Kong: The Chinese University Press, 1982) p. 11.
5. "500,000 according to other estimates" by Edward Hambro, The Problem of Chinese Refugees in Hong Kong (Holland: A.W. Sijthoff-Leyden, 1955) p.13.
6. World Development Report 1983 Table 3: Structure of Production p.153.
7. The GDP figure of HK \$3327. was obtained from from A. J. Youngson, Hong Kong Economic Growth and Policy. Hong Kong: Oxford University Press, 1982 Table 1.1 p. 11. This researcher converted the figure into US\$ using the prevalent exchange rate of HK\$ 5 = US\$ 1 at the time.
8. Ibid, Table 1: Basic Indicators, p. 149. In fact the July 23-29, 1984 issue of The Week in Hong Kong reported that "HK's gross domestic product is heading for nine percent real growth this year, according to the latest Asia Pacific Review from Wardley Investment Services".

9. 1951 figure comes from (4,155 beds/2,138,000 pop.) * 1,000 in Table I and Table XLVIII in Hambro, 1955. 1982 figure comes from Asia Yearbook 1983 p.6.
10. World Development Report 1983, Table 24: Health Related Indicators, p. 195.
11. Ibid, p. 195.
12. Khan, Md Habibullah and John Alton Zerby, "The Position of Hong Kong on International Scales of Socioeconomic Development," Asian Profile October 1981 Vol. 11 no. 5.
13. See Mary Lee, "Three Men Rock the Boat," FEER. September 28, 1983 p. 36-37
14. "Mammoth Container Terminal," Hong Kong Features, Radio Scripts R. 2, Title 2 published by the HK Government Information Services.
15. "Hong Kong's Amazing Gold Market," Hong Kong Features, Radio Scripts R.2, Title 9 published by the Hong Kong Government Information Services.
16. "Hong Kong as a Financial Centre," Hong Kong Features, Radio Scripts R. 1, Title 14 published by the Hong Kong Government Information Services.
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19. Ibid.
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21. See also Sinification Chapter.
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50. Deng was reported to have made these revelations to the visiting Japanese Prime Minister Nakasone in the Honolulu Advertiser. 3/26/84 B-1.
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52. For details, please see Leslie Evan, China After Mao New York: Monad Press, 1978 p. 28 and p. 110-124. See also Frances F. W. Lai, Policy Variation in the People's Republic of China 1955-1964; A Study of Leadership Bifurcation (Unpublished PhD Dissertation, University of Hawaii, 1978).
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54. Michael Parks, "Nakasone Promises Lasting Japan-China Peace," The Sunday Star-Bulletin and Advertiser. Honolulu 3/25/84 A-25).
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56. Joseph Cheng, "The Fut of HK...", 1982 p. 482.
57. *Ibid*.
58. According to Miners, 1981: 8, in 1981-82, £ 40 million was spent on Hong Kong defense out of a £ 10,000. million British defense budget. See also Lucian Pye, "The International Future of Hong Kong," The China Quarterly no. 95 September 1983.
59. Clare Hollingworth, FEER. Feb 5, 82 p.36.

60. Joseph Cheng, "The Future of HK...", 1982 p. 484.
61. Ibid.
62. Lucian Pye, 1983. See also Woronoff, 1980: 226)
63. Ng Lun Ngai-Ha, "The Role of Hong Kong Educated Chinese in the Shaping of Modern China," Modern Asian Studies. Vol. 17 no. 1 1983 pp. 153.
64. Speech recorded in Wah Tze Yat Pao (Chinese Mail) Feb. 11, 1923 as cited in Ng Lun, 1983: 154-155.
65. Ibid, 1983: 155.
66. "First the anti-Manchu revolutionaries, then the anti-Kuomintang Communists, and then the anti-Communists Nationalists sought refuge in Hong Kong and used her as the base to launch subversive manoeuvres against the neighbouring Chinese authority" (Lau, 1982: 37). See also, Lawrie, 1980.
67. Catron, 1972: 412-416.
68. P. Bowring and Mary Lee, "Dear Friends," FEER. 8/13/82 p. 114.
69. Bowring et al., 82: 114.
70. D. Davies & Mary Lee, "Don't Panic, Chaps," FEER. 10/8/82 p. 8.
71. Rowley, "A Peep into the Abyss," FEER. 10/29/82 p. 101.
72. FEER. 9/22/83: 12.
73. Davies & Lee, op cit. 10/8/82: 8.
74. Rowley, op cit. 10/29/82: 101.
75. FEER. 9/22/83: 12.
76. Sing Tao Jih Pao. (Chinese) San Francisco Edition, 5/24/84: 7 & 20.
77. Mary Lee, "Singapore Solicits," FEER. 12/17/82 p. 68.
78. Sing Tao Jih Pao. 4/30/84 p. 9.
79. ((337-91)/91).
80. Sing Tao Jih Pao. 4/30/84.

81. Sing Tao Jih Pao. S.F. Edition, Jan 5, 1984: 5.
82. Mary Lee, op cit. 12/17/82: 68.
83. P. Sricharatchanya, "Gearing up for Flight," FEER. November 12, 1982 p. 71.
84. Sing Tao Jih Pao. 5/24/84: 7.
85. Many of this author's wealthy personal friends have literally brought in millions of US dollars in Honolulu, looking for investment opportunities. Some of his personal friends have even received "instruction" from their families not to return to HK under any circumstances after graduation from college.
86. Sing Tao Jih Pao. 4/30/84.
87. Editorial in The Sunday Advertiser. May 27, 1984 P. G-2.
88. Lau, 1977: 199.
89. It was Hong Kong Governor Sir Murray McLhose who visited China in April 1979 and secured Deng's word to tell the HK's investors to "put their hearts at ease (about HK's future)". For a historical development of the bringing up of the issue of HK's future, please see Mary Lee, "Three Men Rock the Boat," FEER. September 28, 1979 p. 36; "Hua Window-shopping Tour," FEER. November 16, 1979 p. 21-22; Mary Lee, "Borrowed Hopes in HK," FEER. November 16, 1979 p. 22. See also Stu Glauberman, "Challenge Seen for Hong Kong," Honolulu Star-Bulletin. March 2, 1984 A-3.
90. See Stu Glauberman, "Challenge Seen for Hong Kong," Honolulu Star-Bulletin. March 2, 1984 A-3. This was also reported in Sun Tsi, a Chinese magazine in January 1983 in an interview with ex-movie star Tina. Other Chinese magazine also reported that it was the British who initiated the talk on HK's future.
91. Ibid.
92. "Constitution of the People's Republic of China Adopted on December 4, 1982 by the Fifth National People Congress of the People's Republic of China at Fifth Session," BR. December 27, 1982 pp. 10-29.
93. "Many of Hong Kong's Chinese business leaders came from Shanghai, where the nearly Communist government had reassured them about the future of their business in 1949 and then subsequently ruined them; for these businessmen, the trauma remains fresh" (W. Overholt, 1984: 473).

94. This is a very common but possibly an incorrect assumption as an editorial of The Hong Kong Economic Journal (Chinese) complained of commentators on HK's political future, who have overlooked or have seldom discussed the question whether Britain is prepared to stay on and continue to "occupy" the territory when the NT Lease expires. In the opinion of the editors of the journal, "Britain will not do that (stay on in HK)" (9/12/82).

CHAPTER VI

INDEPENDENCE

DEFINITION

By "the independence of Hong Kong" this author means an independent state of Hong Kong. An independent Hong Kong includes:

1. A population of Hong Kong citizens,
2. A territory which covers a definite area with internationally recognized borders on the surface of the earth,
3. A government, which has its own bureaucratic machinery to handle all governmental affairs, and
4. The sovereignty over Hong Kong. It means the Hong Kong Government (HKG) would be supreme in its actions within the territory of Hong Kong.¹

REQUIREMENTS

Having twice the size² and population³ of Singapore, together with a well-run government bureaucracy, Hong Kong presumably has met most of the conditions for becoming an independent state. In a world that has seen the number of independent countries in the UN from 45 in 1945 to 134 in 1970 (E. C. Paul, 1974), Hong Kong has every potential to be a contributing member in the world of nations. For example, economically speaking, Hong Kong has a sound economy of US \$ 27.2 billion in 1981,⁴ which surpasses in size the economy of Pakistan,

Ghana, Egypt, Peru, Syria, Malaysia, Portugal, Israel, Singapore Ireland, and even Kuwait.⁵ Hong Kong has a GDP per capita of US \$5,100.,⁶ which ranks higher than that of China (\$300.), Nigeria (\$870.), South Korea (1,700.), Brazil (\$2220.), Mexico (\$2250) and Greece (\$4420.), to name a few.⁷ Politically speaking, the people's lack of belief in independence as a viable alternative and China's claim to Hong Kong's sovereignty remain the major stumbling blocks towards independence. Otherwise, it would seem that HKG could quickly and easily assume sovereignty (from Britain) and declare the independence of Hong Kong. Therefore, the requirements for drawing the independence of Hong Kong as a conclusion for the political future of Hong Kong would be:

1. The existence of Chinese governmental consent to Hong Kong's independence,
2. The existence of Hong Kong elite opinion for independence.

FACTORS THAT MAY PUSH FOR INDEPENDENCE

In conceding the difficulty of granting independence to Hong Kong as an alternative future for Hong Kong, Prime Minister Thatcher acknowledged in London that

but for the peculiar situation of Hong Kong and the leases, but for that, had it been an ordinary British colony, she would have been independent years ago. She would have been another Singapore.⁸

The above seems to have explained why Britain has granted extremely few, if any, self-rule measures over the years in Hong Kong. With the traditional British policy of making Hong Kong as

apolitical as possible (A. King, 1975; Lau, 1982) and with the perception of China as a decisive decision-maker in Hong Kong's future (see Table 6-1), and with China's recently professed intention to resume sovereignty over Hong Kong, it seems that Hong Kong could not achieve independence (even if its people should desire) by anything short of a revolution.

Table 6-1

Who Has the Decisive Voice in the Political Future of HK?

(%)	<u>CHINA</u>	<u>CHINA & OTHER</u>	<u>UK</u>	<u>HK</u>	<u>TAIWAN</u>	<u>MAJORITY ANSWER</u>
ELITE	87	7	7	0	0	CHINA
STUDENT	41	12	3	37	0	CHINA*

* Precisely, it is the modal answer.

Although there has been no known call for revolution and almost virtually no call for independence by Hong Kong's people, the independence of Hong Kong nevertheless remains a possibility. A brief examination of potential causes of revolution in (and possibly independence for) Hong Kong are useful here.

Any American college student who passes a course on the history of world civilization is likely able to name the five major factors for a successful revolution. They are:

1. The presence of an intolerable economic condition,
2. Strong governmental insensitivity to its people's plights and needs,
3. Indigenous political leadership to lead the revolting masses,
4. The availability of sufficient funds to finance the revolution, and
5. The pressure of a strong local group identity.

Let's take a look at how the degree of presence or absence of these five factors in Hong Kong affects the likelihood of revolt as an effort for independence.

A. Intolerable Economic Conditions

The KMT lost the Chinese Civil War to the Chinese Communists not only because it had a corrupt government, but also because the masses in KMT-controlled areas suffered from intolerable economic conditions. After the death of Yuan Shih-Kai in 1916, production was disrupted due to the war (Mills, 1942: 459). Taxes were heavy (Ibid). Inflation was sky high. KMT-issued currencies were almost of no value. To the over-taxed masses, the communists signified the prospect of food and land reform. Indeed, owing to the gradual implementation of land reforms, economic conditions in the communist soviets were always more egalitarian, if not much improved, than those areas under the KMT. Therefore it should be no surprise that almost everywhere the communists went, there were large scale KMT defections of troops (R. Thornton, 1982: 220) and peasants folks to the communists. These defections were especially rampant during the last two years of the Civil War.

If intolerable economic conditions were partly responsible for the final defeat of the KMT at the hands of the communists, such conditions presumably might cause the Hong Kong people to rise against the British, climaxing in the demand for independence.

With its standards of living second only to Japan and closely at par with that of Singapore in all of Asia, Hong Kong would not seem to suffer from intolerable economic conditions. If anything, Hong Kong's economy is still going strong even in the face of its uncertain and possibly pessimistic future. According to the May 14, 1984, issue of The Week in Hong Kong (published by the Hong Kong Government Information Services), total merchandise trade of HK\$ 94.62 billion for the first quarter of 1984 were up by 48% over the same period last year. "Domestic exports rose by 51% to HK\$ 28.115 billion, imports by 43% to HK\$ 48.784 billion and re-exports by 59% to HK\$ 17.722 billion. Domestic exports and re-exports together increased by 54%" (The Week in Hong Kong May 14, 1984). There were also first quarter increase in re-exports to China (by HK\$ 2.9 billion or 163%), to the US (by HK\$ 1.13 billion or 77%), to Taiwan (by HK\$ 573 million or 96%) and to Japan (by HK\$ 520 million or 92%). Of course, these increasing figures may just be a reflection of a "recovery" from the not so spectacular showing of the first quarter of 1983 soon after the talks on Hong Kong's future commenced in September 1982. It may also be a manifestation of people's intentions to make the best use of Hong Kong in the remaining years before 1997. In addition, it may be a

reflection of, perhaps premature, business confidence in Hong Kong's future. Regardless of whatever interpretations one draws from these figures, these figures underscore the fact that Hong Kong is not suffering from sluggishness of trade that might result in intolerable economic conditions. It is not unreasonable to say that the chances for Hong Kong to suffer from intolerable economic conditions on a revolt-causing scale is quite slim. However, no one should be over-confident that Hong Kong's present economic conditions will be maintained if and when Hong Kong is reabsorbed by China.

If China, after the re-absorption of Hong Kong and even amidst conditions of a possible moderate reduction of living standards in Hong Kong, can prevent the onslaught of intolerable economic conditions, Hong Kong will probably remain orderly. On the other hand, failure to maintain the absence of intolerable economic conditions might make the Hong Kong people less reluctant to revolt and seek independence.

B. Governmental Insensitivity

As mentioned in the previous paragraphs, the people in the KMT controlled areas were heavily taxed. The determination of the KMT government to tax every sector of the population heavily (Parks Coble, 1980), regardless of the economic conditions at the time, in order to maintain and build KMT's military strength demonstrated the KMT government's total insensitivity to its people's plights.⁹ This insensitivity must be considered to have been critical, if not fatal,

to the KMT's efforts in the Civil War.

Presumably a strong insensitive Hong Kong government might drive the Hong Kong people to revolt and possibly seek independence. To be sure, there is no fully genuine political representation in Hong Kong. For whatever limited political representation that the Hong Kong people might have, there are political inequities evident in the overwhelming over-representation of the business and wealthy sectors in major decision-making bodies.¹⁰ However, the Hong Kong Government is considered always to have governed Hong Kong "by discussion" or "by consultation" and not arbitration (Endacott, 1964: 229; Lau, 1982; Miners, 1976; H.K. Fung, 1983: 18). Like Singapore, the HKG has many (about 323 at present) advisory bodies to consult on public reactions to proposed governmental policy before any decision is reached (HKAR 1984). There are also City District Offices established to act as an intermediary between the government and the public in order to smooth the governing process (King, 1975: 433-34). In fact, 70% of the student and virtually all the elite sampled (61.5% said "quite a bit" & 38.5 % said "a lot") thought the HKG was responsive to public opinion. It seems that at least at present, the HKG cannot be considered as being insensitive to its people.

Although the HKG under the tutelage of Great Britain does not seem to be insensitive to the plights of Hong Kong, a HKG, under China may not necessarily be sensitive to the conditions of the people. A China-influenced HKG which is sensitive to the Hong Kong people's plights is not likely to be a cause for a Hong Kong

independent movement. On the other hand, an oppressive, China-influenced HKG which is strongly insensitive to the Hong Kong people's opinions may leave the people no choice but to opt for independence.

C. Indigenous Political Leadership

Leadership, without which no political movement is likely to survive, is very crucial to the success of any political movement. Take as an example the case of Singapore (a country often compared to Hong Kong) domestic party politics. In the early years after Singapore's independence, the Barisan Sosialis Party, an offshoot of the People's Action Party, "was able to pose a constant threat to the People's Action Party leadership but it quickly lost its efficacy after its more competent leaders and organizers were detained".¹¹

There were other political parties such as the Singapore Malay National Organization, the Workers' Party, the United National Front and the People's Front in Singapore. But "they either lack able leadership and strong organization or stand aloof from the masses. Their participation in the political process is insignificant" (Li, 1982 p. 47). This lack of effective political leadership in other political parties in no small way explains the dominance of the People's Action Party in Singapore politics.

Before discussing whether or not there is an able political leadership to lead an independence movement in Hong Kong, it is imperative to review the so-called apathetic political nature of Hong

Kong, its possible causes and its probable impact on the likelihood of Hong Kong having an effective political leadership capable of leading a Hong Kong independent movement.

Writing in 1975 (in Asian Survey) and reiterating the same theme in 1981 (King et al. (eds.)), A. King lamented the widespread political apathy in Hong Kong. He stated:

Despite the fact that the Urban Council elections are the only occasions for the general public to participate in the formal political process, they have never interested the average person. The striking thing is that even since the Urban Council elections were reinstated in 1952, the rate of registration for election has never exceeded 1% of the total population and, although up to 30-40% of those who register eventually turn up at the polls, only 0.5% or less of the total population turn out to vote. The poor turnout in voting is often deplored as a lack of civic spirit and as an exhibition of political apathy (King et al. (eds.), 1981: 132-33).

What causes this political apathy? Did Hong Kong inherit this political apathy from the Mainland Chinese immigrants who have always made up half of the Hong Kong population? The answer seems to point to the negative. A 1954 survey shows that a considerable percentage of heads of household, arriving in Hong Kong held memberships in various political organizations. For example, Table 6-2 shows that 39%, 39% and 31% of the heads of household arriving in 1949, 1950 and 1954 respectively, belonged to one kind of political organization or another (Hambro, 1955: 158-59). Such data suggest that there was no lack of potentially politically active personnel among the Chinese immigrants in Hong Kong.

Table 6-2

Former Membership Of Organizations In China By HK Immigrants

(% Head of Household) Nature of Org.	Post World War II Immigrants Arrived in									
	<u>1945</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>	<u>1954</u>
Political	4.7	6.4	5.6	10.8	39.0	38.5	24.8	17.1	18.2	31.3
Professional	0.7	1.7	1.1	4.2	2.8	1.8	5.4	5.7	---	2.5
Other	---	0.4	---	---	0.6	0.3	---	---	---	0.4
none	94.6	91.4	93.3	84.9	57.6	59.4	69.8	77.2	81.8	65.8

If present day political apathy in Hong Kong cannot be attributed to the political orientation or nature of the Chinese immigrants, could it be due to the lack of political leadership in Hong Kong? Judging from the widespread apathy, the most obvious answer, though not necessarily the correct one, seems to be affirmative. But if that is the case, how could one explain the presence of economic leadership (leadership that is intertwined with, if not closely identical to, political leadership) that has guided Hong Kong to becoming an economic "miracle" today? The difficulty in answering the above question would seem to suggest the deficiency of the obvious answer -- political apathy in Hong Kong is due to a lack of political leadership. Rather, an alternative answer to the possible cause of widespread political apathy in Hong Kong may lie in the "political" or more precisely the "apolitical" policy of the HKG.

It is not that Hong Kong lacks potential grass-root political leadership. Rather whatever potential grass-root political leadership

Hong Kong might have must either be hidden or "misdirected" by the HKG. For the already established Chinese leaders in Hong Kong,

the British governing elites co-opt or assimilate the non-British socio-economic elites into the political-administrative decision-making bodies, thus attaining an elite integration on the one hand and a legitimacy of political authority on the other (King, 1975: 437).

The British have achieved this by wisely and successfully absorbing

Chinese leaders into the official political circle by either giving them formal membership in the Councils and in the bureaucracy or bestowing on them honors (e.g., Justice of the Peace) and involving them in more than 130 consultative and advisory committees at various Governmental levels (King, 1975: 429).

Since almost all seats (except a few in the Urban Council) in these governmental bodies are appointed, the integration of British and non-British elites created inadvertently or otherwise, the so-called "elite-mass" gap in Hong Kong (King, 1975; Lau 1982). This process of "administrative absorption of politics" (King, 1975: 424), with elite sitting on appointive bodies and the masses' perception of the non-representativeness of the elite, may in part explain the apathetic political nature of the Hong Kong population.

For the younger upstarts who may have the potential to develop into an independent political force, the HKG seems to consider them new blood for the consolidation of the present colonial structure. Perhaps hoping to make potential leadership unavailable to any possible opposition, "the British have made it a policy to recruit locals into the higher bureacratic ranks as early as 1946" (Lau,

1982: 52). The HKG is widely considered to have an unspoken preference for hiring Hong Kong University (HKU) graduates first, Chinese University of Hong Kong and other commonwealth university graduates second, and American and other countries' university graduates last. "That the (Hong Kong) University has continued to provide future officers to the Government since its establishment in 1911" (Lau, 1982: 52-3) is a well-established tradition. Yet the top echelon of governmental power still rests in the hands of a handful of expatriates reflects the continuing colonialist outlook of the HKG. A look at the breakdown of the local officers versus the overseas officers in the elite administrative grades (Table 6-3) shows that local officers constitute less than half of the officials in administrative grades (Lau, 1982: 1953). A closer scrutiny into the highest grades of the administrative class (Table 6-4) shows the dominance of expatriates (Lau, 1982: 53). In spite of the HKG's inclination to hire HKU graduates over others, in 1978 no HKU graduates served in Secretary or Staff Grade A capacity while only two served in Staff Grade B capacity.

This dominance of expatriates in the highest grades of the elite government service corps has not only been criticized by Hong Kong Chinese (Lau, 1982), but also by expatriate intellectuals such as Miron Mushkat (1982) and former expatriate administrative officers themselves such as Brian Hook (1982 & in personal conversation). This colonialist practice may soon have to be replaced by a program of localization of top government servants should the British decide to

Table 6-3

% Of Local Officers To Total In Administrative Grades

<u>YEAR</u>	<u>LOCAL OFFICERS</u>	<u>OVERSEAS OFFICERS</u>	<u>% OF LOCAL TO TOTAL</u>
1950	1	42	2.3
1956	3	54	5.3
1960	7	36	16.3
1962	12	66	15.4
1964	13	67	16.3
1966	18	74	19.6
1968	23	75	23.5
1970	40	71	36.0
1972	50	67	42.7
1974	66	86	43.4
1976	78	101	43.6
1978	91	114	44.4

Source: Hong Kong, Colonial Secretariat, Establishment Branch, Report on the Public Service, various issues (as appeared in Lau, 1982: 53).

Table 6-4

HKU Graduates Serving In Senior Administrative Grades (Master Pay Scale Point 46 Or Above) As Of June 1, 1978

<u>GRADE (ADMINISTRATIVE)</u>	<u>HKU GRADUATES</u>	<u>ESTABLISHED AND SUPERNUMERARY POSTS</u>
Secretaries	0	11
A.O. Staff Grade A	0	4
A.O. Staff Grade B	2	25
A.O. Staff Grade C	16	58
Senior Administrative Officers	8	23

Source: Hong Kong University, Convocation Newsletter (December 1979: 2) as appeared in Lau, 1982: 53.

Leave Hong Kong after 1997.

This tradition of putting the young university graduates under the paternalistic employment of the Hong Kong Government converts potential opposition movement leaders into government stakeholders who have an interest in the maintenance of the status-quo -- a politically stable Hong Kong, perhaps best achieved by the existence of an apathetic crowd.

Another possible explanation for the political apathy in Hong Kong is what Bachrach and Baratz (1970) called the other side of power -- the power of ruling certain political issues out of the political arena as "non-issues".¹² As King pointed out

A more basic reason for the low participation, however, could be found in the political system of Hong Kong itself; that is, the Urban Council is an organ without teeth. It is perceived as involved in a "politics without power", "completely divorced from the dynamism of Hong Kong's economy" (1975: 427).

The Urban Council, until very recently the only governmental policy-making body with elected members, is only empowered to govern sanitary-related and street vendors matters in the urban areas of Hong Kong. With such a limited scope of "political" agenda, no wonder voter turnouts have been very low.

In sum, the political apathy in Hong Kong seems to be more of the result of the policy of the HKG, namely the administrative absorption of politics, the absorption of young local potential political leaders into government service and the "frivolous" nature of the elected body, the Urban Council, than of the result of a lack of political

Leadership in Hong Kong.

If anything, there seems to be a lot of political leadership in Hong Kong that must continuously appease the Chinese Government, the British Government and the Hong Kong people in order to make possible the past and continuing success of the Hong Kong economy. But, given the pre-occupation of making a living, the political apathy of the people as a result of aforementioned governmental policy, the temporary life-boat mentality of Hong Kong and the fear of China's adverse reactions, the chance for a locally grown and led independent movement under the British-run Hong Kong is low. However, the potential for an active political leadership that can build a grass-roots following is there. Organizations such as the Hong Kong Observers (October 1, 1980 South China Morning Post) and the Meeting Point have already spoken to China on their desire to make Hong Kong a genuine self-governing city. The increasing educational level and political consciousness of the Hong Kong people at what should and can be done on Hong Kong's future highlight Hong Kong's political leadership potentials. Any attempt by Beijing or London to play hard ball on the future of Hong Kong might provide the igniting opportunity for the Hong Kong people's political consciousness and leadership to mature, which might develop into an independent force that must be reckoned with. In fact, despite chilly British reception and China's anger, the Unofficial Members of the Executive and Legislative Council (Umelco) are emerging as independent force by insisting on a voice in future Hong Kong's arrangements under China.¹³ Though both the

British and Chinese Governments do not wish to see the emergence of a third party in the negotiations on Hong Kong's future and though some of the members of Parliament questioned the representativeness of the Umelco, the Umelco members were given a kind of hero's welcome at the Kaitak Airport by over 1,000 community organization representatives upon their return from a trip to London to air the Hong Kong People's views on the future.¹⁴ Perhaps, the Umelco, disgruntled at the British and Chinese reactions to their cause and yet encouraged by the strong show of support at the airport by the community leaders, may turn out to provide the political leadership it takes for an independent movement in Hong Kong.

D. The Availability of Funds

Although in the 1960s Mao was known to have dismissed the atomic weapons of the US as paper tigers which could do nothing without the fighting will of the people, he was perhaps more well known for his dictum that says "power comes from the barrel of the gun". It was probably Mao's understanding of and adherence to that dictum that in large part helped win the communist's civil war victory, and that might also have helped win Mao's power struggle within the communist party highest leadership.

There is a Chinese proverb, "a proud army will invariably face defeat".¹⁵ It is commonly used to allude to the tools which one needs in order to perform a job successfully. In this case, the literal interpretation means that the army must have humility before

it can win a battle. Interestingly, there is a more modern, perhaps more practical, version of the above proverb. It goes, "a hungry army will invariably face defeat".¹⁶ Based on this writer's experience, the latter version is used much more often than the older version of the proverb. The moral of the proverb, which is the reason for incorporating it in this discussion, is that wealth is a necessary condition for victory -- be it that of a revolution or an independence movement. The major question in this section is whether or not Hong Kong people have enough money to successfully finance a revolution. If they have, are they willing to make the necessary financial contributions?

Judging from the size of the gross domestic products alone (see Table 6-5), one would say Hong Kong must have a lot of wealthy people. Ten years ago, rumors had it that Hong Kong had a millionaire in every 70 people. Hong Kong had about four million people then. If the rumor were true, Hong Kong would have 57,142 millionaires. Only God knew how many multi-millionaires there were among the 50,000+ strong.

Table 6-5

Hong Kong Gross Domestic Products In US \$ Billion

1977	12.4	1978	13.5	1979	11.8
1980	----	1981	13.6	1982	25.9

Sources: Asia Yearbook, Various issues.

In addition to wealth derived from business in Hong Kong, there are also returns on investments abroad for Hong Kong businessmen who invested in foreign lands. The amount of profits for such investments is very difficult, if not impossible, to determine. But one may get an idea of how much money the Hong Kong businessmen have by looking at the amount of investment that Hong Kong businessmen have made in foreign lands. For instance, in the year 1979-80, there were about US \$68. million invested in Australia.¹⁷ From June 1983 to April 1984, owing to the uncertainty of Hong Kong's future, Hong Kong businessmen were particularly interested in oil stocks and the amount of investment in Australia jumped to US \$800. million.¹⁸

Elsewhere, north of Equator in Canada, there has also been an increase of investment made by Hong Kong businessmen. In 1981, a group of Hong Kong businessmen spent C \$ 45. million on a Toronto hotel. In 1982, another group bought up a Holiday Inn hotel for an undisclosed amount. From December 1983 to April 1984, even a medium-sized accounting firm had reportedly handled C \$10. million of Hong Kong capital for investing in Canada. In March 1984, C \$ 85. million of Hong Kong capital was spent on purchasing the largest shopping center in British Columbia. It seems no exaggeration when an unidentified Canadian administrator estimated investments in Canada backed by Hong Kong capital to amount to at least Canadian \$100. million this year so far.

Here in Hawaii, this writer personally knows of a Hong Kong student who spent US \$400,000. in cash in acquiring a house in

Kahala. That student has also been in the process of shopping for downtown commercial buildings to acquire or invest in as a way to move their family wealth "off island". There are many other equally wealthy Hong Kong students and acquaintances of this writer performing similar activities in Hawaii and elsewhere for their relative.

The above are just a few selected cases. The full extent of the amount of Hong Kong money invested abroad is almost unimaginable. In short, there are financial resources in Hong Kong. Whether or not owners of those resources are willing to use the money on revolution or for an independence movement is another story.

Since the University of Hawaii at Manoa Hong Kong students come mainly from families of the middle class and above, the data from this researcher's student sample may shed some light on the willingness of the Hong Kong rich to spend their money on revolution. The result (see Table 6-6), which is statistically significant, shows that the higher the economic class the student comes from, the more capitalistic the economic system ($r = 0.26$; $p \leq 0.01$) and the future ($r = 0.24$; $p \leq 0.003$) he/she prefers. Consistent with the above results but with no statistical significance, the higher the student's economic class, the more fearful he/she is of non-capitalist future ($r = -0.074$; $p \leq 0.216$). Likewise, the higher the student's economic class, the more likely he/she will leave Hong Kong if the communists take over Hong Kong ($r = 0.11$; $p \leq 0.126$). Although the above results show the wealthier students had a preference for capitalism and a fear of communism, this preference or fear was not strong as indicated by

the weak correlations between economic class and the above variables. Besides the relationship between economic class and fear of communism is statistically insignificant. The mildness of the fear of the wealthier students may perhaps be due to the fact that the wealthier students are more optimistic about the likely future of Hong Kong. The results, which have strong statistical significance, indicated that wealthier students predicted the likely future of Hong Kong as more capitalistic ($r = 0.24$; $p \leq 0.003$). Such results seem logical since the wealthier students have the means to leave Hong Kong should their optimism turn out to be unfound.

If the results from the student sample are indicative of what wealthy persons in Hong Kong would do, then it does not seem likely that they feel so strongly about the Hong Kong's future as to spend their money on an independence movement.

For an even better indicator than the student survey data of whether or not the Hong Kong rich will finance a revolution, let's examine the data from the elite sample (see Table 6-6). Like the student, the elite who comes from a higher economic class tends to prefer a more capitalistic economic system ($r = 0.515$; $p \leq 0.046$). In line with the above result, the higher the elite's economic class, the more fearful the elite is of non-capitalist future ($r = -0.505$; $p < 0.035$). Although the elite who comes from a higher economic class thinks a less capitalistic Hong Kong is likely ($r = -0.2584$) and will tend to leave Hong Kong if the Chinese communists do take over Hong Kong ($r = 0.3282$), the results are not statistically significant.

Summing up, there is no lack of money to finance an independence movement, if the businessmen in Hong Kong really want to invest in such a political manouvre. But judging from the long lines of people who want to emigrate from Hong Kong and judging from the opportunities for and the tendency of Hong Kong businessmen to diversify their investments to foreign lands, there does not seem to exist business support in a Hong Kong independence movement, if such a movement should exist.

E. A Strong Local Group Identity

Of the four components mentioned earlier which combine to make a state, the most important component is people. It is the people's efforts and will together that make forging a new state possible. These common efforts and common political will may broadly be called political identity. And it is this political identity that gives rise to what is called national sentiment characterized by common language, customs, character, belief and will that is crucial not only to the rise of a new independent state but also to the maintenance of old ones as well.

This section discusses whether or not Hong Kong has a political identity of its own. If it has a political identity, we will ask whether or not that identity has enough potential to ignite a revolution for independence in Hong Kong. The political apathy of Hong Kong will be briefly noted, followed by recent indications of stronger political consciousness in Hong Kong. There will be a

Table 6-6

Correlations Between Economic Class And Various
Forecasted Futures

STUDENT RESULTS

	<u>PREFECON</u>	<u>LEAVEHK</u>	<u>FEARFUTR</u>	<u>PREFFUTR</u>	<u>LKLYFUTR</u>
ECON CLASS	0.26	0.11	-0.074	0.24	0.24
No. of Cases	80	101	113	122	130
Significance	$p \leq 0.01$	$p \leq 0.127$	$p \leq 0.216$	$p \leq 0.003$	$p \leq 0.003$

ELITE RESULTS

ECON CLASS	0.516	0.3282	-0.505	-0.1755	-0.2584
No. of Cases	12	11	14	14	12
Significance	$p \leq 0.046$	$p \leq 0.168$	$p \leq 0.035$	$p \leq 0.278$	$p \leq 0.214$

concluding discussion of budding Hong Kong identity, not necessarily a political one, and its potentials.

In the formal sense of the term "political identity", Hong Kong can be considered to have almost no political identity since it has no formal institutionalized mechanism for the populace to collectively express or feed from anything that can be loosely called political identity. This lack of a democratic representative governmental developments in Hong Kong is so because "China has made it pretty clear that she would not be happy with a Hong Kong moving towards a representative system and internal government".¹⁹ On the other hand, an England-based Hong Kong research team countered that there is nothing to support such an argument, by pointing out that "A democratic colony would be a contradiction in terms. The authoritarian nature of the regime is an essential factor in the colony's existence as a colony".²⁰

No matter which of the above arguments readers subscribe to, the fact remains that Hong Kong has little, if any, formalized framework of political identity.

In introducing A. King's paper on Hong Kong people's political participation, C.Y. Yang said,

These (King's) data evince no signal of patriotism or loyalty and pride toward an alien colonial ruler, nor a political system which encourages or promotes the development of a government by the people...common people remain deprived of political power...a populace with widespread political apathy (King et al., 81: xix).

With the factors (mentioned in Chapter 5) contributing to Hong Kong's

stability as background and keeping aforementioned widespread political apathy in mind, one would not hesitate to jump to the conclusion that there may not even be an informal form of political identity in Hong Kong. Such a conclusion might have been true twenty years ago. But things, including taboo subjects such as politics, are changing in Hong Kong due to the uncertainty it faces. The political consciousness of the Hong Kong people was raised as a result.

In May 10 to June 11, 1982, 29% of the respondents surveyed by the Hong Kong Observers did not know what "the future of Hong Kong" meant, not to mention their lack of knowledge concerning what an ideal future of Hong Kong should be. In August 1982, in this author's own poll, 15% of the college students did not give a response on the question which asked for their views on the ideal future of Hong Kong. Whether their refusal to answer the question was possibly based on a fear of reprisal or was simply a result of ignorance is difficult to access. In any event, with 85% of the respondents giving their views on the ideal future of Hong Kong, the data indicate that many more people in this author's sample thought they knew what the future of Hong Kong should be than in the Hong Kong Observers' sample. However, it must be noted that the sample from this writer's poll is much more educated than the sample from the general public. It would be logical to infer that the more educated sample is less ignorant of and thereby more conscious of politics around them. This inference seems to bear out by the survey results of this author's elite

sample. In interviews conducted in December to January 1983, only one (6.7%) elite respondent declined to give her view on the ideal political future of Hong Kong for reasons of privacy. All elite were presumably conscious of what the ideal future of Hong Kong should be for them. With the system of compulsory education of up to Form Three (9th Grade) implemented and strictly enforced, the Hong Kong population will become more educated and thereby more likely to be politically conscious.

Going to a different sample of the general public that was drawn in April 18-22, 1983, the data show that only 4.4% of the respondents indicated the "don't know" choice when asked what the ideal political future of Hong Kong is (Higher Education Social Research Team's Poll in Chinese). The decline (see Table 6-7) in the percentage of earlier respondents (29%) who said they did not know what Hong Kong future meant compared to only 4.4% of respondents who said they did not know what the ideal future of Hong Kong is suggests an increase in the political consciousness, at least in terms of Hong Kong's future, of the Hong Kong public in just one year. The extensive media coverage on the development of Sino-British talks on Hong Kong's future must have played no small part in this impressive widening of political consciousness in Hong Kong.

Some may think the growth in political consciousness in Hong Kong is not just a recent phenomenon. I. C. Jarvis considered the riots in May 1966 "the first political demonstration in connection with

Table 6-7

Increase In HK's Political Consciousness

<u>DATE</u>	<u>POLLSTER</u>	<u>SAMPLE</u>	<u>QUESTION</u>	<u>RESPONSE TYPE</u>	<u>FREQ</u>
May to June 1982	HongKong Observers	General Public	What the future of HK mean.	Don't Know	29%
August 1982	This Author	UHM Student	What is your preferred HK future?	No Response	15%
Dec. 1982 to Jan. 1983	This Author	HK Elite	What is your preferred HK future?	No Response	6.7%
April 18-22, 1983	HK Edu. Res. Team	General Public	What is the ideal future of HK?	Don't Know	4.4%

Sources: This researcher's own polls; the poll sponsored by the HK Observer's; the Poll by the HK Higher Education Social Research Team.

domestic issues in Hong Kong since World War II as indicative of ... (the) growth of political consciousness" (Jarvis, 1968: 364). Since then, there has been increasing number of protests indicative not only of a political consciousness, but also of something more, further and fuller -- a Hong Kong identity. For only those who regard Hong Kong as home and want to improve it are likely to participate in protest. Those who regard Hong Kong as a temporary lifeboat are not likely to consider anything as worth their while protesting.

Indeed, Hong Kong seems to have its own unique identity. Hong Kong people do not identify with China politically (Wang Gung-wu in Cushman, 1980: 651-52). Nor do Hong Kong people identify with Britain politically, as evidenced by the very mild Hong Kong reactions (Pai Shing October 1982) to the British Nationality Act which bars Hong

Kong British Passport holders from residing in Britain. In short, Hong Kong people are not English. Hong Kong people are Chinese in the cultural realm only (Wang in Cushman et al., 1980: 651-52). But they are not Chinese in the political and legal realm (Ibid). While noting doubts on Hong Kong's ability to even aspire to any kind of national identity, Wang acknowledged that there were ingredients for a distinct cultural identity because of the size of the Hong Kong population, its educational standards and technology (Ibid: 652). These ingredients, together with the possible resentment of a British sellout, whether real or perceived, and the fear of possible China's dominance in Hong Kong future affairs may constitute what this author calls an 'uncertain future conflict factor'. This uncertain future conflict factor, if uncontrolled, can reinforce whatever amount of existing Hong Kong identity with high amount of cohesiveness. A cohesive Hong Kong identity may very well have sufficient potential to sustain a revolution and even an independence movement.

In order to gain some insights into what this Hong Kong identity is all about, let's see what some Western educated Hong Kong Chinese have to say about matters related to Hong Kong identity.

Fanny Cheung, 31, a psychology lecturer at the Chinese University, after spending nine years studying and working in California and Minnesota where she received her Phd, acknowledged that "there are signs of budding public consciousness," but lamented that the signs "are still too few" (M. Lee, 3/12/82: 73 FEER).

William Fung, who spent 10 years in the US, is a Princeton University and Harvard Business School graduate. Mr. Fung, a

care-taker of his family business that is one of the oldest Chinese trading firms in Hong Kong, supported a Hong Kong identity by saying,

Hong Kong people have sense of identity which is underplayed a lot. It can involve things as trivial as the style of mah-jong or the food, or it can be emotional like "Hong Kong is my homeland." But it's there -- even among people who left during the (1966-67) riots and who've transplanted themselves in an alien society. It's a parochial, not a very noble feeling, but as a community, it's just the as saying: "I love New York or Beverly Hills --I come from there." There's nothing wrong with it" (FEER 3/12/82).

He went further, expressing his pride in Hong Kong by stating that "I think our (Hong Kong) system is superior to the Singapore, US or Chinese systems on balance" (M. Lee, 3/12/82: 74 FEER).

In interviews with four middle-class Hong Kong Chinese who are educated in the West, which includes Fanny Cheung, William Fung, Leung Shu Ki (a town planner who spent 10 years abroad, mostly in Britain) and Tong Ng (a practising medical doctor in Hong Kong who studied in Canada and the US, and worked in New Zealand and Britain), three out of the four with the exception of Leung Shu Ki expressed the desire to see Hong Kong represented in the Sino-British talks on Hong Kong's future. But none knew who should represent Hong Kong. They would not be happy about being represented by the Hong Kong governor unless the governor has decided to stay (M. Lee, 3/12/82: 73-75). All four realized the virtue of having a popularly elected government, but warned that an elected government may not necessarily be a good government. A more important criterion for good government is who is

in the government and whether or not the government servants are really working for the public's interests (Ibid). As F. Cheung pointed out, "The right to vote per se is less important than having the right people willing to serve in the government. It's important to educate people to appreciate and best use our (Hong Kong) form of government" (M. Lee, 3/12/82: 73). Cheung's opinion suggests that even though Cheung is not happy with the level of political consciousness in Hong Kong, she is not about to suggest fundamental changes, such as revolution, to help improve the situation.

As did this writer in his dissertation proposal, half of the interviewees expressed a desire for some kind of an identity by complaining that politically "I am neither British nor Chinese". In fact, finding a personal identity is part of the reasons of writing this dissertation. All interviewees expressed a fear of the potential restriction or elimination of freedom of speech, freedom of association and the like if Hong Kong is re-absorbed back to China. Yet no one expressed the independence of Hong Kong as an alternative.

In a sense, all seem to hope that somehow China would grant Hong Kong special treatment. But there have been positive steps taken by the Hong Kong people on their own governance. Since November 1982, there have been at least 11 delegations from Hong Kong that visited China to air their concerns and views on Hong Kong's future (see Table 6-8). Businessmen, cultural organizations, journalists, Urban Councillors, Kaifong Associations and Han Yee Kuk were among the groups represented by the delegations. Recently, a consortium of Hong

Table 6-8

List Of Hong Kong Delegations To China

赴北京團簡表

日期	團體	會晤官員
八二年十一月	黃鑑(香港廠商聯合會)	廖承志
十一月	胡應湘及商家	趙紫陽
八三年一月	鄉議局	廖承志
四月	學術團	廖承志
五月	李鵬飛	各部門官員
	新聞從業員	各部門官員
七月	專上學生	廖承志
九月	黃夢花	姬鵬飛
十一月	新界區議會議員	姬鵬飛
	胡應湘及商家	姬鵬飛
十二月	華人革新協會	各部門官員
	香港觀察社	姬鵬飛
八四年一月	中大教授閔建蜀	姬鵬飛
二月	新聞從業員	鄧利靈
	浸會校長謝志偉	姬鵬飛
四月	二十四名市政局及區議會議員	姬鵬飛
	李汝大成人教育協會	姬鵬飛
	學術團	姬鵬飛
五月	街坊會	李后
	鄉議局	姬鵬飛
	滙點	魯平

Source: Sing Tao Jih Pao (San Francisco Edition in Chinese)
May 21, 1984

Kong college student unions sent a delegation of six members to London, urging the British to accelerate the democratization of the political systems in Hong Kong. They conceded that Hong Kong sovereignty belongs to China, but requested elected members in the Executive, Legislative and Urban Councils and the in district boards (Sing Tao Jih Pao S.F. Edit. May 9, 1984: 5). There is further evidence of the emergence of a Hong Kong identity as seen by the fact that Unofficial Executive and Legislative Councillors insisted on a voice in Hong Kong future despite a chilly reception in Britain and anger in China. This development made two Hong Kong-watchers declare that "the unofficial (non-civil servant) members of Hong Kong's Executive and Legislative Councils -- known collectively as Umelco -- are shaping a political identity for the territory quite independent of either London or Peking" (T. Ma and D. Davies, 5/24/84: 44). The Umelco asked about the exact "status of British passport-holders with the right of abode only in the dependent territory of Hong Kong (which will cease to exist in 1997)" (Ibid: 44). They also warned of potential interference by Beijing in Hong Kong's administration between now and 1997. Specifically, they claimed that the loyalty of the police force and the civil service would be hindered.

Although both Britain and Beijing dismissed the Umelco as unrepresentative of Hong Kong and although Hong Kong has yet to have a very strong and vigorous identity, the Umelco (or anyone else for that matter), given full Hong Kong public backing, can conceivably turn into a bona fide independent force that neither Britain nor China

could afford to ignore.²¹

INDEPENDENCE QUALIFICATIONS

Before the feasibility of the independence of Hong Kong is discussed, it is useful to see if Hong Kong possesses the basic qualifications to become an independent state. Many people have compared Hong Kong with Singapore. Richard Hughes puts the comparison this way,

...the physical resemblances between Singapore and Hong Kong lend the half-sisterly relationship a strong family likeness: the same deep-water port, the same strategic location, the same experience and hard-working independence, the same lack of resources, the same vulnerability, the same industrial drive, the same teenage Chinese population, the same rising living standards (Hughes, 1968: 138)

Perhaps owing to the similarities between Hong Kong and Singapore, some people such as Hong Kong Urban Councillor Dr. Denny Huang (Asiaweek 9/24/82), political scientist Andrew Wong (Ibid) and several British Labour Party members of Parliament (W. Heaton, 1970: 845) have suggested that Hong Kong to become self-governing like Singapore. Therefore, it would be appropriate to discuss the qualifications of Hong Kong with reference to Singapore to see if Hong Kong has as many factors supporting an independent state as Singapore.

Reviewing the most basic four qualifications to become an independent state, Hong Kong possesses all but one of them. Hong Kong has a population of 5.5 million, about twice the size of that of Singapore (see Table 6-9). Hong Kong has a territory of 400 square

miles, about twice the size of that of Singapore. Hong Kong has just as efficient a government as Singapore has. But Hong Kong does not possess any sovereignty in the international legal sense of the word. Under the British colonial system, Hong Kong does possess sovereignty only in the municipal sense of the world. This lack of sovereignty in the international sense should only be viewed without prejudice against Hong Kong's ability to become independent. For after all, no political entity is expected to possess sovereignty in the international sense before gaining independence and possibly diplomatic recognition from the community of nations. Hong Kong thus far is not yet an independent state.

In addition to the above most fundamental qualifications, there are at least three more components that indicate the viability of a state. Writing on the viability of Singapore as a state in his PhD dissertation, Erik Charles Paul discusses 1) the economic strength, 2) the unity and coherence of the population and, 3) the economic and political relations of Singapore with other states.

First, regarding economic strength, both Hong Kong and Singapore shifted from an entrepot economy to a manufacturing-export economy. At present both islands are doing well (see Table 6-10). Both are located in a region of increasing economic importance. There should be no need to repeat the strengths of Hong Kong economy here since they have been discussed earlier. In order to highlight the viability potential of Hong Kong, there may be a need to point out the economic adaptability of Hong Kong exhibited even before the independence of

Table 6-9

Highlights Of Similarity Between HK & Singapore

<u>DIMENSIONS</u>	<u>HONG KONG</u>	<u>SINGAPORE</u>
SIZE	400 sq. mi.	200 sq. mi.
POPULATION	5.5 million	2.2 million
GOVERNMENT ADMINISTRATION	EFFICIENT	EFFICIENT
MAJORITY RACE	CHINESE	CHINESE
MANUFACTURING EXPORT ECONOMY	YES	YES
DEPENDENCY ON FOREIGN TRADE	EXTREME	EXTREME
US AS MAJOR TRADE PARTNER	YES	YES
JAPAN AS MAJOR TRADE PARTNER	YES	YES
DEPENDENCY ON IMPORTED FOOD	EXTREME	EXTREME
DEPENDENCY ON IMPORTED ENERGY	TOTAL	TOTAL

Notes:

The table is constructed based on figures from the Asia Yearbook 1984.

Table 6-10

Recent Performance Of Hong Kong & Singapore As
Shown By Vital Statistics

	<u>HONG KONG</u>	<u>SINGAPORE</u>
AREA ('000 sq. km)	1.1	0.6
% Cultivated	7.5	0.6
% Forested	11.9	5.2
% Pasture	58.0	N/A
POPULATION (in million)	5.2	2.5
% Ave. annual growth '76-'82	1.2	1.2
Project year 2,000	6.6	3.0
Years till pop. doubles	58.0	58.0
Death rate/1,000	5.0	5.0
Birth rate/1,000	17.0	17.0
Infant Mortality/1,000	9.8	11.7
% Under 15 years old	24.3	25.6
Life expectancy	76.0	71.0
<u>Students</u>		
Primary	547,512	292,000
Secondary	518,721	170,000
Tertiary	52,074	24,000
<u>Workforce</u>		
Total (million)	2.38	1.0
% Commerce, services	35.3	40.0
% Manufacturing	35.8	29.5
% Agricultural & fishing	1.2	1.4
% Construction	8.5	6.3
% Government & public	19.2	22.8

Table 6-10 (Continued)

Recent Performance Of HK & Singapore

	<u>HONG KONG</u>	<u>SINGAPORE</u>
<u>SOCIAL</u>		
Hospital bed/1,000	4.3	3.7
Doctors/1,000	0.8	0.9
TV receivers	N/A	397,000
Radio	N/A	459,000
Telephones	1.7 mil	852,000
Cars	227,605	146,000
Trucks & commercial	77,805	123,742
Motor cycles	27,434	136,899
Length of railways (Km)	34.0	38.0
Locomotives	59.0	N/A
<u>PRODUCTION & PRICES</u>		
GNP in '82 (US \$)	25.9	14.2
GNP/CAP '82 (US \$)	4801.0	5302.0
GNP billion in US \$ 1981	24.6	13.0
GNP real growth in '82 (est)	2.4	6.3
% ave. real growth GNP '78-'82	9.4	N/A
Agricultural as % GNP	1.0	1.1
Industry as % GNP	33.5	50.0
Gross capital formation as % GNP	29.0	49.9
Capital output ratio	N/A	N/A
Consumer prices % change '82	10.6	3.9
GNP deflator 1982	11.8	3.8
Money growth (M2) '82	77.0	25.2

Table 6-10 (Continued)

Recent Performance Of HK & Singapore

	<u>HONG KONG</u>	<u>SINGAPORE</u>
<u>PUBLIC EXPENDITURE</u>		
Defence as % GNP	0.9	5.9
Defence as % Public Expenditure	3.7	20.3
Education as % Public Expenditure	14.0	13.4
Total Expenditure (US \$M) '82	5,554.0	5,888.1
Total Revenues (US \$M) '82	4,935.0	4,439.8
% Personal tax	38.9*	8.75
% Co. tax	*	26.3
% Customs & excise	3.9	8.7
<u>FOREIGN TRADE</u>		
Total for. trade as % GNP	171.8	344.7
% (net imported) Energy consumption	100.0	100.0
% (net imported) Food consumption	85.0	78.0
% Trade with Pacific Region	N/A	36.62
% Trade with Japan	14.0	14.9
% Trade with the USA	18.0	12.8
'82 Merchandise exports (US \$M)	13,674.0	20,782.0
% Manufactured	77.0	41.0
% Food & agricultural products	1.6	13.4
% minerals	0.1	33.0
'82 Merchandise imports (US \$M)	23,533.0	28,151.0
% Plant & capital equipment	22.0	28.6
% Manufactured consumer	17.0	N/A
% Raw materials & food	48.0	10.9
% Petroleum	7.0	34.0
Term of trade index	102.0	113.1
Number of visitors (Million)	2.6	2.95

NOTES:

N/A: Not available

* Figure includes personal and company taxes.

Source: Asia Yearbook 1984

Singapore. For instance, Hong Kong was so well attuned to its economic environment that when

From 1955 to 1959, the volume of Singapore's entrepot trade became stagnant and its value per capital declined as the population of the island increased. During this period unemployment on the island increased from 4.9% to 13.2 % of the total labor force (Buchanan, 1972: 149). In contrast, Hong Kong was able to survive changes in world trade patterns by developing an important manufacturing sector and by expanding its construction activities. The result in the small British Colony (Hong Kong) has been a substantial improvement in employment opportunities and rising living standards (Paul, 1974: 6).

Second, in regard to the unity and coherence of the people, Hong Kong people's unity and coherence can at best be described as luke warm. Hong Kong's political identity is not as well defined as that of pre-independent Singapore; its political leadership is less established than that of pre-independent Singapore for Singapore had attained full internal self-government in 1959, six years before it proclaimed itself a republic. Hughes observed in 1968 that "Singapore leads Hong Kong in dedicated concentration on the new generation which must grow up with a feeling of pride and personal identification as Singapore citizens if the island-state is to survive. Hong Kong has not yet properly begun to work at this" (1968: 142). This observation of the lack of identification among the Hong Kong populace, especially the youth, is to a certain extent valid. But the potential resentment of perceived or real British betrayal and the fear of China's interference in Hong Kong constitute an external threat that is likely to make the Hong Kong people more unified.

Third, regarding economic and political relations with other countries, Hong Kong is seen as a major economic competitor, if not a threat, by Taiwan, Singapore, S. Korea and even Britain. In political relations, Hong Kong at present is represented well by the UK, with 68 diplomatic representatives conducting business in Hong Kong.²² Hong Kong's relations with China are on the whole very cordial (see Chapter Three). However, these cordial relations might not last should Hong Kong elect to strike for independence.

This author would like to add another factor to this discussion of viability of state -- a potentially independent state's proximity to its hinterland state. Both Hong Kong and Singapore are very close to their respective hinterland states -- China and Malaysia (formerly known as Malaya). This proximity to a hinterland state can either be a blessing or a curse or a mixture of both. It is a blessing because it allows the potentially independent state's economy to develop. It is a curse because the hinterland state might exert overwhelming control on the political fate of the potentially independent state. For instance, Hong Kong is unlikely to become independent without China's consent because Hong Kong is considered indefensible should an attack come from the direction of China, the hinterland state. Singapore was "fortunate" in its independence because Malaya almost practically wanted to sever Singapore from the Federation of Malaysia in 1965.

With the exception of the attitudes of the hinterland state towards independence, Hong Kong compares favorably with Singapore in

terms of viability. No wonder Wing On Li wrote "They (Hong Kong and Singapore) have all the necessary social, political and economic structure to make them function like a country . . . both of them have overwhelming similarities in their economic system, policy, development and some other socio-cultural variables . . ." (1982: 9).

In addition to having Chinese as the majority race of the population, there are other similarities between Hong Kong and Singapore. Both are heavily dependent on manufacturing exports to pay for their imported energy and food (see Table 6-8). Both have the US and Japan as their major trade partners. In short, Table 6-9 features the similarities between Hong Kong and Singapore along geographical, economic, social and political dimensions in 1983.

So far, the similarities between Hong Kong and Singapore show that Hong Kong possesses certain qualifications for independence. Foremost among these qualifications for independence is Hong Kong's economic strength, with a GDP ranking third in Asia after Japan and Singapore. In addition, Hong Kong has a large cadre of efficient Chinese administrators, "the heirs of a tradition of civilized government far older than that of their temporary colonial overlords" (Miners, 1982: 3). Moreover, Hong Kong has one added advantage over Singapore -- its population homogeneity (98%+ Chinese). This population homogeneity means less opportunities for inter-racial tension such as exist in some pluralist African societies and even in Singapore and Malaysia.

However, Hong Kong does have one major weakness in its qualifications for independence -- its geographical closeness to China. There seemed to be a hidden message when former Hong Kong Governor Sir David Trench said, "If Hong Kong could be towed 100 miles out to sea it would be quite a different, and not necessarily a better, place" (Trench, 1971: 3). Quite a different place! The distance from China would certainly make Hong Kong more defensible and the independence of Hong Kong more attainable should China object to Hong Kong's independence. If Taiwan, barely 100 miles off the East China Coast, under the protection of the US, can exist virtually as an independent state for the past 35 years, Hong Kong could presumably do the same thing under the protection of Britain.

Although proximity to China may prove to be an insurmountable obstacle to independence, yet such proximity to an ideologically-different state might create and reinforce the separate identity of Hong Kong and increase its resistance to China's political assimilation. For example, "The factionalism and political instability of post independent Cyprus have largely resulted from the island's proximity to both Greece and Turkey. A similar situation exists in Ceylon, where the cause of the Tamils has found strength in their closeness to the Tamil-dominated southern region of India" (Paul, 1974: 34). Under similar conditions, Hong Kong may conceivably have a more unified population, more suited to become participants in an independence movement.

PRESENT FEASIBILITY OF INDEPENDENCE

According to political scientist Andrew Wong, Hong Kong has the capabilities to become another Singapore (AsiaWeek 9/24/82). Several British Labour Party members of Parliament have in the past "suggested that Hong Kong become self-governing like Singapore" (W. Heaton, 1970). In line with this, Wong proposed the independence of Hong Kong as possible solution to Hong Kong's future. Urban Councillor Dr. Denny Huang seconded the idea (AsiaWeek 9/24/82). Wong and Huang proposed that all members of the Executive, Legislative and Urban Councils should, in stages, become popularly elected, and that a Hong Kong Chinese should be appointed governor before the independence of Hong Kong takes place in 1997. They seem to reason that since China lacks the wherewithal to de-program 5.5 million capitalists in Hong Kong (Wong), granting Hong Kong independence would remove such a "malignant tumour" for China.

But even the most optimistic Hong Kong-watchers have probably not considered independence as a viability possibility. The evidence seems to support the popular notion that China would never allow an independent Hong Kong. This popular notion is perhaps best reflected in J. Cheng's statement that "The possibility of Hong Kong's gaining independence is next to zero since this is contrary to the Chinese Government's basic stand" (1982: 481). He went on to acknowledge that "In fact, a large part of the (Hong Kong) population has never thought of independence, let alone of organizing an independence movement" (1982: 482). Similar views on China's disapproval on Hong

Kong's independence were expressed by Harris (1981: 98), D. Bray (1978), and D. Wilson (Anatomy of China, 1966: 197). Hong Kong's autonomy within the embrace of China may be acceptable, but never an independent Hong Kong. Consider:

Although almost half of the elite surveyed (46%) thought Hong Kong residents will likely rule Hong Kong, only a quarter of them (29%) desires independence and all of them thought Hong Kong is likely to remain capitalistic, none of them thought independence is likely.

Although 13% of students preferred independence, only a small percentage of students (4%) thought independence likely. Indeed, only one student predicted the ideal type independence. That student thought an independent state with an elected government and a capitalistic economy is likely for Hong Kong. No student predicted an elected, independent Hong Kong with a socialist economy. The students' ideas on who should rule and their preferences on different types of government and economic systems do not explain their choices of independence as the likely future of Hong Kong. For example, a quarter of the student sample said Hong Kong will have an elected form of government. But only 4% of them said Hong Kong is likely to have an elected form of government in an independent Hong Kong. Among the student sample (59%) who predicted a capitalistic Hong Kong, only 4% predicted an independent Hong Kong as likely. Only those students who thought Hong Kong residents will rule are more optimistic about Hong Kong's independence; 19% of them thought independence is likely.

Half of the students sampled desired Hong Kong resident's rule, but only 15% of them preferred independence. Of the many students (73%) who preferred an elected type of government, only 9% of them desire independence. Of the students who preferred an appointed-elected type of government, none preferred independence. Of the majority of students (79%) who preferred capitalism, only 11% of them preferred independence. The above shows that student's preferences on who should rule Hong Kong, what type of government Hong Kong should have and what type of economic system Hong Kong should have, do not explain their preferences on independence. Overall speaking, the evidence for independence from the student and the elite samples is very, very weak, almost non-existent.

However, there is another result that slightly supports a direction towards independence. The simulation result from the Spring 1982 student data indicates that the major tendency for China on Hong Kong's future is to give Hong Kong more freedom (EIP = 2.28, $n = 5$), but not independence. A hypothesis test shows that this major tendency is statistically significant away from the present status-quo. In other words, the 2.28 EIP suggests that if future conditions resemble the political situation in Spring 1982, Hong Kong will be rewarded with more freedom than it is enjoying now.

All this evidence for independence may be considered virtually void since China itself has ruled out independence as an alternative by laying claim of sovereignty over Hong Kong. It is understandable that after suffering from over 100 years of foreign humiliation (e.g. extraterritoriality) that China has insisted that its sovereignty over

Hong Kong is non-negotiable. A statement appearing in the official Beijing Review noted that

Xianggang (Hong Kong) does not fall into the category of commonly defined colonies. The question is only for China to resume the exercise of its sovereignty there; there is absolutely no question of "independence"...Mrs. Thatcher knows only too well that the independence of Xianggang is impossible, and that the Chinese government and people will never agree to this.²³

China seems very determined not to allow Hong Kong to be independent, even if China does not intend to reabsorb Hong Kong "completely". In addition, with the question of Taiwan looming on the horizon, there is all the more reason for China to insist on sovereignty over Hong Kong in order not to set a bad precedence for Taiwan and other Chinese minorities inside China who may ask for independence (AsiaWeek 9/24/82).

In summary, the evidence fails requirement number 1 since the Chinese leadership is opposed to the independence for Hong Kong. The evidence also fails requirement number 2 since there was an extremely weak, almost non-existent, elite support for independence (both in the elite sample and in the "future-elite" student sample). Consequently, independence cannot be the conclusion for the political future of Hong Kong.

Like the previous two ideal types of Hong Kong, ideal type independence may not seem to be a likely possibility now. But there are variations of ideal type independence that might become likely possibilities for Hong Kong's future and thereby merit consideration here. These variations are discussed in the next section.

VARIATIONS OF INDEPENDENCE

Variation A

Name: Commonwealth of China (CC).

Proponent: Chung See (Cheng Ming September 1, 1982).

Background Rationale: Under the present China proposed "One nation, two systems" principle, one of the following scenarios may unfold and China's image may suffer as a result.

Scenario 1: If after "re-unification", Hong Kong, Taiwan and Macau prosper under capitalism, the folks in China will, especially when China itself is not doing too well, question the wisdom of practising socialism in China. Besides, China's image in the Third World may always remain tainted if it allows Hong Kong, Taiwan and Macau to remain capitalist after "reunification".

Scenario 2: If after "re-unification", the Hong Kong economy falters, overseas Chinese and other are likely to blame China for making the economic situation of Hong Kong worse than what it is under British colonialism.

If either scenario materializes, China loses face. In view of the consequence of the above scenario and in view of the pragmatism Peng Chen (p. 47) exhibited when he said China would respect history and reality in resolving the Hong Kong issue, Chung See proposed a solution: to form a Permanent Commonwealth of China, similar to the spirit of the British Commonwealth. Concretely, China should amend article 31 of the 1982 Constitution to read, "Formerly Chinese land that is not under the present, direct control of China can become

special administrative regions of China or members of a China-centered Commonwealth. The commonwealth relationship cannot be altered once an agreement for commonwealth membership is made" (Author's translation, p.48).

Essentials

Sovereignty: Hong Kong but under the tutelary head of China.

Economic System: Capitalist or any form that the Hong Kong people choose.

General Administration: Hong Kong will be run much like an independent country by the Hong Kong people with a few restrictions.

- * Hong Kong will become a member of the Commonwealth of China.
- * That members of the Commonwealth of China such as Hong Kong must pledge mutual non-interference of one another's internal affairs.
- * That each member of the Commonwealth, once it becomes a member, can never withdraw from the Commonwealth.
- * That there should and will be no large scale anti-China activities in member countries such as Hong Kong.
- * But small-scale anti-China activities in member countries such as Hong Kong should be and are permitted as China itself can criticize member countries' activities.

Evaluation of the Desirability and Feasibility of the C.C. Model as a Possible Future.

For the Chinese

- 1) This option should not only solve the uncertainty facing the future of Hong Kong, but it should also end all two-China or

one-China-one-Taiwan policies because it calls for a China-centered commonwealth (Chung See). No face is lost for China.

- 2) This option would also eliminate the KMT's thought of "liberating" or "recovering" mainland China (Shung See).
- 3) As to the concern that China would never really be able to reabsorb the land controlled by members of the Commonwealth, one should take a look at the land China once conceded to Burma and the USSR, which is far greater than Taiwan, Macau and Hong Kong together. If China can "give" away this amount of land to foreigners, it should be less objectionable for China to grant commonwealth membership that concerns far lesser amount of land to compatriots. Besides, if England can let Australia, Canada and New Zealand, occupied by former Britons, become independent, there is no reason why China cannot do likewise for its compatriots living in territories claimed by China (Chung See).
- 4) The likelihood of this option is heavily dependent upon the degree of imagination, creativity, generosity and willingness of China to adopt innovative solutions to China reunification plans in general and to Hong Kong's future in particular.

For the British

- 1) This option, if adopted by all parties, would perhaps allow Hong Kong the most freedom short of complete independence without antagonizing the Chinese.
- 2) Securing an option that gives Hong Kong much freedom, and perhaps

in the long run more freedom than Hong Kong has now would enable the British to bow out of Hong Kong gracefully.

For the HK People

- 1) This option means freedom from Britain and China. It is neither a variation under British nor Chinese rule. It allows Hong Kong independence; yet it maintains at least a minimum, although symbolic, political ties with China. It also allows Hong Kong to choose the extent of association it desires with Britain and other countries.
- 2) Chung See contends that this option would enroll Hong Kong into the international community and thereby makes Hong Kong eligible for UN protection. Consequently, there would be no need to worry about the possible amending of the Chinese Constitution for the fifth time that may end up affecting Hong Kong's future status.
- 3) This certainly seems to be an acceptable option to the Hong Kong people.

From a third party's standpoint, this seems to be an innovative yet quite practical option. Certain questions, however, remain to be answered.

First, this option was devised based on the possible negative consequences of the two aforementioned scenarios. But the two scenarios neglect the possibility that China may prosper along with Taiwan and Hong Kong under the one-nation, two-system principle. If China believes in such a possibility, would this option still be logical and desirable for China?

Second, granted this option is agreed to in general, can a no-withdrawal clause be practically implemented and observed?

Third, it would be difficult to limit anti-China activities, regardless of all the best intentions and efforts of member countries. Besides, who is to decide what constitutes small- and what is large-scaled anti-China activities.

Fourth, even with Hong Kong being a member of the UN, which is entitled to UN protection, there is still no full guarantee that Hong Kong would be "safe" from China.

Despite the above questions, this option, with its apparent ability to save Chinese and British face, its opportunity to allow the Hong Kong people to continue the freedom of economic pursuit and its potential for Chinese reunification, looks like an innovative and desirable one. Of course, the final decision is probably dependent upon China's willingness to be flexible, creative and accommodating.

Variation B

Name: Purchase of Island Somewhere to make it an independent Hong Kong (PI)

Proponents: Alfred Sherman. Man Shu seconded. M. Wong also seconded (FEER July 26, 1984: 5). Identical or similar options were mentioned in The Seventies (Chinese) 9/82, Sing Tao Jih Pao (Chinese) San Francisco Edition, May 23, 1984, and K. Yeung's article on building a new Hong Kong in Sing Tao Jih Pao San Francisco Edition July 20, 1984, p. 9. See also J. Woronoff, 1980: 251.

Background Rationale: Hong Kong is Chinese soil. It must be reabsorbed into China sooner or later. The major differences between Hong Kong and China are in 1) the standard of living and, 2) the social system and lifestyle. By 1997, the proponent's generation may be dead. But their children and grandchildren are likely to be alive. Therefore, it is necessary to find a thorough solution for the future of Hong Kong.

The present success of Hong Kong is dependent upon many factors such as Hong Kong's location and economic system. But above all, the success of Hong Kong comes from Hong Kong people's industry and talent. If the Hong Kong people can make it in a natural resource-absence, barren Hong Kong, it is likely that the Hong Kong people will make it in a new island.

Essentials:

Sovereignty: Hong Kong.

Economic System: Capitalist.

General Administration: Man Shu proposed to use the Hong Kong surplus and foreign reserves over the years to buy island to

- 1) Solve the problem of population density and,
- 2) To give a choose to the Hong Kong people to see if they will stay in Hong Kong or move to the "new Hong Kong."

Although there might be all sorts of problems associated with buying an island in order to become a sovereign country, these are only technical problems. The crucial point is to first agree on the principle of buying an island. Man Shu recommends buying an island as close to Hong Kong as possible. Even a thousand miles away from the

present location might be feasible as long as it has ice-free port all year round. There are not many years remaining before 1997 is up.

The Hong Kong people, therefore, should urge the Hong Kong Government to form a committee charged with studying the feasibility of buying an island and perhaps actively pursue such an option. A new Hong Kong, if such an option is adopted, will then presumably be run according to the wishes of the new Hong Kong citizens there.

Evaluation of the Desirability and Feasibility of the PI model as a Possible Future

For the Chinese

- 1) This option of buying an island somewhere and proclaiming it as an independent Hong Kong is not a politically face-saving option for China at all. Such an option, if adopted, would indicate to the world how unpopular China is in the eyes of the Hong Kong people.
- 2) Such an option may possibly be considered heresy since the Chinese in Hong Kong, in the eyes of the mainland Chinese, are considered blood brothers of the Chinese in the mainland.
- 3) In view of all these adverse effects of such an option, China may attempt to dissuade the Hong Kong people from adopting the option. If China fails to do that, the Chinese would probably discredit the supporters of this option as traitors and renegades.

For the British

- 1) On the one hand, adopting this option may reflect Britain's inability to strike an acceptable deal with China for Hong Kong so much so that the Hong Kong people must leave for elsewhere to find a "haven."

- 2) On the other hand, the British would look good before the world if it approves using Hong Kong reserves to purchase an island for the Hong Kong people who want to leave the present Hong Kong. Besides, such a move of allowing a sort of self-determination for the Hong Kong people is consistent with post-1945 British policy on its colonies.
- 3) British approval or acquiescing to such an option is likely to damage British relations with China.

For the HK people

- 1) Such an option represents a choice for the Hong Kong people to either stay in the present Hong Kong or leave for the new Hong Kong. Generally speaking, it is always better to have a choice than to have none at all. This case is no exception.
- 2) However, such an option risks breaking relations with China for a long time to come, if not forever. Hong Kong Chinese are culturally Chinese and would probably like to retain some ties with China as much as possible.
- 3) Besides, a break with relations with China may deprive Hong Kong of its major traditional source of cheap foodstuffs and other consumer items. If really angered, China might even punish the relatives of the Hong Kong people who advocate the PI as an option.
- 4) The Hong Kong people are presented with a genuine dilemma by this option. On the one hand, this option provides the Hong Kong people to be free from the potential domination of China. On the

other hand, adopting this option may risk angering China, carrying negative consequences which are potentially as undesirable as domination by China.

From a third party's point of view, this option may sound far-fetched, cavalier and even irresponsible. But this author thinks this option offers a very real possibility for certain segments, if not the whole, of Hong Kong population. If Singapore, Thailand, the Philippines and Taiwan can offer the Hong Kong people permanent residency and a future opportunity to become citizens of the respective countries, and if the Hong Kong people so interested meet certain monetary investment requirements, there is no reason why the Hong Kong people cannot offer money to some political entities to buy land to be used for an independent Hong Kong. Already 500 Hong Kong businessmen, through a firm called Onouris International, have offered the Northern Marianas Government a total of US\$ 125 million (\$ 250,000 each) in exchange for Northern Marianas's permanent residency for their families, a total of 1,500 to 2,000 people. \$ 40. million of the \$ 125. million are stipulated to be earmarked "for the construction of a condominium complex to house the families and to pay other expenses" (Ka Leo, May 9, 1984: 12). The remaining \$ 85 million could be spent by the Marianas Government as it sees fit. The House of Representatives there is reportedly interested in such a deal and is in the process of studying the offer. Such proposal does not seem too far off from actually proposing to buy a chunk of land to be used in building an independent state. Northern Marianas Senate President

Ponciano Rasa went beyond this author's contention in proclaiming that an acceptance of the offer would be similar to "bartering away part of our (Northern Marianas) sovereignty" (Ka Leo, May 9, 1984: 12).

Whether or not such should be the claim is debatable. The point to be made here is that buying a piece of land to build an independent state of Hong Kong might not seem too unrealistic given what has been done by the Hong Kong people for the future of Hong Kong.

NOTES TO CHAPTER VI

1. These are the essential elements of a state discussed in Carlton Rodee, Totton Anderson, Carl Christol and Thomas Greene, Introduction to Political Science New York: McGraw-Hill Book Company, 1976. p. 20-28.
2. The total area of Hong Kong is about 400 square miles while that of Singapore is about 200 square miles.
- 3) The total population of Hong Kong is about 5.5 millions while that of Singapore is about 2.2 millions.
4. World Development Report 1983 Table 3: Structure of Production p. 152-53.
5. Economic figures used to make up the list of countries that have a smaller economies than Hong Kong are based on each country's 1981 GDP in US\$ published in World Development Report 1983, Table 3 p. 152-52.
6. Ibid, Table 1, p. 148-149.
7. Ibid, Table 1.
8. "Commentaries on Xianggang Issue," BR. Oct. 17, 1983.
9. Tanzer calls this "KMT's...ignominious record of misrule on the (Chinese) mainland" (1984: 20).
- 10 H. Ingrams, HK (1952); King, 1975: 426. For details, see also the backgrounds of Execo, Legco & Urban Councillors in any recent issues of HKAR.
11. Wing On Li, Planning Public Campaign in Hong Kong and Singapore. Unpublished Master's Thesis, University of Hawaii, 1982.
12. See especially Chapter One on "Two Faces of Power" and Chapter Two on "Decisions and Non-decisions" in Peter Bachrach and Morton S. Baratz, Power and Poverty, Theory and Practice New York: Oxford University Press, 1970. See also Peter Bachrach and Elihu Bergman, Power and Choice: The Formulation of American Population Lexington, Mass: Lexington Books, 1973; and Peter Bachrach, The Theory of Democratic Elitism; A Critique Boston: Little Brown, 1967.
13. FEER May 24, 1984.

14. Sing Tao Jih Pao 5/24/84. See also FEER 5/24/84)
15. Author's translation from Chinese 輸人必敗.
16. Author's translation from Chinese 輸人必敗.
17. Sing Tao Jih Pao 4/30/84: 9. See also FEER. August 25, 1983 p.11 that reported that investment in Australia from Hong Kong were up in the first quarter of 1983 to A\$ 417 million.
18. Sing Tao Jih Pao 4/30/84: 9.
19. Trench, 1971: 5. See also Minister of State Lord Shepherd's comment cited by Miners in D. Lethbridge, 1980. See also D. Wilson, Anatomy of China p. 197.
20. Hong Kong: A Case to Answer, 1974: 15.
21. East-West Center Fellow Dr. Galen Fox, who served at the US Consulate in Hong Kong in the early 1970s, expressed a similar view that anyone who has the genuine support of the Hong Kong public may rally for support and develop a political movement in Hong Kong to advocate Hong Kong's interests in the settlement of Hong Kong's future and, may even possibly lead to an independent Hong Kong.
22. For details of the exact diplomatic offices in Hong Kong, please see Part I of Appendix 2 in HKAR 1983.
23. "Commentaries on Xianggang Issue," BR October 17, 1983.

CHAPTER VII
PROBABLE POLITICAL FUTURE

INTRODUCTION

After examining the contributing factors and the evidence for and against the three ideal types and their respective variations as possible political futures of Hong Kong, it is time to gauge a probable and hopefully the political future of Hong Kong. This chapter will attempt to put the evidence in perspective and provide answers to questions one and two in the research design chapter. To refresh the reader's memory, the questions in chapter 2 were:

1. What is the most probable future of Hong Kong?
2. Who will get what, when and how under the forecasted most probable future?

Some people might ask why gauge a probable political future of Hong Kong when the political future of Hong Kong will almost be, if not already is, public knowledge. It might seem that way for many casual observers of the development of Hong Kong's future, who are bombarded with daily newspaper accounts of announcements, speculations or rumors from official or unofficial Chinese or British personnel, academics or community leaders about what the future of Hong Kong might be. But quite often their forecasts and predictions contradict each other. So, what should the general public believe? Believe in the authority? Who is the authority? And from what point of view

(e.g. capitalist, communist, Hong Kong, United Kingdom or China) is that authority an authority? Even as authoritative an authority as Chinese Chairman Deng's enunciations on Hong Kong might not be considered authoritative at all once he passes away from the scene.

Therefore, this author is not very sure that anyone knows exactly what the probable political future of Hong Kong will be, let alone the political future of Hong Kong. Even for those insiders who are supposed to have special knowledge, the probable future of Hong Kong might prove as much a puzzle to them as to those, who are not as informed. Consider:

On May 11, 1984, former Defense Minister Geng Biao, a present member of Chinese Central Consultative Committee, said there would be no People's Liberation Army (PLA) stationed in Hong Kong.¹ But on May 25, 1984, hardly two weeks after Geng Biao's announcement, Deng Xiaoping said there must be PLA stationed in Hong Kong for sovereignty reasons.² Such shifting in Chinese statements on Hong Kong's future has characterized the Sino-British talks on Hong Kong's future so far, and has the destabilizing effect of making the Hong Kong people think twice about Chinese statements and intentions regarding Hong Kong³. It follows that any "probable" future of Hong Kong might become an unlikely future considering the volatility of the issues and of the decision-makers involved.

The only reasonable hope in gauging a probable future of Hong Kong lies in an examination of the nature of the issues and the decision-makers involved, as well as to the identification of any

constraints that exist in the decision-making process. Once the constraints are identified, the parameters of the decision and the decision itself can be estimated and gauged. Let us now look at the peculiar nature of the issue here -- the political future of Hong Kong.

First, for the purpose of this study, one can break the issue down into its three major components: politics, the future and Hong Kong.

To this author, politics can be viewed as the process of agreement creation, enforcement, destruction and replacement.

Regarding politics in general, politics is unpredictable and ephemeral. P.B. Harris quotes ex-British Prime Minister Harold Wilson as saying "A week in politics is a long time" (Harris, 1981 (Reflection): 99) to support his contention that "The old truth about politics (is) that everything of importance is short run" (Ibid).

Politics is a process, perhaps a quick one most of the time, through which ground rules are built, agreed upon, implemented, enforced and broken. It is this "broken" nature of the ground rules that must be given special consideration when gauging a probable political future of Hong Kong.

In particular, one must give special consideration to the volatile nature of Chinese politics as warranted by:

1. The two line struggle of policy differences as manifested in the climax to the Great Cultural Proletarian Revolution.
2. The potential succession crisis before or after the passing of Deng.

3. The "180 degree about turn" in proposed policy about the stationing of the PLA in Hong Kong.

R. Delf underlines this consideration aptly when he says, "A businessman's investment horizon may be 15 years, but the practical political horizon for Chinese leaders is probably less than five. Much could happen between now and 1997."⁴

Regarding the future, I could not agree more with what Mary Lee, Hong Kong correspondent for the past five years for the Far Eastern Economic Review, has to say on Hong Kong's future. She declares, "No one knows for sure what will happen," in a recent interview with a Honolulu newspaper.⁵ James A. Dator acknowledged that "The exact nature of 'the future' is impossible to predict, and even specifying the vague contours of the most probable alternative futures is no easy task."⁶ Nevertheless, the gauging of probable futures must be tried.

Futurists are perhaps most effective at scenario-building: formulating possible images of different futures. But when it comes time for forecasting or predicting, they at best can only indicate what is the likely future under one circumstance and what is another likely future under another circumstance. It is highly unlikely that they will predict the future. They might at worst even add fuel to the common tendency for people to confuse proposed solutions with predictions. So, much of what has been written thus far in this dissertation has been scenarios of the future under different circumstances rather than predictions per se.

Regarding Hong Kong, "Hong Kong has never experienced any large-scale revolt or revolution. On the contrary, it is reputed for its lack of serious disputes."⁷ Hong Kong might seem to be overflowed with stabilizing factors⁸ and therefore is considered to be a stable metropolis, especially when compared with the rest of the Asian region. But underneath the calm surface of Hong Kong, conditions can be volatile as evidenced by the outbreak of riots in August 1966. Although the 1966 riots were widely regarded as a result of the rippling effect of the Great Proletarian Cultural Revolution, the triggering event for the riots, nevertheless, was merely the increase in first class fares by the Star Ferry. Although the fare increase of a first class ride could hardly affect the rioting public poor who usually patronized third class, the fact that such an increase triggered colony-wide riotings is illustrative of the volatility or "riot proneness" (Jarvie, 1968: 363) of Hong Kong.

In summary, the nature of the subject -- the political future of Hong Kong -- is ephemeral and unpredictable, yet shapable.

This author says "shapable" because no matter how good an agreement between Britain and China might be, it is not a certain guarantee. Even the British Foreign Secretary acknowledged the impossibility of having a "cast-iron assurance about the future of Hong Kong."⁹

No one -- neither the British Government nor the Chinese Government -- can give any "perfect" assurance about the future of Hong Kong. Events such as world economic conditions or natural disasters that might influence Hong Kong's future are often beyond the

control of one or two governments. Therefore, an agreement reached today between Britain and China might or might not be the basis for a Hong Kong settlement in the future, since agreements are made and broken just as regimes are built and destroyed.

Specifically, an agreement reached by Britain and China over Hong Kong might be unilaterally breached by either or both side(s) or by Hong Kong itself. The agreement might be renegotiated by either or both party/parties after a certain amount of time has elapsed. It is this ever-changing nature of politics in Britain and China vis-a-vis the political future of Hong Kong that still makes this dissertation most timely. For instance, a forecast made by this dissertation, which might seem very unlikely, might in fact turn out to be what occurs.

It is in this context that this author is engaged in gauging a probable political future of Hong Kong. He will discuss on a general level the intention, the power capabilities and the decision preferences of the parties involved. Then, on a more concrete level, a probable political future of Hong Kong from the point of view of the present time will be delineated.

THE INTENTION OF CHINA, BRITAIN AND HK

For China

"China is set to recover her sovereignty over Xianggang (HK) by 1997" . . . "the present negotiations between China and Britain," Hu Yaobang said, "are confined to the ways of preserving Xianggang's

prosperity and stability and the gradual transition from now to the time of recovery" (BR, August 22, 1983).

The importance that China attaches to Hong Kong is reflected in front page coverage by the China Daily given to matters concerning Hong Kong's future. See, for example, the May 10, 11, 12 and May 18 issues of the China Daily (Beijing Edition). Such statements made in official communist publications seem to indicate China's strong intentions in carrying out what it wants to do with Hong Kong, namely to reabsorb it and make it a special administration region. Moreover, Deng Xiaoping's scathing public rebuke of former Chinese Defense Minister Geng Biao's remark on the non-deployment of the PLA to Hong Kong and Deng's equally scathing rebuke on the views expressed by three Hong Kong politicians further demonstrate and reinforce China's will for resolving the Hong Kong issue in its own way.¹⁰

For Britain

As much as possible, Britain intends to find a solution to Hong Kong's future that is acceptable to the Hong Kong people. That intention might mean the continuing of British presence in Hong Kong since most Hong Kong people prefer a British presence in Hong Kong. However, "by late 1983 Britain had privately conceded sovereignty and was attempting to protect local Hong Kong interests in practical detail rather than asserting an overarching moral obligation" (Overholt, 1984: 474). In April, 1984, the first British official public statement of giving up Hong Kong sovereignty appeared in the American press.¹¹

British Foreign Secretary Sir Geoffrey Howe was reported to have said that the intention of the British Government "is to protect Hong Kong's prosperity by making the transition as smooth as possible".¹² He adds that "Our (British) aim is clear: a binding agreement which will secure a high degree of continuity for Hong Kong under Chinese sovereignty, which will preserve the essentials of the present systems and way of life in Hongkong and which will be acceptable to the people of Hong Kong".¹³ The above statement remains valid with respect to British intentions as of July 1984.

For the HK People

Hong Kong's intentions are to secure as much autonomy as possible under China's rule. Groups such as the Hong Kong Observer's, the Meeting Point and the Umelco has acknowledged their fundamental acceptance of Chinese rule. The Umelco has even outlined a position paper which called for a highly autonomous Hong Kong administration governed by a Basic Law under the Chinese Constitution. They further suggested that the British Parliament should withhold approval on the Sino-British agreement on Hong Kong's future until the essential elements of the basic law are known.¹⁴

Although the Umelco's requests have fallen on deaf ears, and were sometimes even rebuked, in the United Kingdom and China, the Umelco seems determined to make its voice heard. Such persistent "politicking" might hurt or help Hong Kong win more freedom from China. A firm, but not too inflexible position might convince China to officially "ease" up on Hong Kong. On the other hand, a firm, but

too inflexible position might cause a Chinese backfire, perhaps ending in the immediate sinification of Hong Kong. Consequently, the constructive and rightful role that the Umelco tries to play in the Sino-British talks is a very delicate matter.

POWER CAPABILITIES OF CHINA, BRITAIN AND HK

By power capability, this author means the ability of a party to achieve its stated goals and interests.

For the Chinese

China has immense economic, military and political power over Hong Kong, which has been amply demonstrated in the research design and other chapters of this dissertation. That power itself together with "the way Hong Kong was seized by the British and because Hong Kong is surrounded by China, populated largely by Chinese, and was historically part of China" (Overholt, 1984: 475) makes Overholt conclude that "the Chinese Government would have the unified support of its own people and the acquiescence of almost all foreign governments in an assertion of Chinese rule China also has the ability to stir up political difficulties or to cause economic uncertainty inside Hong Kong whenever it wishes" (1984: 475). Therefore, it is very likely that China can achieve what it wants to accomplish in Hong Kong. The power capability of China over the future of Hong Kong is huge.

For the British

Some British members of Parliament, notably conservative Mr. John Browne, insists that Britain still has strong bargaining chips with China (G. Huang, 1984), citing

1. China's benefits from foreign exchange earned in a British Hong Kong which will probably be sorely needed for China's Four Modernizations Program, and
2. Possible Chinese intentions to make Hong Kong a model for Taiwan to follow.

To this author, Britain has no essential "positive" bargaining chips. Britain at most has a kind of "negative" power over the issue "because a Sino-British confrontation could wreck Hong Kong's economic usefulness to China, frighten Taiwan and cause uneasiness toward China elsewhere in the world" (Overholt, 1984: 476). Nor will Britain have much to gain from a Sino-British confrontation. So, Britain should be happy to get whatever concessions it can secure from China without having to resort to confrontational tactics.

For the HK People

At present, Hong Kong is economically interdependent with China: China gets part of her foreign exchange from Hong Kong; Hong Kong in turn gets cheap foodstuffs, water supplies and other durable goods from China.

Hong Kong traditionally has very little, if any, political influence over China. Since Hong Kong seems to be useful for China in China's quest for unification with Taiwan, Hong Kong might have a

little "political" influence over China now. And, of course, the ultimate "political" power -- the power to revolt if unduly oppressed -- always rests with Hong Kong. Short of a complete rift with China, Hong Kong can build up its influence on China by positioning itself to be more useful for and thereby more indispensable to China such as providing the financial and managerial resources that China needs in its modernization. Historically, Hong Kong has been a bridge between China and the West. As Hsiang-Lin Lo describes the situation:

Since 1842, Europeans and Americans who came to preach or trade in China often came to Hong Kong first, and made themselves acquainted with the conditions in China before leaving for the mainland (China). The Chinese intending to go abroad also came to Hong Kong first: they either waited here (Hong Kong) for the arrival of liners or studied Western languages and other subjects here before sailing for their destinations (1964: 4).

It is this author's view that Hong Kong could probably exert the most influence on China by making itself more useful to China rather than by revolting against China.

In short, China has overwhelming superiority in capabilities for resolving the issue of the political future of Hong Kong.

GENERAL DECISION REQUIREMENTS OF THE PARTIES INVOLVED

By "decision requirements," this author means the respective national interests that each involved party wants to see served in its search for a solution for Hong Kong's future. This writer will list each national interest in the order of its saliency to the respective party.

For the Chinese

1. Owing to the responsibility to China's past and future, and the responsibility to the third world countries, to Taiwan and to the present mainland Chinese, it should be the position of China that sovereignty over Hong Kong is non-negotiable.¹⁵ An acceptable future of Hong Kong must necessarily be politically face-saving for China -- that "China seeks above all to assert its sovereignty over Hong Kong."¹⁶ This is a necessary requirement in the search for a future for Hong Kong; dependent upon China's images of the future, this might or might not be a sufficient requirement for China to settle with the British over Hong Kong.
2. An acceptable future of Hong Kong should also at least be consistent with, if not advocating, China's overall unification strategy with Taiwan. Overholt observes that "China urgently seeks a solution in Hong Kong that will reassure rather than frighten Taiwan" (1984: 475). This also seems to be a necessary requirement.
3. According to P. B. Harris, "It makes good sense to build on what exists and Hong Kong's existence is meaningful to a China wishing to modernize" (1981: 101). Thus, a preferable future of Hong Kong should also be able to maintain the stability and prosperity of Hong Kong so that China can make use of the foreign exchanges earned in Hong Kong in the Four Modernizations Program.¹⁷ Overholt again points out that "China seeks to maintain Hong Kong's prosperity because China's economy needs Hong Kong...Much of the current government's outward-looking economic strategy

depends on Hong Kong" (1984: 475). This is also a decision requirement.

4. Finally, a "luxury" requirement is to seek a solution that can not only fulfill the above requirements but also can satisfy the interests of Hong Kong in the eyes of the people of Hong Kong. This is probably an extra requirement that China will be glad to see in a Hong Kong solution. But China would not be likely to insist on having this requirement met if a suitable solution met only the above three requirements.

For the British

1. An acceptable solution to Hong Kong's future must provide the British with the ability to leave Hong Kong honorably. As Overholt observes, "Britain's goals are to avoid humiliation over Hong Kong..." (1984: 475).¹⁸ That might be part of the reason why Prime Minister Thatcher insisted on the validity of the three "unequal" treaties during her September 1982 visit to China, perhaps trying to justify continual British presence and hoping to get to a stronger bargaining position in order to bow out of Hong Kong gracefully. This is likely a necessary requirement.
2. An acceptable solution to Hong Kong's future must serve British economic interests in Hong Kong -- "to continue extract economic benefits from its (British) administration of Hong Kong" (Overholt, 1984: 475) and from a post-British Hong Kong. However, this British economic interest in Hong Kong must be considered with larger British interest: British economic interests in China. If and when there is a clash between British economic

interests in Hong Kong and those in China, Britain is likely to forgo its economic interests in Hong Kong for a potentially much bigger economic stake in China.

3. Finally, an acceptable solution to Hong Kong's future should contain "a livable future for Hong Kong's people" (Overholt, 1984: 475). This is probably an extra requirement since British interest in securing a good deal for the Hong Kong people must be weighed against British interest "to maintain good relations with China" (Overholt, 1984: 475). If these two interests clash, Britain is likely to yield to China since China, not the Hong Kong people, is the one that Britain must reckon with in the long run.

For the HK People

1. First and foremost, an acceptable solution to Hong Kong's future must carry China's assurance that the Hong Kong people will be guaranteed a free opportunity to make an honest living in a capitalistic way, that the economy of Hong Kong is run by the reward principle that says "to each according to his ability," not "to each according to his needs." This capitalistic principle is very likely a necessary requirement.
2. Although no one, not the British, or the Chinese, not the US, or even the Hong Kong people, can guarantee the maintenance of living standards in Hong Kong, China must not allow the excess immigration of mainland Chinese to Hong Kong to reduce, or itself engage in any measure that might adversely interfere with, the living standards of Hong Kong. This seem to be another necessary requirement.

3. There should be international, public British assurance on China's commitment to the above two requirements. This also seems to be a necessary requirement.
4. There should be a partial, if not a full official, British presence in Hong Kong for as long as possible to provide symbolic British assurance on Hong Kong and to act as a buffer in Hong Kong's relations with China.
5. As far as possible, there should be a third party, presumably the UN, assurance that both China and Britain will live up to their promises on Hong Kong.
6. There should be gradual "democratization" of Hong Kong politics. The Hong Kong people are entitled to self-rule -- to engage politically in decision-making processes that affect the general well-being of Hong Kong. The Hong Kong people should be able to decide even on mundane matters such as whether or not to outlaw mahjong games, horse-races or the eating of dog meat.
7. Perhaps, the independence of Hong Kong is the ultimate requirement that an acceptable solution should fulfill in the long run.

Ideally speaking, each party wishes to find a solution that would meet all their decision requirements, both the necessary ones and the extra ones. If a solution can meet both the necessary and the extra decision requirements of a party, that solution might be said to contain the sufficient condition for a party to settle and can be considered as an acceptable solution to that particular party.

Realistically speaking, the appearance of such a solution is rare. Each party is likely willing to settle for a solution that meets only their respective necessary decision requirements.

In general, each particular party, however, might find itself to have none, one or more than one acceptable solutions.

If a party finds no desirable solutions, it might hold out and not settle or it might try to pick the least undesirable solution for itself. If a party finds only one desirable solution, that solution is likely to be the solution that that party will settle for. If a party finds more than one desirable solution, depending on the party's relations to other parties involved, the party might pick the one that "maximally" fulfills its decision requirements. Or the party might pick a solution (from among the acceptable ones) that will be most acceptable to the other party involved.

Of course, the final decision on a solution is dependent upon the give-and-take interactions of each party involved vis-a-vis their power capability.

INTERACTION OF INTENTION, POWER AND DECISION REQUIREMENTS (INTERESTS)
OF THE PARTIES INVOLVED ON THE LIKELIHOOD OF THE THREE IDEAL TYPES

With this general background on decision requirements (interests), power capabilities and will power of China, Britain and Hong Kong, it is time to summarize the likelihood (at this point in time) of the three ideal types as a probable political future of Hong Kong.

Sinification

China has full capability to make this ideal type a reality.

Although it is not in China's best interest to sinify Hong Kong in the short run, China seems to have the intention to do it in the long run.

Britain has little capability to stop China from realizing this option should China want to. Unlike the Falklands War, Britain is not likely to have popular support in a war with China over Hong Kong, not withstanding British claim to a moral obligation over Hong Kong.

Besides, the Chinese are likely to be more formidable opponents than the Argentines. In addition, it is not in British interest to stop China from sinifying Hong Kong in view of commercial threats posed by Hong Kong towards British goods and in view of a potentially larger market in China. Therefore, in terms of realpolitik, Britain should have very little intention to stop such an action on the part of China.

Hong Kong has little capability to refuse such an option even though it is certainly not in Hong Kong's interest to be sinified in view of the disparity of living standards and freedom currently enjoyed between Hong Kong and China. Judging from the long lines of people in the foreign consulates in Hong Kong applying for permanent visas, it seems that the Hong Kong people are more interested in leaving Hong Kong than in fighting the Chinese as sinification becomes a serious possibility.

In sum, in view of the Hong Kong people's fear of this option, supposed British opposition to this option and China's proclamation of adopting a different option in the 50 years beyond 1997, ideal type

sinification is not a probable future of Hong Kong.

Status-Quo

China has the capabilities to grant Hong Kong this option. But to the Chinese, the status quo probably means an unacceptable long-term, if not a short term, possibility since it is a symbol of the capitalist remnants and a reminder of the weak China that suffered over 100 years of foreign humiliation. It is, therefore, not in China's interest to select this option. Consequently, China has expressed no intention of allowing the political modus vivendi of Hong Kong to remain.

Although Britain's power over Hong Kong's future is not as decisive as that of China, Britain does have the capabilities to be a major part of the status quo setup, provided, of course, the Chinese consent. To the British, this is not a long-term possibility for they understand full well the limitations of their "legal" rights to Hong Kong. However, for moral and economic reasons, Britain might negotiate with China to work out a settlement to try to prolong this "possibility" (reality) for as long as feasible, or try to achieve some variations of status quo as a long-term solution for the future of Hong Kong. Since the British are unlikely to play second political fiddle to China, in the long run, it is not in British interest to advocate this option. Consequently, the British have very limited intention, if any, officially to remain in Hong Kong after 1997.

The Hong Kong people, short of openly defying the British and Chinese authorities, have no capability of achieving ideal type status

quo without British and Chinese consent. Judging from the disparity in freedom, life style and living standards between Hong Kong and China, and between Hong Kong and the rest of the developing countries, economically speaking, it is in Hong Kong's interest to advocate the continuation of the status quo beyond 1997. That is probably why the status quo was picked by the student respondents and the HK public as the most preferred possibility for the future. Since China would probably not be willing to allow the status quo to be a long-term possibility, the most that the Hong Kong people could do is to push for some variations of the status quo as at least a short-term possibility, and eventually hope to "Hongkongize" China in the long run.

In sum, judging from basic, theoretical Chinese opposition to this option, British unenthusiastic "willingness" to stay in Hong Kong and the realization of the Hong Kong people of the near impossibility of keeping the status quo in the long run, the ideal type status quo does not seem to be a probable future for Hong Kong.

Independence

China has the capabilities to "grant" independence to Hong Kong. But it is against China's proclaimed self-interest of national unity to let Hong Kong become independent. As a result, China has registered her opposition to the independence of Hong Kong as a future possibility.

Although Britain has the power to decolonize Hong Kong, it does not mean Britain has the power to sponsor an independent Hong Kong.

Although it has been British post-1945 policy to allow self-determination movements in its former colonies, given obvious Chinese opposition, it is not in Britain's interest to risk antagonizing the Chinese by advocating an independent Hong Kong. Besides, it is definitely not in British interest to sponsor independence, which would not only reduce present British economic advantages in Hong Kong (due to Britain's mother country status), but also have enable HK more fiercely to compete as a completely independent force against the British in world markets. Consequently, notwithstanding Prime Minister Thatcher's vague reference to a possible independent Hong Kong under different circumstances, the British have no intention to see Hong Kong become independent.

Hong Kong, from a resource capability angle, can be as good an independent state as Singapore, if not better. Hong Kong's qualifications for independence were well noted in the independence chapter. Although Hong Kong might become independent from a skills and resourcefulness standpoint, it might not be able to become independent from an international power politics standpoint. China, the decisive decision-maker of Hong Kong's future, simply would not tolerate an independent Hong Kong.

Given the enterprising population in Hong Kong which is composed of hardworking and skilled workers and creative and experienced entrepreneurs, and given an efficient administration in both the public and private sectors, naturally and logically, it is in Hong Kong's interest to become independent. Hong Kong people should be

able to decide on who gets the resources that Hong Kong possesses.

Regrettably, with a tradition of political apathy, the Hong Kong people lack the will to achieve independence at this point in time.

In sum, given China's vehement opposition, British desire to maintain good relations with China and Hong Kong's lack of will, ideal type independence is not a probable political future of Hong Kong.

ON THE CONCRETE LEVEL

The above are discussions at a general level of different probable futures of Hong Kong under different images of the future. On a more concrete and immediate level, let this author attempt to gauge the probable political future of Hong Kong from the present point of view.

To simplify the process of arriving at the probable political future of Hong Kong, this author will employ the method of elimination. First, he will eliminate the most unlikely choice. Then he will eliminate next most unlikely choice. The least unlikely choice will be isolated. The remaining choice will be analysed from different perspectives to see whether or not the least unlikely choice or one of its variations can be considered the probable political future of Hong Kong. This author will first lay down the unique factors and predicaments that China, Britain and Hong Kong face with regard to Hong Kong's future. Then, he will examine additional relevant considerations regarding Hong Kong's future before a judgment of what is the probable future of Hong Kong is made. From there, he

can infer who will get what, when and how.

What has the evidence shown so far? It has shown that it does not completely satisfy the requirements for any one of the ideal types. Clearly, with the declaration of powerful, neighboring China's intention to take Hong Kong over, and with the near absence of public and elite support for Hong Kong's independence, an independent Hong Kong can safely be ruled out for the time being. With China's persistent announcement of her intention to resume sovereignty over Hong Kong, the status-quo can also safely be ruled out. Although there is always the concern about Hong Kong being totally re-absorbed in the long term, there are many difficulties that China will face in re-absorbing Hong Kong, not the least of which is converting 5.5 million aspiring capitalists to the semblance, if not the actuality of a Chinese communist way of life. China might have taken this concrete condition into consideration when it announced before the world that it will not sinify Hong Kong for at least 50 years beyond 1997. Thus ideal type sinification might also be ruled out.

Although the evidence does not completely fulfill the requirement of sinification, it does point quite strongly to a variation of sinification. Before discussing the likelihood of the variation, let's take a look at the unique quality of the issue that is before us.

Uniqueness of the Issue of the Political Future of HK

There is lack, if not absence, of precedent on the Hong Kong situation. "When before has there been an established date of termination of colonial rule set by treaty" (Pye, Sept. 1983)? This

lack of precedent on the one hand provides no traditional guidance to follow as how to resolve the future of Hong Kong. On the other hand, it allows decision-makers room to manoeuvre for a solution. In other words, the final decision concerning the future of Hong Kong can be a very radical or a very conservative one.

Predicament Facing China

Although denied by the Chinese, China essentially can be considered to be ruled by one strongman -- Deng Xiaoping. Deng's eminence is evident by his ability to restore grace to the name of Liu Shaoqi and others purged in the Great Proletarian Cultural Revolution, his installing of Liu's brother-in-law Wang Guangying to be the head China appointed capitalist in HK (T. Ma, 1984: 68), his introduction of a Chinese Communist Party "consolidation" campaign aimed at getting rid of leftist-inclined members (Bonavia, 1983d: 42), his public efforts in removing the bourgeois stigma associated with intellectuals in China (Delfs, 1984: 33), his public scolding of former Defense Minister and present member of the Political Consultative Committee Geng Biao on the "PLA episode" in Hong Kong, and his public rebuke of three Hong Kong legislators as well as his ability to brush aside his critics by reinforcing his intentions on Hong Kong by saying "I mean what I say and what I say is final and binding" (author's translation from quotations of Deng in Chinese text in Sing Tao Jih Pao).

Although supremely powerful in China now, Deng is not likely to see 1997 -- "a consideration which could make him more impatient than pragmatic."¹⁹ In fact, as mentioned earlier, Deng himself

"conceded" to his own death in five years in a meeting with Japanese Prime Minister Nakasone.²⁰

Predicaments Facing Britain

1. Although Hong Kong is the largest remaining British colony in the world, "Hong Kong is not an issue in British domestic politics" (Pye, 1983: 457).
2. In fact, there is an "increasing tendency to see Hong Kong not as a source of pride, but as an economic competitor" (Pye, 1983).
3. "The Labor Party (of England) is on record as being prepared to abandon (Hong Kong)" (Pye, 1983: 457).

Predicaments of Hong Kong

1. There is no effective political representation (Harris).
2. There is no collective voice (Hong Kong Observer's) on what Hong Kong's future should be, resulting in the lack of organized efforts to articulate the people's preference on Hong Kong's future.
3. Only recently, if there ever was one, has a Hong Kong identity developed.

A Two Dimensional Question

The question of the probable political future of Hong Kong is a two dimensional question: political and economic. The political future of Hong Kong is also an economic issue. If it were not, there would be no uncertainties regarding the political future of Hong Kong. It would be the sinification of Hong Kong. But the political future of Hong Kong is also a political issue because it involves

Chinese re-unification. Chinese national pride is at stake. Let us review the special economic and political considerations concerning the political future of Hong Kong.

Economic Consideration

1. Since China is considered to derive about 40% of its foreign currencies from the status quo of Hong Kong, it is often argued that China would not re-take Hong Kong for to do so would mean killing the goose that lays the golden eggs. On the other hand, some experts, notably Pye (1983), have estimated that China might gain more foreign exchange by retaking Hong Kong due to continuous "international demand for Hong Kong's goods" after China's takeover.
2. On the other hand, China's own internal economic development and special economic zone may make HK superfluous soon.

Political Considerations

1. Some Hong Kong people argue that since the Deng faction has consolidated its power in China, Deng's pragmatism would not alter the existing beneficial economic relations with Hong Kong by assuming control over Hong Kong. Yet it might be such pragmatism that makes Chinese administrators confident of their ability to manage Hong Kong, or at least to give it a try (Pye, 1983).
2. Closely related to China's pragmatism is its zig-zag leadership changes. Although a moderate Chinese leadership might not re-take Hong Kong, the return of a radical leadership might lead to sinification. It is highly likely that the Chinese leadership

might veer to the far left again.

3. For China to decide whether or not to re-take Hong Kong, the issue of re-unification and Chinese nationalism must have a place. Mao did not reunite with Taiwan, Macao or Hong Kong before he died. If Deng achieves the reunification of China, it will give him "historical greatness, unique among all modern Chinese leaders" (Pye).
4. The so-called Macao-Hong Kong-Taiwan Domino Theory (Pye): On the one hand, it is argued that Beijing will elect to be gentle with Hong Kong so as to send a reassuring message to Taiwan. China's decline to the Portuguese offer of the return of Macao in 1974 is seen as an example of such an reassuring message. On the other hand, it is precisely because the Taiwan reunification issue exists that it will probably be impossible for Beijing to allow the people of Hong Kong to rule themselves, "with even the degree of electoral freedom enjoyed on Taiwan" (Pye).
5. The Strategic Importance of Hong Kong: There might be political glory to be reaped in the reunification of Hong Kong. According to scholars like Pye (1983), there is also obvious political advantages in keeping Hong Kong international, especially when China is at odds with the Soviet Union.

Given the unique qualities of the issue at hand and amidst the choices of the above special considerations, China announced in September 1982 its intention to resume sovereignty over Hong Kong,²¹ using Hong Kong people to rule a capitalistic Hong Kong as a special

administration region. Such an announcement implies that China national unity takes priority over the advantages (economic and military) of keeping Hong Kong international. There is no doubt that China is capable of doing just what it announced. China's powers over Hong Kong were well documented in the research design chapter. China, short of employing its mighty military forces, can easily bring Hong Kong to its knees by cutting water supplies to Hong Kong. Britain, on the other hand, is very unlikely to defend Hong Kong as Britain did for Falklands in 1982. The geographical location of Hong Kong makes it extremely hard, if not impossible, to defend against an "advance" from China. Besides, Britain has conceded to China's claim to sovereignty over Hong Kong by only fighting for the best settlement (not sovereignty) that Britain can get for Hong Kong.

With China's ability to deliver its promises on Hong Kong firmly established, the crucial question is China's credibility. In this case, can the Chinese promise of a self-ruled, capitalistic Hong Kong for 50 years be trusted? This author will briefly discuss the general image of the future that the Chinese leadership holds. Then he will look at the major components (1. capitalist and 2. self-rule) of the promise before he renders a judgment on the credibility of the promise.

Regarding the general image of the future that the Chinese leadership holds, it may be beneficial to quote at length a recent editorial on China's modernization published in the China Daily (Beijing Edition). It says:

A strong tide of reform is sweeping across China.
It has been so especially since the May session of

the National People's Congress when Premier Zhao Ziyang singled out the need to step up reforms in the urban areas and for a further opening up to the outside world as the two major tasks in the economic field.

Deng Xiaoping rightly noted that the world today is an open world and that it would be impossible for China to build up the country behind closed doors. The opening-up policy will enable China to update and improve her productive forces by absorbing advanced technology and management methods.²²

Such comments indicate China's vision of a more open China in the future and her corresponding willingness to adopt more of a market mechanism in her economic development. In fact, the same China Daily editorial reports that

In the short span of five years, it has been shown that reforms in agricultural management, with the peasants having more say in how to farm the land, have led to higher yields, increased productivity and speedier development. But further agricultural growth will be hampered unless corresponding reforms are made in trade, transport, manufacturing and other sectors. State statistics have shown a sharp rise both in industrial output and profit in the first six months of this years....The reforms are in good progress and the tide is not likely to turn back.²³

Regarding a capitalist Hong Kong, there is little doubt that it could play a contributing social and political role in China's modernization. In June 1984, prominent China economist Jian Yiwei, General Executive of the State Economic Reserach Centre and also Director of the China Academy of Social Sciences and Deputy Director of the Institute of Industrial Economic, told a seminar in Hong Kong that "Hong Kong is an important base for China to carry out international trade and technological exchange activities".²⁴ He

emphasized that China needed Hong Kong to speed up the implementation of its modernization program.²⁵

There is doubt, however, among some critics, about China's ability to justify a capitalist special administration region called Hong Kong before its citizens and allies. This author thinks the answer is simple and is already given by China. First, justifying a special administration region is easier than justifying China's acquiescence over a colonial Hong Kong. If China, in particular the Chinese Communist Party, has had no trouble using the catch phrase "when the time is ripe" in justifying the existence of a colonial, capitalist Hong Kong for the past 35 years, why should China have any trouble using the catch phrase "respecting historical incidents" (author's translation) in justifying a capitalist special administration region that will be under China.

A self-ruled Hong Kong is the next major component of China's promise. How real will the self governance be? Will the elections be rigged? This writer's contention is that Beijing truly intends to allow Hong Kong self-rule, not in the Western sense of the word, but in the Chinese communist sense of the word. That is, people in Hong Kong can participate in a true election of all China-approved candidates. Understandably, China is unlikely to tolerate the election of anti-China candidates in Hong Kong.

Taking the general image of the future that China holds now and taking the two components as a whole, China's promise on Hong Kong seems credible.

Evaluation of China's Promise using the criterion of minimizing losses

Consider: by allowing Hong Kong to be a capitalist special administration region, China is not risking the survival of its people. It is not risking the physical survival of China as a nation. Nor is allowing a capitalist special administration region risking the survival of the Communist Party and the Party's programs.²⁶ Although China might have to compromise a little on its ideology by allowing a capitalist special administration region, the existence of capitalists in tiny Hong Kong along the southern coast of China can "intrinsically" do little harm to contaminate the thought of the rest of China. Besides, China might risk damaging its credibility with the world if it broke its promise on Hong Kong.

Evaluation of China's Promise using the Criterion of Maximizing Gains

The proposal serves China both politically and economically. Politically, China saves face and will finish part of its reunification process by resuming sovereignty over Hong Kong. This solution is consistent with the Chinese national sentiment. Economically, by allowing Hong Kong to remain capitalist, China can continue to enjoy whatever economic benefits there will be in a capitalist Hong Kong. And yet China does not have to deal with the problem of re-educating close to six million capitalists. Therefore, China has almost everything to gain by keeping its promise on Hong Kong. Thus the Chinese promise on Hong Kong seems logical and credible.

In the final analysis, the Hong Kong people are likely to have a Chinese style self-rule in a capitalist special administration region called Hong Kong. It would be so because contradictions abound in the world (as Mao had professed in his famous article entitled "On Contradiction"). As long as one can identify the ever-changing principal contradiction and knows how to handle both the principal and the secondary contradictions, the existence of an "extra" contradiction, namely, a capitalist Hk within China itself, is not unacceptable. As long as there are economic advantages to be reaped, political face to be saved, and "legitimate" excuses (Mao's contradictions) to be made, the proposed arrangement of China's resuming sovereignty over Hong Kong and allowing Hong Kong to remain capitalistic for a while seems to be a reasonable and politically astute solution. China is likely economically and politically stable enough to keep its promise for 50 years beyond 1997. By then who knows? China might end up overtaking Hong Kong in its zealous drive for modernization, and it might well be more capitalistic than Hong Kong is now.

NOTES TO CHAPTER VII

1. Sing Tao Jih Pao, May 26, 1984 San Francisco Edition, Front Page, BR. June 4, 1984: 6; and Sing Tao Jih Pao, July 10, 1984: 3.
2. Ibid. Former Foreign Minister Huang Hua, who is also former China's Permanent Representative to the United Nations, was also reportedly to have made comments about the possibility of allowing Hong Kong to send a representative to China's delegation to the United Nations. Huang too was rebuked publicly by Deng (Sing Tao Jih Pao, July 10, 1984: 3).
3. Kwong Young, "Evaluating Deng Xiaoping's Two Talks on Hong Kong," Sing Tao Jih Pao. San Francisco Edition July 3, 1984 p. 9.
4. R. Delf, "1997 and All That," FEER. July 16, 1982 pp. 16.
5. Stu Glauberman, "Challenge Seen for Hong Kong," Honolulu Star-Bulletin. March 2, 1984 A-3.
6. James A. Dator, "Hawaii As a Japan-American Bridge: Some Possible Futures," paper presented at the Conference on the Advent of the New Pacific Age, July 29, 1983.
7. Hsin-Chi Kuan in Lin et al., 1979: 146
8. See Chapter on the Status-Quo of Hong Kong.
9. The Week in HK, May 21, 1984 p. 1.
10. Sing Tao Jih Pao San Francisco Edition, July 10, 1984: 3.
11. Jeff Bradley, "Britain Retreats in Hong Kong," Honolulu Star-Bulletin. April 24, 1984 A-18.
12. Hongkong's Future is With China -- Howe," China Daily. (Beijing Edition) May 18, 1984 Front Page.
13. Ibid, May 18, 1984.
14. T. Ma and D. Davies, May 24, 1984: 44 FEER. See also Sing Tao Jih Pao, (San Francisco Edition, May 11, 1984: 5.
15. K.Y. Wu in Pai Shing October 1982. p. 7.
16. William H. Overholt, "Hong Kong and the Crisis of Sovereignty," Asian Survey. Vol. XXIV, no. 4, April 1984 p. 475. A Washington Post editorial puts it this way: "China's first interest is to regain its national patrimony," The Sunday

Star-Bulletin and Advertiser August 5, 1984 p. B-1.

17. See "Using Hong Kong to the Service of the Four Modernizations," The Seventies September 1982 pp. 46-52 (Title translated from Chinese by this author). The importance of Hong Kong to China in economic terms is further acknowledged by Professor Liu Chao Jin of the University of International Business and Economics, Beijing, China at a Pacific Asian Management Institute Lecture given in Honolulu, July 12, 1984.
18. See the Washinton Post editorial in op cit.
19. Pye, 1983; Derek Davies et al. also reported that "Recently Deng appears to be getting increasingly tough and impatient (over Hong Kong)" (FEER, July 19, 1984: 14).
20. Honolulu Advertiser. 3/26/1984 page B-1. See also Jizhe, "'Ziyoushide Gouxian' -- 'Fang Huang Min - Hua Tan Xianggang Jouqi'" Cheng Ming August 1982. p. 12.
21. On April 6, 1982, Deng Xiaoping told the former British Prime Minister Edward Heath about China's intention to allow HK people to govern HK after the Chinese recovery of sovereignty over HK. On September 23, 1982, Chinese Premier Zhao Ziyang clearly stated China's intention to resume sovereignty over HK.
22. Reprinted in The Honolulu Advertiser, July 10, 1984 A-19; Emphasis added.
23. Ibid.
24. The Week in Hong Kong, July 2, 1984.
25. Ibid.
26. The criteria here are adopted from Oliver M. Lee, "Toward A Mathematical Model of Communist China's Decision-Making" (Unpublished Manuscript, University of Hawaii, 1967). For further details, see also Oliver Lee, National Interest and Ideology in Communist China's Foreign Policy (Unpublished PhD dissertation, University of Chicago, 1962).

CHAPTER VIII

METHODS EVALUATIONS

This chapter examines the usefulness of the research methods in an attempt to answer question 3 of the research design chapter, namely, what are the strengths and weaknesses of the methods involved as illustrated by the research results? By reviewing the information has obtained from each of the methods used in this research, we may infer which method is strong or weak at tapping the kind of information that is necessary to make a sensible forecast for possible political futures of Hong Kong. This researcher will start by discussing the major peculiarities of the methods as illustrated by the research results obtained so far.

DELPHI AND CROSS-IMPACT

Owing to the extremely low return rate (29.2% with only 19.5% usable) of the Delphi questionnaire, this researcher, in agreement with his principal advisor on the project, agreed to drop this method from the project. For those questionnaires that were returned, some were completely unanswered and attached with a referral for another respondent; others have many questions left unanswered. Two respondents (5%) cited "unfamiliarity" with China as a reason for leaving most questions blank. Others (10%) cited their "unfamiliarity" with the questionnaire (method) as a reason for not answering most of the items. For example, two Delphi respondents

complained that they were not given much choice in assessing the probability of the occurrence of certain events in the year 1982 when there were only three months remaining in the year. The respondents reasoned that since there were only three months remaining in 1982, the probability of, say, a change in Chinese leadership in the year is therefore lower than should be the case, thereby justifying their refusals to answer the question.

Frankly, this author thinks the respondents were barking up the wrong tree.

First, granted that the probability of occurrence of certain event (e.g. probability of rain) in a particular year might be determined by the length of time remaining in the year (e.g. rainy or dry season), there are other events whose probability (e.g. getting a head on a flip of a coin or a coup d' etat) might not be seasonally determined.

Second, if such events were seasonally determined, it is perfectly all right to assign initial probabilities of occurrence to such events after taking into consideration the event's seasonality. The initial probability employed in this method is indeed used to tap such "seasonality," since it only taps the probability of occurrence of an event by itself at a point in time. Any change on an event's initial probability as an effect of the occurrence or non-occurrence of other events will be reflected in the final probability. Therefore, the length of time remaining in a year is not a valid methodological reason to decline answering most of the questions in the questionnaire.

Given such a low return rate and the reasons for refusals, we concluded that apparently those people who are China-Hong Kong experts are not familiar with the method and those who are familiar with the method are not China area specialists. Although the combination of Delphi and cross-impact analysis offers great methodological promises, this potential might remain difficult to realize in research in this subject area until there are either more China-Hong Kong experts who are willing to use the methodology or there are more futurists-methodologists who specialize in China-Hong Kong relations.

ELITE INTERVIEW

In their book Survey Research, Backstrom and Hursh comment that "In intensive interviews, you seek to explore the content of a person's mind, and if possible, the preconscious or subconscious motivations for his actions" (1963: 9). Using this criterion, the in-depth elite interviews conducted by this researcher in Hong Kong in 1982-1983 can be considered successful. The interviews were successful in the sense that they confirmed that an advantage of elite interviews is at getting at the "true" views and feelings of the elite. This advantage, which neither survey research, literature review nor simulation can offer, is the kind of candid insight that the elite provides on a one-on-one interactive basis.

On more than one occasion, once rapport was established and trust developed, the elite apparently were willing to confide to this

researcher their inner most feelings on the emotional issue of the future of Hong Kong.

One elite person revealed to this researcher a different preferred future from the one she publicly stated both in speeches and publications in Hong Kong. The reason why she hid her true preference, according to her, is her fears of reprisal from certain parties that she left unspecified.

Another elite member told this researcher she was publicly going through the motion of searching for a settlement. Yet she was privately very much against her public deed.

Still another elite person, who has close ties with Beijing, was honest enough to admit that even some of the top leadership in Beijing do not know enough about Hong Kong to have any idea as to what to do with Hong Kong's future. She encouraged this researcher to develop his own conclusion and stick to it even if it might prove to be contrary to any "official" settlement. Nobody, according to that elite, can tell for sure what will become of Hong Kong.

COMPUTER SIMULATION

As discussed in the research design chapter, computer simulations using the PROBE model not only allow the researcher to quantify the research problem but also to establish near-total isomorphism to the research problem. For details, please see Chapter two. The use of the simulation model in this research has several advantages. First, it allows the researcher flexibility to employ

different sources of data input -- judgmental data based on a literature review, real life simulations and random numbers. The employment of different sources of data not only maximizes the opportunity to explore possible political futures of Hong Kong, but it also gives the researcher opportunity to gain insights from comparing the research results derived by different data sources. Second, the estimated issue positions (EIPs) generated from real-life simulation (student) data provide clues as to how China might handle the future of Hong Kong in actuality. Third, on a macro level, the estimated EIPs generated from random number inputs allow the concept of chance to enter into the analysis. Fourth, on a micro level, the different random numbers generated for different matrix cells for each simulation run give an idea as to the diversity of political circumstances from which the future of Hong Kong derives. Since advantage one and two are self-evident, this researcher will confine his discussion to advantage three and four.

On the macro level, the EIPs generated from random number sets allow the researcher to treat the political future of Hong Kong as a continuous random variable with infinite possibilities (possible values). Although for the sake of discussion in this dissertation, the entity "possible political futures of Hong Kong" is treated as a discrete variable with three distinct possibilities, in precise methodological actuality this entity, and for that matter the political future of Hong Kong, is a continuous variable with infinite possibilities (within a specified range from -4 to +4 as defined by this researcher).

A random variable is a quantitative variable that has a probability distribution. It thereby enables the researcher to bring in the concept of probability. This is a very important and powerful concept for it enables the researcher to conduct hypothesis testing on the EIPs, which in turn enables the researcher to state under different assumptions what will probably happen to Hong Kong's future by chance.

On the micro level, the researcher can view the random number sets as if they were "real-life" data in the data matrices and see if the data make any "sense" or not. If the data do not seem to make sense in a scenario context, the researcher can then see if the "non-sense" data cells may present new scenarios which the researcher may never have been exposed to or thought of before. This process of viewing the random number sets did provide this researcher with some refreshing revelations which may question his assumptions about human behavior and which may also stretch his imagination.

For example, since the simulation is trying to find out a decision-maker's or output actor's (OA's) EIP on the political future of Hong Kong (PFHK or PO for policy output), one would assume that the OA would have an issue position (IP) on PO. But, actually in the random number sets, there were cases where the OA's IP on PO is 99 which means not applied. How is the simulation model going to come up with an EIP with OA's IP on PO being 99? It just makes no sense to run a simulation with such data. At first glance, it even makes no

sense for such data value to appear on that particular cell in the first place. "Is there something wrong with the random-number generation program?", one may ask. But this researcher does not think so. Other than the built in 1/8 chance of generating 99s and the original simulation software capacity restriction on maximum possible numbers of issues and actors, everything else is truly "random." Even the number of actors and the number of issues in a particular set of random numbers are determined by random numbers. But how come this nonsense of having a 99 appearing in the cell of OA's IP on PO? Upon deeper reflection, one might not only realize the "99" makes sense, but also cannot help but notice the near-perfect isomorphism of the PROBE model to the "decisional" situation of Hong Kong's political future. One might benefit from recalling that the noted senior lecturer in law in Hong Kong University, Dr. Peter Wesley-Smith, suggested initial action or rather inaction on the talks on Hong Kong's future. He argues that since China does not recognize the three "unequal" treaties which established present day Hong Kong, it follows that 1997 does not apply. If that is the case, both Britain and China do not need to do anything about 1997; they can simply remain silent and let Hong Kong run on. This researcher thinks the "99" on the cell indicating OA's IP on PO signifies just that -- China, the OA, elects not to do anything about Hong Kong's future.

Second, in certain sets of random numbers, 99s appeared on the cell indicating OA's salience (SAL) on PO even though there was a legitimate OA's IP on PO. Again, initially, it makes no sense to use

data indicating the OA has an IP on PO on the one hand, and indicating the OA has no interest (SAL) on the PO on the other hand. It seems plainly irrational for a decision-maker to hold an issue position on something in which she has no interest. Again, though such a situation may seem quite irrational, many bureaucrats may be exactly like that as some of the readers may hasten to attest. So, if decision-makers are this irrational, China's decision-makers are not immune to such irrationality. Again, this author is not taking a position on the rationality of China's decision-makers. He is simply pointing out that there exists such possibilities as are reflected in several random data sets.

SURVEY RESEARCH

The survey research conducted for this project suffered a bit from missing data when the respondents were solicited for their views on the specifics of the likely and preferred future of Hong Kong. Consequently, some of the resultant relationships obtained in the survey were not statistically significant.

For example, 10% of the student respondents did not answer the question on the overall likely political future of Hong Kong. Many respondents declined to answer when the questionnaire pressed for details. For example, 37% did not give an answer concerning whom the likely ruler of Hong Kong will be, or what the likely form of government and economic system will be.

Fifteen percents did not reveal their overall preferred future for Hong Kong. Forty percents declined to say who should rule. The

same percentage of respondents did not reveal their preferred form of government. Forty four percents did not tell of their preferred economic system.

These results may be due either to the respondents' shyness about revealing their preferences, the time-consuming length of the questionnaire, or the ordering of the questions with general and specific questions on their preferred future following directly behind the same type of questions on the likely political future of Hong Kong. It is therefore conceivable that some respondents might have thought this author was asking them the same questions twice since both the questions on likely and preferred future follow the same format. But such a case is unlikely since only 15% declined to give out their preferred political future of Hong Kong, a relatively small increase in decline rate when compared to the likely future decline rate (10%). If respondents were truly to think this author asked the same question twice, the second major question, the one on preferred future, should have suffered from a much higher rejection rate. This 10% rejection rate on the question on the overall likely future and the 15% rejection rate on the question on the overall preferred future, followed by a much higher rejection rate (average 35%) on questions on specifics, seems to suggest that the respondents were either shy about revealing detailed thoughts or getting bored with the questionnaire. Judging from the respondent's knowledge of the researcher's promise of strict confidentiality of the survey results

and the low rejection rate on other questions that asked equally specific questions, the respondents did not seem to be shy. Thus the only remaining plausible explanation for such a relatively high decline rate on the specifics of the likely or the preferred future of Hong Kong is the length of the questionnaire. With 43 main (and about 16 minor) questions printed in 9 pages, it does not seem unreasonable to attribute the cause for respondent's refusals on questions of specifics to the length of the questionnaire which was timed by this researcher to take at least an average of 25-35 minutes to complete.

The questionnaire used in the survey was originally intended for use in an on-site interview in Hong Kong. But since the on site interview with a sample of the Hong Kong population was called off due to lack of funding, the same questionnaire was used in the survey conducted at the University of Hawaii. This research experience suggests that a walk-in survey questionnaire should have been much shorter.

The survey research results indicated that the direction of relationships, say family economic background and preferred future ($r = .25$), confirms what this author would have deduced from the literature review. But the relationships are weak as reflected in the multiple regression runs. Perhaps, owing to the presence of missing data or the nature of the relationships itself, some of the relationships established were not statistically significant and therefore were not integrated into the discussion in the text. For details, please refer to the appendix on survey research.

OVERALL EVALUATION

In evaluating the methodological tools used in this dissertation, the traditional criteria - validity and precision - used to assess the quality of the tools must be modified to adjust for the unconventional nature of the research.

Traditionally, a research tool is valid if it measures what it is supposed to measure. In the conventional sense of the word, validity means accuracy.

In the field of forecasting, there are two schools of thought on the definition of the term validity. One school (Armstrong, 1978) adopts the conventional usage and takes validity to mean (retrospective) accuracy. Forecasting in this sense can be conceived of as predicting specifics.

Another school (Markley, 1980),¹ which takes the peculiar research nature of forecasting into consideration, considers validity to mean the policy utility or decision utility of a research tool. Forecasting in this sense means the development of alternative futures.

This author will adopt the unconventional usage of the term validity to evaluate the research methods used for the following reasons:

1. The focus of this research mostly deals with what will happen after 1997. There are 13 years before 1997 arrives, not to mention the time frame after 1997. There are simply no data for (retrospective) testing of the accuracy of the present results until a considerable time is passed beyond 1997. Maybe one might

do a test on retrospective accuracy in say 2047.

2. In medium (10-20 years) to long (over 20 years) range future research such as this dissertation, the ability to modify the variables or factors being forecasted is low and the environmental "turbulence" (number of unknowns) is high. Forecasting in this context should and does mean the developing of contingent alternative futures. In this sense, validity should more appropriately be defined as policy utility or decision utility. (see Table 8-1 for different types of forecast).
3. At present, this researcher and whoever has a stake in Hong Kong's future is faced with a challenging opportunity and the corresponding practical significance of developing some sensible alternative solutions for the future fate of 5.5 million Hong Kong people.

Consequently, the validity of a research method here is operationalized as the number of alternative futures raised by that research method.

In this sense, in terms of validity, survey research and elite interviews lack validity (suffering from high rejection rate) when respondents were asked to express and elaborate on possible scenarios of their likely and preferred futures.

The strength of the simulation model lies in its capacity to arrive at estimated issue positions (EIPs) that represent an infinite number of alternative futures. Yet its weakness lies in the difficulty in interpreting or giving meaning to EIPs of say 1.75,

Table 8-1

Type Of Forecast Based On Degree Of Control
& Time Frame Of Forecast

		TIME FRAME OF FORECAST ^a	
		LOW	HIGH
* C O N T R O L	LOW	I. Forecasting as Predicted Future	II. Forecasting as Contingent Alternative Futures
		III. CONVENTIONAL MANAGEMENT	IV. CONVENTIONAL PLANNING
	HIGH		

- a. It is time frame of forecast relative to the rate of change or what D. Michael has called "turbulence" in the environment.
- * It is the degree of ability to modify variable being forecast or environment, relative to actual/expected degree of change.

Sources: O.W. Markley's Communications in Item CC 1145 of the Electronic Information Exchange System Conference on Futures Studies, February 3, 1980.

-3.55 or 0.01. Nevertheless, these EIPs do indicate the general direction of alternative future -- a EIP of 1.75 indicates an alternative future of Hong Kong that will have more freedom than a EIP of 0.01 would indicate, which in turn indicates an alternative future that has more freedom for Hong Kong than a EIP of -3.55 would indicate.

Qualitative documentary research is valid as it provides many alternative futures of Hong Kong, which this researcher summed up to about 15 variations.

In terms of precision, there are two things we need to be aware of before a meaningful evaluation is possible. First, looking back to Table 8-1, one would conclude that precision is not "really" an appropriate criterion in evaluating methods used in this TYPE II forecasting research. Second, repeating Tukey's admonition noted earlier in the research design chapter, it is better to be vague over the right question than to be precise over the wrong question.

With this in mind, in terms of the precision of the results, the simulation model offered very precise forecasts. But one would be hard pressed to figure out the subtle qualitative difference between a future indicated by a EIP of 0.01 and that indicated by an EIP of 0.02.

The answers received from the elite interview were probably put in less precise terms than from the simulation model. But the elite do ask the right questions. For example, the elite pointed out the importance in distinguishing the short-term vs. the long-term future of Hong Kong. In addition, they pointed out the significance in distinguishing Hong Kong's self-rule in effect and self-rule in symbol only.

The results obtained from qualitative research might not be as quantitatively precise as that of the simulation model would allow in the rank-ordering of the overall freedom (future) of Hong Kong. One could hardly tell which future variation is overall more free or less free than another variation by using the qualitative method alone. But the qualitative method can provide specific information on who should and would rule Hong Kong, under what term. In this sense, one might rank order how free or not free Hong Kong will be in terms of specific dimensions.

In terms of cost, the costliest research tool is probably the field trip to Hong Kong to interview elites and to collect secondary qualitative and quantitative data there. Next is the real-life simulations conducted with over 100 students in two introductory political science classes over a two semesters period. The type of survey research undertaken here and qualitative research are relatively inexpensive.

In terms of informational utility, all methods permit this researcher to access information that are needed to make a reasonable and responsible forecast. For example, the simulation gives some indication as to how many (or the number of) and what political actors China will consult (reference actors) and how many and what other Hong Kong future-related issues China will take into consideration (reference outputs) before China makes her decision on Hong Kong.

The historical qualitative method of reading reports of governmental comments on Hong Kong allow us to determine the Chinese

Government's, the British Government's and the Hong Kong Government's intentions on Hong Kong's future. It can also give us information on the Chinese, British and Hong Kong political climate. And qualitative and quantitative reviews of aggregate data give us an idea of the state of the Chinese, British and Hong Kong economy. Survey research and elite interview provide us with information on the positions of Hong Kong people on Hong Kong's future. All these are relevant information for this researcher to ponder and analyse before making a forecast.

Moreover, the qualitative method gives us information that indicate how to go about achieving the different alternative futures that are discussed. But the EIPs obtained from the simulation allow no such "luxury."

In terms of reduction of uncertainty, all methods brought up a number of major contingent factors that help in the reduction of the unknown and thereby uncertainty. For example, elite interview, survey research and particularly qualitative research brought up the factors of nationalism, communism, the state of Hong Kong economy, the political aspirations of Hong Kong, the traditional Hong Kong Chinese political inertia and the like in determining the possible political future of Hong Kong. The different simulation runs also adopted the issues of foreign investment in Hong Kong, Hong Kong's strategic position for China, the symbolic importance of ideological struggle between communism and capitalism, importance of Hong Kong's deepwater port and its free port status, technological transfer from Hong Kong

to China, the potential Hong Kong refugee problem and China's modernization and the like as input data to generate EIPs. In addition, none of the major results from the different methods contradict each other.

In sum, based on the above criteria, all methods have their respective strengths and weaknesses. There is no one particular method that this author can comfortably recommend for exclusive use. The choice of one's research methods seems to depend on one's research purposes. This author is biased towards the use of multiple methods. But if he were forced to use only one method in this project, he would have picked the qualitative method.

At the risk of appearing immodest, this researcher is not unversed in the fancy arts of multivariate research techniques. It is neat, systematic, and easy to write up the research report when one is "genuinely" able to quantify political phenomena. But for a subject as complex, intuitive and elusive as the political future of Hong Kong and for that matter politics in general, it is preferable at least for this researcher to use the good old qualitative method of reasoning logically, to feel (with one's gut experience) in order to gain insights on the political phenomena that one is studying.

NOTES TO CHAPTER VIII

1. Communications by O. W. Markley in the Electronic Information Exchange System Conference on Futures Studies Item CC1145 in February 3, 1980.

CHAPTER IX

CONCLUSION

A concluding chapter is traditionally a summarizing chapter. This author will very briefly summarize the major findings in this dissertation. In addition, he will discuss the political significance of the issue of Hong Kong's future on the question of politics, on the strategy of Chinese reunification, and on China-Hong Kong relations.

This dissertation has discussed factors that are contributing to and against the three ideal types. None of the three ideal types is probable at this point in time. 15 variations, three sinification oriented, ten status-quo oriented and two independence oriented, were presented and evaluated from the Chinese, British, Hong Kong people's and this author's perspectives. All the variations are possibilities of Hong Kong's future. Most variations, especially the status-quo oriented ones which retain an official British presence in HK, are improbable at this point in time. However, the Special Administrative Region option seems probable from the vantage point of the present.

A QUESTION OF POLITICS

The search for a solution or settlement to the future of Hong Kong touches on all the central questions of politics -- empirical and normative questions -- that have intrigued political philosophers for centuries. It is not only a question of who rules, where the center of power is, and who benefits. The question of Hong Kong's future

concerns the more important questions: who should rule? Where should the center of power be? How should power be distributed? What economic system should be adopted, at what expense, for what benefits, and for whom? The way in which these questions are answered will not only have a long-lasting effect throughout the general well-being of Hong Kong, but it will also have far-reaching reverberations on the debate on the proper way to economic and national development (e.g. capitalism vs. communism), the prospect of genuine Western type democracy and even the prospect of justice in Hong Kong.

Ironically, there has been a voice of mistrust coming, not from the communists, but from the capitalists,¹ about the wisdom of giving the Hong Kong people too free a hand in running Hong Kong's economy. The capitalists fear that increasing freedom for the Hong Kong people in running the administration of Hong Kong may expose the bureaucrats in Hong Kong to pressure for more social welfare legislation and for a more intervention-oriented economic policy in Hong Kong, thereby resulting in the reduction of "total" economic freedom in Hong Kong which is considered to be the backbone of success of Hong Kong. Thus, capitalists such as Overholt (1984) strongly advocate partial self-rule (partial democracy) rather than total self-rule (typical democracy) in Hong Kong. Judging from the recent gradual increase in governmental social welfare spending, and judging from a governmentally pegged US-Hong Kong exchange rate in July 1984, and judging from Hong Kong government's wholehearted support of the recent increase in prime rate,² the capitalists' fears are not unfounded.

Yet the legitimate right of the Hong Kong people to democracy and justice must not be compromised by the capitalists' major desire to operate in a political environment that allows the capitalists almost unlimited freedom of operation but prohibits others from the freedom to exercise their political rights for fear of depleting the capitalist's coffers. This double political standard -- one for capitalists and one for others -- might never again be unchecked or even allowed in Hong Kong if Hong Kong were to be moving toward genuine democracy and justice. This double standard also reflects badly on a common claim made by some capitalists that capitalism and democracy go hand in hand. If genuine democracy does not exist in a capitalist Hong Kong that was always thought to have a democratic atmosphere when compared with the rest of S.E. Asia, what genuine democracy should one expect from capitalist countries that are under authoritarian regimes such as the Philippines, Singapore, Taiwan and South Korea? While it is not the purpose of this dissertation to get into the debate over the relationship between capitalism and democracy, it is the intent of this author to point out the significance that the question of Hong Kong's past and future might have on the debate.

LIKELY MOST PREFERRED FUTURE

Referring back to the normative political questions, given the present circumstance (the balance of power between Hong Kong, Britain and China), the most preferred answer (future) from the Hong Kong people's point of view might be as follows:

1. China means what it promises -- genuine Hong Kong self-rule with minimal supervision or guidance from the Chinese central government.
2. Hopefully, the special administrative region will turn out to be so successful that other parts of China will emulate it.

As Lucian Pye has pointed out, "The industrial centers of mainland China...(already) had the skilled labor force and the technical competence to become a series of 'Hong Kong's" (1972: 245). Harris also expresses his vision to Hongkongize southern China, if not all of China, when he says, "Logically the governor of Hong Kong should move inland, say, to Canton to turn most of southern China into whatever Hong Kong is" (1981: 98). If this happens, it will not only likely help China's modernization, but will also revolutionize its value system in the long run.

LIKELY MOST FEARED FUTURE

That China either does not really mean what it promises to Hong Kong or might change its mind and decide to run Hong Kong as a regular part of China is probably the most feared answer to the political question from the point of view of Hong Kong people.

In reviewing Park Coble's book on the relationship between the Shanghai capitalists and the Nationalist Government from 1927 to 1937, which argued that the capitalists were subordinate to and milked by Chiang Kai Shek's political priority, military strength, Lynn T. White (1984) wrote,

In the year just after 1949, another Chinese regime chose merchant representatives to voice opinions that had little effect on policy, coerced purchases of war bonds, seized bureaucratic control of banks, before taking over large stores and industries, then small ones -- and in many details repeated the drama Coble described for the years after 1927. Nor can we be sure this is just history; it could all happen soon again in Hong Kong. Coble's book is a permanent contribution to our understanding of political development in China.³

This experience from China's past is probably the future that the Hong Kong people most fear.

MOST LIKELY FUTURE

Given the moderate faction in power, given the continuing success of the present liberal economic policy, given the present priority assigned to the Four Modernizations being unchanged, given the absence of any independence movement in Hong Kong, then the likely answer to the political question of Hong Kong's future is that China probably does mean what it promises -- self-rule in Hong Kong under limited supervision.

Some, if not most, of the elements listed in the following scenario are likely to make up the political future of Hong Kong.

They are:

- * Sovereignty over Hong Kong is changed from Britain to China.⁴
- * China will likely be responsible for Hong Kong's defence and foreign affairs.
- * The internal affairs of Hong Kong will likely be governed by an

executive with a cabinet-level council, a legislature and a judiciary.

- * Hong Kong will likely have for the first time in its history a popularly or indirectly elected governor from a list of candidates approved by Beijing.
- * Thus the future governor of Hong Kong is likely to be a non-KMT supporter, if not a communist sympathizer, who is judged by Beijing to be the person whose independence is trusted and respected by indigenous Hong Kong capitalists.
- * The future governor is also likely to have veto power over all legislation.
- * The administration of the special administrative region-Hong Kong will report not only to the Hong Kong legislature and to the Hong Kong people, but also to Beijing.
- * The legislative and executive councils (cabinet) are likely to be made up of popularly-elected members who are approved by Beijing.
- * The same will probably be true of the selection of members of the judiciary whose power is supposedly independent from all other branches of government.
- * A minimal national taxes will be raised locally in Hong Kong to compensate for Beijing's expenses in defending and representing Hong Kong.
- * Hong Kong is likely to have its own currency and gold reserves which may be used by Beijing for emergency purposes such as the pegging of Beijing's Renminbi or the purchase of foreign goods for emergency consumption.

- * Special Administrative Region-Hong Kong passports are likely to be issued by the local authorities with copies of the most updated records supplied monthly or weekly to Beijing for security purposes.
- * Beijing is likely to play a relatively more active supervisory role in Hong Kong's immigration services to ensure only the "proper" personnel (i.e. no spies, especially Soviet and KMT agents) get to go in and out of Hong Kong freely.
- * For sovereignty purpose, Beijing may want a symbolic tax levied on goods and merchandise that pass through Hong Kong. With this as the only exception, Hong Kong will likely remain a free port.
- * For internal control purpose, the police chief of Hong Kong is likely to be appointed by Beijing.
- * Hong Kong may be expected by Beijing to fulfill some general quotas on certain goods and services to augment China's national economy in its drive for modernization.

In order to make such a scenario becomes a successful, viable future of Hong Kong, China must clearly spell out its intentions on Hong Kong and steadfastly keep its promise, thereby instilling confidence in the Hong Kong people and the world at large. Whether or not such a granting of self-rule to Hong Kong will result in the kind of Hong Kong that China wants to see, or for that matter that Hong Kong itself wants to see, remains problematic. China may envision and gear Hong Kong to be the kind of place similar to the scenario

mentioned in the most preferred (probable) future. Yet, China will not have total control over exactly what Hong Kong's future will be due to a host of external and internal factors, such as Chinese bureaucratic red tape,⁵ and Hong Kong people's mistrust of Beijing's ability and Beijing's Hong Kong policy by the Hong Kong people.

SOME OPTIMISM

However, this author is basically optimistic about the political future of Hong Kong due to cultural, economic and political reasons.

Culturally speaking, consistent with the Taoist tradition of yin and yang, and in a way consistent with the Marxist Hegalian dialectic and thus consistent with Mao's thought on contradiction as periodically manifested in internal Chinese power struggles, China's behavior towards Hong Kong's future is no different from traditional and modern Chinese traditions of the complementarity of two opposing tendencies.

It seems to be the cultural tradition of the Chinese to behave generously when their power position on an issue is secure, and to behave must less generously when their power position is insecure (unclear). Chinese history has provided many examples of such tradition.⁶

It makes sense to behave with poise and grace when one's claims to an issue are legitimized by one's well entrenched power position or by widespread recognition of one's right over an issue. Under such a circumstance, one can afford to take a generous or soft position

towards the issue. On the other hand, when one's legitimacy towards an issue has not been firmly established or widely recognized yet, one cannot afford to take any chance of losing whatever slight claim one might have established. Under such a circumstance, one must exert one's claim over an issue with gusto. That was probably the reason why China reacted very strongly against Margaret Thatcher's insistence on the validity of the three treaties concerning Hong Kong. That was probably the reason why Deng Hsiaoping insisted on stationing the PLA in Hong Kong as a symbol of Chinese sovereignty over Hong Kong. This author contends that the Chinese leadership is aware of the sensitivity and the irrationality of capitalist investors in the West.⁷ Scary statements such as the strong reactions against Margaret Thatcher, the unilateral imposing of a deadline on a Hong Kong settlement and the insistence on stationing Chinese troops in Hong Kong are likely in part reflections of the internal Chinese power struggle.⁸ They are also in part Chinese announcements to the world that the Chinese government is the only party which calls the shots about Hong Kong, not Britain, or the Hong Kong people. Then once the legitimacy of Chinese sovereignty over Hong Kong is unrivalled and is perceived by the Chinese leadership to be widely recognized by the international community, China can then afford to take a softer stance on Hong Kong.

Economically speaking, as is well demonstrated in this dissertation and other publications that China is widely believed to have derived about 1/3 of its hard foreign exchange reserves from or

through Hong Kong. In other words, Hong Kong is very important to China's ability to pay for China's foreign imports for domestic consumption and particularly for modernization purposes. It is also widely believed that any radical changes in the economic or political system of Hong Kong are very likely to lead to a business confidence crisis in Hong Kong that would certainly hurt China's receipts from Hong Kong. In addition, the liberalization of China's economic policy aiming to modernize China has achieved excellent initial results. For example, China is reporting \$ 2.95 billion (\$11.41 billion exports minus \$ 8.46 billion imports) in trade surplus for the first half of 1984.⁹ The municipality of Shenzhen, a Chinese special economic zone designed to utilize the financial and managerial resources of nearby Hong Kong, reports that its revenues for the past four years (January 1980 to December 1983) amount to roughly two times its revenues for the 30 years before 1980.¹⁰ These excellent initial results of the open trade policy should give China enough incentives to stay committed to a modernization effort and make China unlikely actively to interfere with the free dealings in Hong Kong at least in the short run. Even in the long run, Hong Kong should reasonably be safe from undue Chinese interference because the economic underdevelopment of China would probably still "need" a prosperous Hong Kong to continue helping China to improve China's living standards. Consider:

The present Chinese leadership has set for itself the objective of quadrupling the gross value of agricultural and industrial production by the year 2000...as it conceivably can be (done) -- it would

still leave China a very poor country...a per capita gross domestic product of roughly \$900 (in 1980 \$): a figure lower than that of Colombia or Ghana in 1979. The attainment of this modest per capita income is contingent on China's success in lowering its rate of population increase to less than 1% per annum, while sustaining output at more than 7% a year....Unless the ownership rights...are ...privatized, no revolutionary alternation in the record of China's economy can be reasonably expected" (Prybyla, 1984: 27).

Politically speaking, a relatively free, stable and prosperous Hong Kong under Chinese sovereignty would go a long way in depriving the KMT regime in Taiwan of excuses not to engage in reunification talks with China. In this light, China's present policy towards Hong Kong's and probably Macao's futures can be viewed as part of China's united front multiphase strategy in reunifying Taiwan.

In the minds of the Chinese, the Taiwan issue takes precedence over the Hong Kong issue. Therefore Mao and other Chinese leaders were reportedly to have laid down the sequence of China's reunification -- recovering Taiwan before recovering Hong Kong.¹¹ But the present situation seems to indicate that China will resolve the Hong Kong reunification issue before it resolves the Taiwan reunification issue. Therefore, contrary to Mao's possible initial design of modelling the settlement of Hong Kong after the Taiwan's settlement, the agreement on Hong Kong might now be used as the model for Taiwan. In a sense, such unfolding of events contrary to China's wishes may be a blessing in disguise. It is so because the PRC exerts much more influence on Hong Kong than it does on Taiwan. China will have much more latitude in designing, molding and manipulating the

settlement of Hong Kong to be used as a showcase settlement for Taiwan. However, the same cannot be said if China were to try to settle the Taiwan issue before it settled the Hong Kong issue.

Therefore, in what might be called phase one of China's reunification strategy, China declined to "reabsorb" Macau in 1975 and later in 1977¹² when the Portugal government offered to return Macau to China, probably aiming to allay the immediate fear of Macau and Hong Kong and the intermediate fear of Taiwan. This strategy was adopted because:

1. By letting Macau remain as it is, China can be said to have the best of both worlds for the following reasons:
 - A. China enjoys de facto control of Macao.
 - B. China can use the "appearance" of control by the Portugese in Macao to allay the fear of Hong Kong because Hong Kong was and still is beneficial to China's well-being, economic and otherwise.¹³
2. Macao was, so to speak, passed over for reabsorption into China because Hong Kong, instead of Macao, can be made a better showcase of communist pragmatism and generosity. There is more at stake in Hong Kong for the following reasons:
 - A. China must deal with Britain, a bigger power than Portugal.
 - B. China must deal with the fate of close to six million people, a larger population than Macao's 0.4 million.
 - C. China must deal with an annual US \$29.1 billion economy in Hong Kong, a bigger economy than Macao's US \$ 0.64 billion annual economy.

3. It shows that China was pragmatic by not re-taking Macao.

In phase two of the reunification strategy, ideally having an agreeable Britain in Hong Kong, like Portugal in Macao, is even a better showcase to lure Taiwan into reunification talks than a policy proposed to reabsorb Hong Kong. But since the British seem to insist on either staying on in Hong Kong with genuine final responsibilities over Hong Kong's law and order or withdrawing from Hong Kong altogether, the present proposed Chinese policy of reabsorbing Hong Kong and disallowing a British official presence seems to stem from British reluctance to be a Hong Kong version of a lame-duck Portugal and be exploited by China in its pursuit for reunification and other foreign relations dealings. Thus, at present, China's united front reunification strategy in Hong Kong seems to be:

1. To use capitalism and Hong Kong self-rule to win over the middle-of-the-roaders.
2. Openly allow the die-hard anti-communist Hong Kong people to leave Hong Kong.
3. Then reabsorb Hong Kong.
4. Make a showcase of communist generosity out of Hong Kong to court Taiwan into submitting to China's political embrace.

Phase three of the reunification strategy would be the completion of the reunification of Taiwan under the 1981 Nine Point Proposal put forward by Yeh JiangJing or any other proposal agreed upon.

For the sake of reunification alone, it seems unlikely that China would renege on its "generous" promises on Hong Kong since that would spoil its efforts and chance in achieving reunification.

Furthermore, Deng Hsiaoping seems to desire a political status at least on par with that of Mao Tsetung and Chou Enlai. This inclination would tend to make Deng go easy on Hong Kong for the purpose of achieving reunification.

Mao and Chou have a definite place not only in Chinese history, but also in world communist and diplomatic history as well. Mao was an unrivalled political theoretician in his life time in China.¹⁴ Chou was a globally acknowledged world class diplomat. Deng, though returning to power after three purges (1933, 1966, 1976), might not have achieved the kind of stature that Chou and Mao had achieved, at least in the eyes of some Chinese people. Therefore, it has been rumored and speculated that one major final wish of the 72 years old Deng before his death is to be regarded by the Chinese people and the world that he is the main architect of the complete reunification of China.¹⁵

For all the above cultural, economic and political reasons, this author is therefore optimistic about the future of Hong Kong.

A MAJOR WORRY

However, this author's optimism must be balanced by a sense of caution. This sense of caution is caused by China's potential inability to allow the full autonomy of Hong Kong, especially in business dealings.

Under the proposed Special Administrative Region solution, Hong Kong is supposed to have autonomy within China. The proposed relationship between China and Hong Kong may be likened to the relationship of a father (China) and a long lost son (Hong Kong) who was raised in his aunty's household (colony under Britain) and who is about to attend college on his own (Special Administrative Region) at his father's expense (as China's self-restraints would provide conditions for Hong Kong's prosperity). Both the father and son are very different from each other in outlook and ways of life (capitalist vs communist). Yet both need to have good relations with each other if each is to have a condition conducive for prosperity. The son is allowed to have what he wants as long as he does not go against his father's wishes or bring disgrace to the family. The father will expect the son to write home about his progress from time to time. If for any reason, these reports or letters become less frequent or delayed, the father is likely to make more frequent monitoring of his son's situation in order to ensure the continuing well being of his son. From the father's point of view, he naturally wants to see his long lost son prosper. If his son does prosper, it is likely that the father will let his other sons and daughters (other Chinese cities) emulate the path of the prosperous son in hope of bringing prosperity to the whole family (China). From the long lost son's point of view, he naturally would want to explore and experiment with as many new experiences (e.g. indirect and direct elections for self-governance) as he can. After all, the son is young, healthy and ambitious. The

son is open to new ways of life, new modes of thinking, and new relationships. As long as he can have the right to decide for himself, he will try to succeed on his own terms, perhaps trying to convince his father that his way of life is better than his father's or more appropriate for the whole family.

Ideally, the father may be influenced by the son's persuasion and may begin adopting some of his son's habits.

Realistically, there are cautious optimists, including this author, who envision a strong Chinese tendency to interfere with daily operations of Hong Kong just as a parent who is overprotective of his child. An overprotective parent such as China with its frequent monitoring may hinder the normal and independent growth of a child such as Hong Kong. Consequently, foreign countries which deal with Hong Kong may find themselves dealing more with China than with Hong Kong. There will come a time when countries may find it easier to deal with China directly than to deal with Hong Kong through the watchful eyes of China, resulting in more third party-China dealings than third party-Hong Kong dealings. Such an attitude would cripple Hong Kong's ability to deal on its own. Meanwhile, the usefulness of Hong Kong to China would be reduced. So would Chinese incentive or willingness to allow Hong Kong a free hand to function as it is now. Such a situation would indicate the beginning of the end of Hong Kong as a useful business conduit of or development model for China.¹⁶

A "THEORY" OF TRUST

There seems to be little that one can practically do to remedy this worry, short of granting independence. Judging from the power disparity and the geographical closeness between China and Hong Kong, independence is not feasible. Hong Kong seems to have to live under the aegis of China. In this sense, some degree of trust is involved if China is to remain socialist and Hong Kong capitalist.

No matter how binding and permanent the solution for Hong Kong's future may be with all the attending international guarantees, there will be no total guarantee. The international political situation can and will very likely change. Beijing's leadership will change. London's leadership will change. So will the leadership of Hong Kong and Taiwan.

China, with its overwhelming power advantage over Hong Kong, might inadvertently or even intentionally oscillate its policy towards Hong Kong between fulfilling its promises on Hong Kong and not fulfilling them. Thus, an element of trust must always be involved in China-Hong Kong relations. The kind of relationship between China and Hong Kong will be dependent on the extent of trust required.

This "theory" of trust is applicable to the future of Hong Kong. It comes down to the question: Do the Hong Kong people trust the word of the Chinese Government? If yes, how much? The answer will finally and necessarily depend on their faith in the process of the Sino-British negotiations.

This theory is also applicable to a perennial epistemological issue: how do we know we know. We really don't. We think we know when a test confirms the research results we obtained. This application of imperfect tests to test earlier test (research) results cannot with any finality tell us what is really going on with our subject of study. No one can exhaustively test the cause and effect relationships for anything for there is an infinite number of possible causes. At one point, one must end the testing and be satisfied that the foregone conclusion ultimately rests on faith. In sum, the final conclusion of almost any research findings, including this dissertation's, is ultimately dependent on faith in the research steps that one has taken.

No matter how much trust is required of the Hong Kong people in the settlement of Hong Kong's future, there are some bright spots on the whole handling of the issue.

In a world that is infested with violent fighting in almost all corners,¹⁷ it is indeed a very refreshing and commendable act that the future of Hong Kong is intended by all parties involved to be settled by peaceful means. Hopefully this example of an overwhelmingly powerful China negotiating with a fallen star Britain over Hong Kong may help convince countries (that have axes to grind) of the usefulness of negotiation, or the ultimate futility of violent conflict, resulting in less occurrence of war and above all less loss of human life.

AUTHOR'S PREFERRED FUTURE

Finally, one must guard against looking at the future of Hong Kong with a "bandwagon" attitude. Adopting a less deterministic attitude may help to discover further insights. At the present moment, everybody, including this writer, seems to be thinking of Hong Kong's future in terms of China's. One might benefit by looking back on Singapore's future two decades ago. At the time, it did not seem unreasonable at all to link Singapore's future with Malaysia's. One would have been surprised at how quickly one's projections were proved wrong when Singapore separated from Malaysia and became independent. Hong Kong, of all the seeming impossibilities, might take a similar path to Singapore's for reasons unapparent at present. In other words, the Hong Kong people might still have a chance to shape Hong Kong's future. For this exhilarating reason, this author would like to ask the reader to bear with him while he entertains his idea of a preferred future for Hong Kong.

Instead of viewing the uncertain future as a formidable problem, the people of Hong Kong should view this uncertainty as a challenge to create an innovative form of governance ideally satisfying the different and perhaps at times conflicting concerns of the Hong Kong people and other parties involved such as Britain and China. But above all, the Hong Kong people owe it to themselves to safeguard and satisfy their self-interest so that no party, be it China, Britain or anyone else, can intentionally or inadvertently ruin the achievements of Hong Kong that they have worked so hard for.

With Hong Kong self-interest viewed as a corner stone to any desirable future for Hong Kong, like Martin Luther King, Jr., this author would like to say, "I have a dream!" A dream where all Chinese people, not just those in Hong Kong, but also those in Taiwan, Macau or elsewhere,¹⁸ can choose, build and live the kind of future that they want. Judging from the independence chapter, one sees that Hong Kong has an enterprising population with an efficient public and private sector. Hong Kong, therefore, possesses just as many qualifications as Singapore does to becoming an independent state. Judging from the difference in living standards and freedoms enjoyed between people living in Hong Kong and people living in China, perhaps it is in Hong Kong's self-interest to become independent. Having the Hong Kong people decide who gets what (resources that Hong Kong has), when and how is morally appealing, may this author say, to a great many Hong Kong people. And in view of the fact that some Hong Kong people think China has a legitimate claim over Hong Kong's sovereignty,¹⁹ a compromise solution between total independence of Hong Kong and Hong Kong under the aegis of China might be found. Thus this author professes that he personally prefers a Chinese Commonwealth solution discussed in the independence chapter for the political future of Hong Kong. This option allows Hong Kong the luxury of freedom from Chinese domination, yet it gives Hong Kong the privilege of keeping close ties with China. In a world characterized by unpredictable change, the Chinese Commonwealth option presents exciting opportunities for novel forms of government.

The major rationale for proposing an option of this kind is as follows:

1. Morally speaking, the ultimate power to decide on the future of Hong Kong should and indeed does rest in the hands of the Hong Kong people.
2. Optimistically speaking, human beings are the author of their own fate and "political power is (but) concentrated means of affecting the future."²⁰
3. Objectively speaking, "It is the feeling of the people (of Hong Kong) which is really the deciding factor (of the future of Hong Kong)" (H. Ingrams, 1952: 255; emphasis added).
4. Pessimistically speaking, the last resort to having one's way is through civil disobedience. The Hong Kong people who choose to remain in Hong Kong or those who have no means to leave Hong Kong can choose to "strike" until they get a settlement acceptable to them.²¹ What have the Hong Kong people got to lose in doing that if all else fails? What will the Chinese communists do? Shoot the Hong Kong people for not producing economic miracles under a system unacceptable to the Hong Kong people? Given the Chinese cultural propensity, the economic and the political considerations discussed earlier, China is not likely to do anything rash.

In advocating the Chinese Commonwealth solution, it is not that this writer and other Hong Kong people are not patriotic Chinese. Rather, they are or at least they perceive that they are unable to

tolerate life under potential communism. Neither do they prefer that the capitalist KMT in Taiwan to take over Hong Kong.

First and foremost, people in Hong Kong do not like communism. If some of them preach communism, most probably think they have been spoiled by the capitalists in Hong Kong for so long that they are unable to practise the doctrine they preach.

Second, after having been enjoying relative freedom under British rule for the past one hundred or so years, the people in Hong Kong probably dislike authoritarian government, regardless of the form of the economy.

Why is it that Hong Kong must either be under China, Britain or both because of some historical incidents?

Just as the Chinese Communists used to object to be bound by international law, in whose birth they took no part, so can the people of Hong Kong, who took no part in the historical incidents that brought about the colony of Hong Kong, be liberated from those incidents.

By the same logic, why should Hong Kong be bound by an upcoming agreement between Britain and China in which the Hong Kong people have practically played no part? Why should the Hong Kong people leave the fate of their future in the hands of Britain and China? It simply makes no sense at all to allow one's well-being to be decided by the dictates of others. If the Chinese people had stood up in 1949 as Mao Tsetung declared, so can and should the Hong Kong people in 1997. This author hopes for the time when he and others can declare that the

Hong Kong people have stood up as Mao did in 1949 to the Chinese people. Thus this author urges the Hong Kong people to begin standing up for their rights and their children's rights now in 1984 so that they will be standing proudly by 1997. Those Hong Kong people who are 50 years old and over now might not need to worry too much about life under China after 1997. A great portion of their lifespans will have been over by then. They will not have to suffer much longer if suffering is required then. If worse comes to worst, they can choose to commit suicide and end their lives a few years earlier rather than living under Chinese restraints. But for those Hong Kong people who are less than 50 years old, who comprise more than half of the Hong Kong population and especially for those who are in their 20s and 30s now, they will reach their prime when 1997 arrives. They cannot and should not let others decide their fate and risk having to accept the potential negative consequences of that decision -- either live unhappily with the decision or commit suicide to escape.

There must be a more positive and effective way of dealing with the issue of the future of Hong Kong than resigning the fate of Hong Kong to the wishes of others, no matter how noble other's intentions may be.

Is it not a god-given right for people anywhere to decide on what system of government they desire?

Plainly speaking, why should Hong Kong not have the right to self-determination, notwithstanding any claims that might be made by China, Britain, Taiwan or elsewhere?

Thus, this author proposes what he did earlier in the chapter to the Hong Kong people -- to lobby for a Chinese commonwealth in which Hong Kong is symbolically under China but practically has full autonomy in all aspects of Hong Kong's administration. In order to achieve the Chinese Commonwealth option by 1997, it is high time in Hong Kong to start searching for political candidates who can articulate Hong Kong's self-interest firmly and convincingly before the Chinese leadership. Ideal candidates should have the charisma to rally popular grassroots support from the Hong Kong people and yet are independent and diplomatic enough to fight off any undue influence from China. This author realizes that he may be sounding like he is asking for a candidate for the presidency of the world. Whatever it is, this is what it takes to assure the independence of a "reabsorbed" Hong Kong under the proposed Chinese Commonwealth solution. The needed popular support is to equip candidates with bargaining chips in their dealings with China and Britain. The popularity of the candidate is important to ensure that the candidate will not be assassinated. Any assassination of one or more popular candidates would cause great unrest in Hong Kong. This prospect of great unrest in Hong Kong should provide the incentive for any party which desires to benefit from the stability of Hong Kong to discourage any potential assassination plot of any popular indigenous Hong Kong candidates who are working for the attainment of a Chinese Commonwealth. Hopefully, the group of candidates may at the end achieve the establishment of a Chinese Commonwealth.

In the grand final analysis, politics is a very complex matter. It is more so in the politics of the future of Hong Kong. Any sanitized version of Hong Kong's future is bound to suffer from the limits of time and change. For these reasons, the future of Hong Kong may remain an intellectual labyrinth for some time to come. While nobody knows for sure what exactly Hong Kong will become, one thing seems sure. That is, "The real, final and only question is: how much is Hong Kong worth? And to whom? It is a good question, especially about a borrowed place still living on borrowed time Whatever happens, it is a question which the Chinese (hopefully the Hong Kong Chinese) will answer in their own time and their own place and their own way" (Hughes, 1968: 171).

NOTES TO CHAPTER IX

1. Overholt, 1984: 480-81. Reservations on direct democracy were made by a Hong Kong Government green paper released on July 18, 1984. "In ruling out direct elections," the Green Paper's "excuses" were that such a system "would run the risk of a swift introduction of adversarial politics, and would introduce an element of instability at a crucial time" The Week in Hong Kong. No. 34 July 16-22, 1984.
2. The Week in HK, July 9, 1984.
3. China Quarterly, March 1984 pp. 147-48.
4. As early as 1982, Britain has dropped hints of conceding sovereignty to China. See BR 1982: 3: 8 and BR 1982: 12: 8.
5. See Jim Borg, "China Progress, Problems cited," The Honolulu Advertiser. February 3, 1984 A-13.
6. For example, 1. 198 A.D.- 218 A.D: Liu Pei in the Taoist state in Suchuan. 2. Han Wu Tei's reign in the West Han Dynasty. 3. Tong Dynasty, in Kaifong, freedom of religion when the Chinese were strong. No freedom of religion when the Chinese were weak. 4. Traditional Chinese behavior towards Tibet. 5. 1911 towards Germany. 6. 1924-27 towards the USSR. For details, see Owen Lattimore, Inner Asian Frontiers of China. (London: Oxford University Press, 1940).
7. This author says irrationality because if the West can invest in China, what is the fuss about western investor's fears of investing in a China-controlled Hong Kong? But reality has shown that the western investors may not be that rational. They pulled out their investments in Goa before India's proposed takeover of Goa.
8. Christopher S. Wren, "Deng's Strong Stance," Honolulu Star-Bulletin. July 25, 1984 A-18.
9. "China Shows Trade Surplus," The Honolulu Advertiser. July 24, 1984 D-1)
10. Sing Tao Jih Pao, June 4, 1984 Front Page.
11. Greenfield, 1983: 31; Miners, 1979: 103. See also Cheng Ming 1977.

12. The future of Macau was uncertain ever since the Portugese pro-Soviet radical communists attempted to persuade Lisbon to return Macau to China in 1975, perhaps in an attempt to embarrass China (Asia Yearbook 1976: 208). But "Macau's relationship with Portugal became less turbulent after February (1977) when Associated Press reported that Lisbon had tried unsuccessfully to return Macau to China," (Asia Yearbook 1978, p. 237).
13. "China wants to maintain Macau's stability which will in turn help investment confidence in neighboring Hong Kong," (Asia Yearbook 1978: 237).
14. For details, see Dick Wilson, Mao Tse-Tung in the Scales of History: A Preliminary Assessment. New York: Cambridge University Press, 1977.
15. Luobing, "Zhongying Tanpan Yu Deng-Hu Xintai" Cheng Ming October 1, 1982 p. 10-11.
16. If such worry was indeed worried by and believed to be the future of Hong Kong, there would be chaos even as early as in the transition period (now to 1997). Those people, especially the rich, who can afford to leave, would leave Hong Kong. Those who elect to stay would utilize all money-making opportunities in Hong Kong before the vitality and glamor of Hong Kong dies down. Those people, especially the poor, who have no means to leave Hong Kong, would have to stay, perhaps deprived of the incentives to strike for Hong Kong's continuing prosperity. In short, there would be no long-term objectives associated with Hong Kong; people's morale would consequently be very low. Hong Kong would join the long list of ancient great cities such as Petra and Carthage to become modern relics.
17. In the period 1982-1983, there were fightings in Nigaragua, Hondura, Beirut (US Marine), Chad (coup), Poland (Solidarity), rioting in the Philippines (following B. Aquino's assassination) and in Northern Ireland. A Korean Airlines civilian plane was shot down in the vacinity of the Sakhalin Island by the USSR. At present, there is the Iran-Iraq Gulf War going, to name just a few violent conflicts.
18. This author understands the extreme sensitivity of the issue. Southeast Asian countries which have large Chinese contingencies such as Singapore, Malaysia, Indonesia, Thailand and the Philippines might well have their objections to the statement. For an example of how paranoid those countries might be, see Acting Director General of the Malaysian Foreign Ministry Mon Jamaluddin's "serious concern" over an economically, militarily and by implication politically strong China in "Malaysia Cautions Shultz Over China," The Honolulu Advertiser. July 10, 1984

A-10. But they should realize that the statement does not intend to rally the Chinese contingencies there to form a pan-Chinese state. Rather, it is a statement that expresses the wish that all human beings, be they Chinese or otherwise should have a right to determine their own governance and should not be subject to "officially-sanctioned" discrimination because they are Chinese or otherwise.

19. 22% of the student respondents thought China should rule Hong Kong.
20. Albert Somit, Political Science and the Study of the Future. Hinsdale, Illinois: The Dryden Press, 1974 p. 13.
21. Labor disputes in the US and Canada give a very indirect glimpse of what "civil disobedience" might achieve. For example, see the crippling effects of the longest gaming strike in Las Vegas by stagehands (1400 members), culinary workers and bartenders for at least 75 days. See also the effect of transport strike of the 12,700 workers -- ICTU members in Vancouver and Canada.

APPENDIX A
SURVEY RESEARCH

Date: August 1982

Situs: International Student Office (ISO) Visa Clearance Table, the University of Hawaii at Manoa (UHM), Honolulu, Hawaii, USA.

Sampling Frame: The Hong Kong Student Population at the UHM.

Sampling Method: The entire Hong Kong Student Population were target respondents. Tables were set up at the ISO during the entire regular registration period for Fall 1982. All Hong Kong students who went to the ISO for visa clearance were given a questionnaire. One hundred forty seven out of a population of 317 responded.

What follows in this appendix is a copy of

1. The Questionnaire used in this survey which had been pretested on a random sample of 21 people before it was finally adopted,
2. The Data Definition and Control file, and
3. The Raw Data Table which contains three lines of data for each case.

CODE

#: Column number of variables in data file
#: Numbers next to answers are the actual codes themselves 1

CLASS/STAND
(1-3)

Class Standing FR SP JR SR GR

CODE # _____ Is it an alternate? Yes ___ No ___

SEX (4)

1) Gender: Male 1 Female 0

ETHNIC (6)

2) What is your ethnicity? Chinese 1 British 2
American 3 Indian 4 Other 5

AGE

(8-9)

3) What is your age? LIST ACTUAL AGE

(11-12)

4) Occupation: List _____ (code later)

JOB

- a) Professional 10 b) Self-employed 20 Journalist 30
- c) Worker/technical 30 d) Clerk 40 Other 90
- e) Managerial 50 f) Teacher 60

g) Student 70 (If you work parttime, pl enter your occupation on the above category)

HKG/GOV

(14)

5) Have you ever been employed by the Hong Kong Government?

No 0 Yes 1 → When _____ How long _____ What Dept _____

(37)

6) Are you employed by the Hong Kong Government? Yes 1 No 0

(16)

7) What economic class do you think you belong to?

ECLASS

- Low 1 Upper middle 4
- Working 2 Upper 5
- Middle 3 Superupper 6

(12)

8) Where were you born?

ETHNIC

- 1 Hong Kong Pl state your ancestral home _____ Province _____ County _____
- 2 Mainland China Where? _____ Province _____ County _____
- 3 Macau
- 4 Taiwan
- Other (please specify) _____
- 5 U.K.
- 6 Singapore
- 7 USA
- 8 Others

MOLUK
20-29

29) How long have you lived in Hong Kong? _____ Year(s) _____ Month(s)

30) What is your level of formal education?

EDUC LEVEL

Primary school 1 Secondary school 3

Technical Secondary school 4 Matriculation 5

University 6 Graduate school 7

Adult night school 2 No formal education at all 0

ENG

31) Do you have a working knowledge of the English language? Yes 1 No 0

FEV

32) How many years of formal English training if any do you have? 1 Yrs

33) Do you have any friends who come from places other than your home country?

FR FRND

31-33

Total # Yes →
0 No

US friend (25-36) No = 0
UK friend (38-41) No = 0
FR friend (41-42) No = 0

If yes, How many? (pl state # of friends)

_____ American(s) *Fr. N = 5*

_____ British *Spain = 10*

_____ Others (please specify nationality) *A. Tot = 24*

34) Do you normally read a newspaper?

44

READ NEWS

1 Yes →
0 No

In what language? _____ Chinese _____ English

Other languages? _____

About how often do you normally read?

0 Daily 0 Weekly 0 Monthly 1 *?? = N/A*

46-47

FR Q READ
in days

Please rank the following newspaper sections according to the frequency of time you spend reading it (Put a '1' beside the section you most read

49-50

POLITN

max + min
2

- _____ Sports _____ Intern'l Pol. Events _____ Entertainment
- _____ Fiction _____ Local Pol. Events _____ Business
- _____ Cartoon comic

*max = total no. of sections read
min = frequency of reading*

Continues on next page...

Ranking of
1 = 4
2 = 3
3 = 2
4 = 1

Rankings
5: Loc. Pol. Events
4: Intern'l Pol. Events
3: Business
2: Sports, Fiction, Entertainment, Cartoon, Comic
1: Don't read newspaper.

14) Continues...

Which one of the following newspaper sections you don't read at all (Mark an 'x' to those sections that you don't read)

___ Sports ___ Intn'l Pol. Events ___ Local Pol. Events

___ Fiction ___ Business ___ Entertainment ___ Comic

52) FR TRAVEL

15) Have you ever travelled outside of Mainland China, Hong Kong and Taiwan?

I Yes → Where _____ For what purpose _____

0 No When _____ For how long _____

16) Please read the following list of places. Then, please check the four best places in which you would like to live in by putting an 'x' next to it.

54-57
ONE BEST

58-61
TWO BEST

62-65
THREE BEST

66-69
FOUR BEST

<u>NIGE</u> Nigeria	<u>ISRA</u> Israel	<u>AUSI</u> Australia
<u>MEXI</u> Mexico	<u>CHAD</u> Chad	<u>MCHI</u> Mainland China
<u>SING</u> Singapore	<u>TAIW</u> Taiwan	<u>SARA</u> Saudi Arabia
<u>VIET</u> Vietnam	<u>USIA</u> The USA	<u>UKIN</u> United Kingdom
<u>CANA</u> Canada	<u>USSR</u> The USSR	<u>SWIT</u> Switzerland
<u>JAPA</u> Japan	<u>IRAN</u> Iran	<u>PHIL</u> The Philippines
<u>FRAN</u> France	<u>SKOR</u> S. Korea	<u>HONG</u> Hong Kong <u>MACA</u> Macau

17) Please pick four places in which you would least desire to live.

5-8
ONE LEAST

9-12
TWO LEAST

13-16
THREE LEAST

17-20
FOUR LEAST

<u>NIGE</u> Nigeria	<u>ISRA</u> Israel	<u>AUSI</u> Australia
<u>MEXI</u> Mexico	<u>CHAD</u> Chad	<u>MCHI</u> Mainland China
<u>SING</u> Singapore	<u>TAIW</u> Taiwan	<u>SARA</u> Saudi Arabia
<u>VIET</u> Vietnam	<u>USIA</u> The USA	<u>UKIN</u> United Kingdom
<u>CANA</u> Canada	<u>USSR</u> The USSR	<u>SWIT</u> Switzerland
<u>JAPA</u> Japan	<u>IRAN</u> Iran	<u>PHIL</u> The Philippines
<u>FRAN</u> France	<u>SKOR</u> S. Korea	<u>HONG</u> Hong Kong ___ Macau

Card 2
UK TREAT

PRC TREAT

TAIWAN TREAT

KNOW NT

PACKAGE

HKSURV

NEED

18) How do you rate the British Government treatment of Hong Kong over the years? (please pick one only)

5 Excellent 4 Good 3 Fair 2 Poor 1 Bad

19) How do you rate the Chinese Communist Government treatment of Hong Kong over the years? (Please pick one only)

5 Excellent 4 Good 3 Fair 2 Poor 1 Bad

20) How do you rate Taiwan Government treatment of Hong Kong over the years? (pick one only)

5 Excellent 4 Good 3 Fair 2 Poor 1 Bad

21) Do you know about the New Territories (NT) Lease before I told you about it today?

1 Yes
0 No

If yes, how long ago did you first know about it? Actual Yrs Before I told you today,

a) Did you know that the Hong Kong Island was permanently ceded to the British by the 1842 Treaty of Nanking?

No Yes

b) Did you know that the Stonecutters' Island and the Kowloon peninsula were permanently ceded to the British by the Treaties of Peking (1860)?

No Yes

c) Did you know that the NT were leased to the British for 99 years by the Convention of Peking (1898)?

No Yes

KNOW NT

22) Do you think the NT Lease settlement and the rest of Hong Kong is a package deal?

1 Yes 0 No 0 Unsure

23) Do you think Hong Kong can survive on its own without the NT?

1 Yes 0 No 0 Unsure

24) Do you think there is a necessity to have a settlement on the "expiring" NT Lease?

1 Yes 0 No 0 Unsure

INTNPOL

38) 25) Do you think the internal political situation of China at the time of the settlement will affect the kind of settlement that we may get?
1 Yes 0 No

40-41) 26) When is the likely time that the NT Lease be settled?
 L.K.L/MIT/ME
94 Present - 1984 87 1985 - 1989
76 1990 - 1996 97 1997 98 After 1997

42-44) 27) When do you like to see the NT Lease be settled?
 TREC/TIME
94 Present - 1984 89 1985 - 1989
76 1990 - 1996 97 1997 98 After 1997

46-47) 28) When is the worst time for the NT Lease to be settled?
 W.K.S/TIME
94 Present - 1984 89 1985 - 1989
76 1990 - 1996 97 1997 98 After 1997

29) Please identify the countries and/or persons that have a stake over the ultimate political future of Hong Kong by putting an 'x' to all that apply. You can give more than one choice.

STAKEHOLD

- ___ Communist China ___ The USA ___ The USSR
 ___ The United Kingdom ___ Japan ___ Taiwan ___ Macau
 ___ You personally ___ Your family ___ Your friends

49) 30) Please pick the one government which has the decisive say in the ultimate political future of Hong Kong by putting an 'x' next to it.

DECISIVE

- 2 The United Kingdom 3 Hong Kong 5 Taiwan
4 The USA 7 The USSR 6 Japan
1 Mainland China 8 Other (Pl. specify) _____

50-51) 31) In settling the NT Lease, will people involved say they favor violence?
 H.K.L/MIT/ME
1 Yes -1 No 0 Uncertain

52) 32) If we must settle the NT Lease, what kind of method is likely to be employed by the people involved?

L.K.L/MIT/ME

- 1 Violent -1 Non-violent 0 Uncertain

- 33) Assuming there will be a settlement, what do you think will be the likely "ultimate" political future of Hong Kong (please pick one choice only)?
- SS-SW
1. K. / P. / R.
- +4 Hong Kong under total control of China as part of Kwangtung Province.
 - 0 Hong Kong remains as it is
 - +4 Hong Kong gains independence.
 - 2 Hong Kong as is but with even closer ties with China
 - +1 Hong Kong as is but with less ties with China.
 - 2 Hong Kong remains as is as far as its daily administration goes but titularly as an autonomous municipality of China (e.g Special Export Zone)
 - None of the above

Please describe the scenario of your estimated likely political future of Hong Kong as best you can such as:

YK...
1. K. / P. / R.

Who will rule Hong Kong? Why?
(e.g. China? The UK? HK Residents?)

China	UK	HK
-3	0	3

01-0=
UK / P. / R.

Under what form of government? Why?
(e.g. Government by election? Government by appointment? etc.)

Almost all elections EG = +3
Constitution EG = 0
Almost all appointments AF = -3

16-05
UK / P. / R.

Under what economic system? Why?
(e.g. Capitalist? Socialist? Communist?)

Capitalist	CA = +3
Combination	CO = 0
socialist	SO = -3

Any other comments on the likely political future of Hong Kong?

(If necessary, please feel free to use the back of the page.)

- 34) What is your preferred political future of Hong Kong (please pick one only)?
- 4 Hong Kong under total control of China as part of Kwangtung Province
 - 0 Hong Kong remains as it is
 - 4 Hong Kong gains independence
 - 2 Hong Kong remains as it is but with even closer ties with China
 - 1 Hong Kong remains as it is but with less ties with China
 - 2 Hong Kong remains as it is as far as its daily administration goes but titularly as an autonomous municipality of China. *Also include Special Admin. District Region*
 - ___ None of the above

70-71
PREFUTURE

Please describe the scenario of your preferred future as best and as specific as you can, such as:

70-71
PREFUTURE

Who should rule Hong Kong? (e.g. HK residents? China? Other combinations etc) Why?

China	UK/CO	HK
-4	0	4

70-71
PREFUTURE

Under what form of government? (e.g. Government by election? Government by appointment? etc.) Why?

Election	3
Combination	0
Appt	-3

70-71
PREFUTURE

Under what economic system? (e.g. Capitalist? Socialist? etc.) Why?

Capitalism	CA = 3
Combination	CS = 0
Socialism	SO = -3

Any other comments on the preferred future of Hong Kong?

(If necessary, please feel free to use the back of the page. Thanks!)
Please rate the probability of success of your preferred future in the next
5 years ___% 10 Years ___% 15 Years ___% 20 Years ___%

- 35) What do you fear to ^{be} the political future of Hong Kong (Please pick one only)?
- 7-8
FEARFUL
- 4 Hong Kong under total control of China
 - 0 Hong Kong remains as it is
 - 4 Hong Kong gains independence
 - 2 Hong Kong as is but with even closer ties with China
 - 1 Hong Kong as is but with less ties with China.
 - 2 Hong Kong remains as is as far as its daily administration goes but titularly as an autonomous municipality of China *including special administrative region*
 - None of the above. Please specify your answer in the following space:

Please explain the reasons behind your choice in the following space.

- 36) When and if settlement of the NT Lease is imminent, based on your knowledge of the following governments' past performance, how much do you think each of these governments will take Hong Kong public opinion into account?

	Not at all	A little	Quite a bit	A lot	Not applied
<u>HKGAK</u> <u>(10)</u> HK Government	<u>2</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>0</u>
<u>PRCAKPC</u> <u>(12)</u> Beijing Gov't	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>0</u>
<u>UKHKPC</u> <u>(14)</u> British Gov't	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>0</u>
Taiwan Gov't	—	—	—	—	—
Japanese Gov't	—	—	—	—	—
The USA	—	—	—	—	—
The USSR	—	—	—	—	—
Or any other government which you ^{think} would participate in the settlement of the Lease and would also take Hong Kong public opinion into consideration.					
Name of Gov't	—	—	—	—	—

16-17 37) If the political faction of the "gang of four" regime regains control of China at the time of the NT Lease settlement, what do you think they'll do?
 GANFFACT
4 Let Hong Kong be independent
0 Let Hong Kong remain as is
-2 Make Hong Kong an autonomous municipality of China
-4 Completely re-absorb Hong Kong into China
 _____ Other (Please specify) _____

19-20 38) If the current political faction of Deng Hsiao Ping still controls China at the time of the NT Lease settlement, what do you think they'll do?
 DENG SOLT
4 Let Hong Kong be independent
0 Let Hong Kong remain as is
-2 Make Hong Kong an autonomous municipality of China
-4 Completely re-absorb Hong Kong into China.

2-3 39) Do you have relatives in Mainland China?
 FOLK IN MC
 No Yes

24 40) Have you ever been to Mainland China?
 BEEN IN MC
1 Yes If yes, date your most recent trip to China
 No Date _____ Where _____
 For how long? _____

26-27 41) How would you describe your sentiments in the Chinese Communist Party/Kuomintang (China/Taiwan) conflict?
 CCM/NT
-1 Pro-China 1 Pro-Taiwan 7 Indifferent
0 Neutral 0 Not sure 9 Don't know

28-29 42) If the Chinese Communist Party is to re-take Hong Kong, would you leave Hong Kong?
 LEAVE HK
2 Yes Why? Please specify _____
-1 No _____

32-33 43) When were you last in Hong Kong?
 VISIT HK
 Unsure How?
 Date _____ For how long? Expressed in
Units of Months

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00010 TITLE 'POSSIBLE POLITICAL FUTURES OF HONG KONG'
00020 SUBTITLE 'SURVEY OF HONG KONG STUDENTS AT UHM'
00030 COMMENT 'A SURVEY OF ELITE IN HONG KONG ALSO ADOPTS THIS INPUT FORMAT.'
00040 SET WIDTH=80 CASE=UPLOW
00050 DATA LIST FILE=STUDENT BECCRD=3
00060 /1 CLASTAND 1-2(A) SEX 4 ETHNIC 6 AGE 8-9 JOB 11-12 HKGJOB 14
00070 ECLASS 16 BIRTHPLC 18 MONINH 20-22 EDULEVTL 24 ENG 26
00080 FENGT 28-29 FORFRND 31-33 USFRIND 35-36 UKFRIND 38-39
00090 OTHERFRD 41-42 READNEWS 44 FREQREAD 46-47 POLATTN 49-50
00100 FRTRAVEL 52 ONEBEST 54-57(A) TWOBEST 59-62(A) THREBEST 64-67(A)
00110 FOURBEST 69-72(A)
00120 /2 ONELEAST 1-4(A) TWOLEAST 6-9(A) THRELEAST 11-14(A)
00130 FOURLEAST 16-19(A) UKTREAT 21 PRCTREAT 23 INGTREAT 25 KNCANTL 27
00140 YRKNNTL 29-30 PACKAGE 31-32 HKSURY 33-34 NEED 35-36 INTNPCL 38
00150 LKLYTIME 40-41 PREFTIME 43-44 WORSTIME 46-47 DECISIVE 49
00160 FARVCL 50-51 LKLYMTHD 52-53 LKLYFUTE 55-56 LKLYPBLE 58-59
00170 LKLYGOVT 61-62 LKLYECON 64-65 PREFEUTP 67-68 WSHOULDR 70-71
00180 /3 FCRMGCVT 1-2 PREFECCN 4-5 FEAREFUTR 7-8 HKHKPO 10 PRCHKPC 12
00190 HKHKPO 14 GANOFACT 16-17 DENGSOFT 19-20 FOLKINMC 22 BEENINMC 24
00200 CCRKMT 26-27 LEAVEHK 29-30 DAYLASHK 32-35 HKJBNOW 37
00210 VARIABLE LABELS
00220 CLASTAND 'CLASS STANDING'
00230 JOB 'OCCUPATION'
00240 HKGJOB 'FORMER HK GOV'T SERVANT'
00250 ECLASS 'ECONOMIC CLASS STANDING'
00260 BIRTHPLC 'BIRTH PLACE'
00270 MONINH 'MONTHS LIVED IN HK'
00280 EDULEVEL 'LEVEL OF FORMAL EDUCATION'
00290 ENG 'WORKING KNOWLEDGE OF ENGLISH'
00300 FENGT 'YEARS OF FORMAL ENGLISH TRAINING'
00310 FORFRND 'TOTAL NUMBER OF FOREIGN FRIENDS'
00320 OTHERFRD 'COUNTS OR NUMBER FOREIGN FRIENDS'
00330 READNEWS 'REGULAR NEWSPAPER READER'
00340 FREQREAD 'NEWS READING REGULARITY #DAYS/MONTH'
00350 POLATTN 'DEGREE OF ATTENTION ON HK POLITICS'
00360 FRTRAVEL 'TRAVEL OUTSIDE MC, HK & TAIWAN'
00370 ONEBEST 'ONE OF FOUR BEST PLACES TO LIVE IN'
00380 TWOBEST 'ONE OF FOUR BEST PLACES TO LIVE IN'
00390 THREBEST 'ONE OF FOUR BEST PLACES TO LIVE IN'
00400 FOURBEST 'ONE OF FOUR BEST PLACES TO LIVE IN'
00410 ONELEAST 'ONE OF FOUR WORST PLACES TO LIVE IN'
00420 TWOLEAST 'ONE OF FOUR WORST PLACES TO LIVE IN'
00430 THRELEAST 'ONE OF FOUR WORST PLACES TO LIVE IN'
00440 FOURLEAST 'ONE OF FOUR WORST PLACES TO LIVE IN'
00450 UKTREAT 'BRITISH TREATMENT OF HONG KONG'
00460 PRCTREAT 'CHINA TREATMENT OF HONG KONG'
00470 INGTREAT 'TAIWAN TREATMENT OF HONG KONG'
00480 KNCANTL 'PRIOR KNOWLEDGE OF NT LEASE'
00490 YRKNNTL 'NO. OF YR. OF AWARENESS OF NT LEASE'
00500 PACKAGE 'NT SETTLEMENT IS TIED TO WHOLE OF HK'
00510 HKSURV 'SURVIVAL OF HK WITHOUT NT'
00520 NEED 'NECESSITY TO SETTLE LEASE'
00530 INTNPCL 'CHINA-SITUATION DEPENDENT'
00540 LKLYTIME 'LIKELY TIME FOR NT SETTLEMENT'
00550 PREFTIME 'PREFERRED TIME FOR NT SETTLEMENT'
00560 WORSTIME 'WORST TIME FOR NT SETTLEMENT'
00570 DECISIVE 'DECISIVE ACTOR(S) ON SETTLEMENT'
00580 FARVCL 'VICILENT SETTLEMENT PREFERRED'

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00500 LKLYMTRD 'LIKELY METHOD OF SETTLEMENT'
 00500 LKLYFUTD 'LIKELY FUTURE OF HK'
 00610 LKLYRULE 'LIKELY HK RULER'
 00620 LKLYGOVT 'LIKELY FORM OF HKG'
 00630 LKLYECCN 'LIKELY ECONOMIC SYSTEM OF HK'
 00640 PREFEFTD 'PREFERRED FUTURE OF HK'
 00650 WSHCULDR 'WHO SHOULD RULE HK'
 00660 FORMGOVT 'PREFERRED FORM OF HKG'
 00670 PREFECCN 'PREFERRED ECONOMIC SYSTEM'
 00680 FEAREFTD 'FEARED FUTURP OF HONG KONG'
 00690 HGHKRPC 'HKG RESPONSIVENESS TO HK PUB OPINION'
 00700 PRCHKPC 'PRC RESPONSIVENESS TO HK PUB OPINION'
 00710 UKHKPC 'UK RESPONSIVENESS TO HK PUB OPINION'
 00720 GANOFAC 'LIKELY SETTLEMENT BY GANG OF FOUR GR'
 00730 BENGSOFT 'LIKELY SETTLEMENT BY BENG GROUP'
 00740 FOLKINMC 'RELATIVES IN CHINA'
 00750 PRENINMC 'PRIOR VISIT TO CHINA'
 00760 CCPKMT 'SENTIMENT ON CCP-KMT CONFLICT'
 00770 LEAVEHK 'FLEE HK IF COMMUNISTS RETAKE HK'
 00780 DAYLASHK 'MONTH 9 YEAR LAST IN HK'
 00790 'KJPNOW 'PRESENT HKG SERVANT'
 00800 VALUE LABELS SEX 0 'FEMALE' 1 'MALE'/
 00810 ETHNIC 1 'CHINESE' 2 'BRITISH' 3 'AMERICAN' 4 'INDIAN' 5 'OTHER'/
 00820 JOB 10 'PROFESSIONAL' 20 'SELF EMPLOYED' 30 'TECHNICAL WORKER'
 00830 40 'CLERK' 50 'MANAGER' 60 'TEACHER' 70 'STUDENT' 71 'STU PROF'
 00840 72 'STU SELFEMPLOY' 73 'STU TECH' 74 'STU CLERK' 75 'STU MANAGER'
 00850 76 'STU TEACHER'/
 00860 HKGJOB 0 'NO' 1 'YES'/
 00870 CLASS 1 'ICW' 2 'WORKING' 3 'MIDDLE' 4 'UPPER MIDDLE' 5 'UPPER'
 00880 6 'SUPERWEALTHY'/
 00890 BIRTHPLC 1 'HONG KONG' 2 'MAINLAND CHINA' 3 'HAWAII' 4 'TAIWAN'
 00900 5 'UK' 6 'SINGAPORE' 7 'USA' 8 'OTHERS'/
 00910 EDLEVEL 1 'PRIMARY' 2 'ADULT' 3 'SECONDARY' 4 'TECHNICAL SEC'
 00920 5 'MATRICULATION' 6 'UNIVERSITY' 7 'GRAD SCHOOL'/
 00930 ENG 0 'NO' 1 'YES'/
 00940 READNERS 0 'NO' 1 'YES'/
 00950 FRTRAVEL 0 'NO' 1 'YES'/
 00960 UKTRPAT TO TNGTREAT 1 'BAD' 2 'POOR' 3 'FAIR' 4 'GOOD'
 00970 5 'EXCELLENT'/
 00980 KNOWNTL 0 'NO' 1 'YES'/
 00990 PACKAGE TO NEED 0 'UNSURE' 1 'YES' -1 'NO'/
 01000 INTNPOL 0 'NO' 1 'YES'/
 01010 LKLYTIM TO WCBSTIME 84 'PRESENT-1994' 89 '1985-1989'
 01020 96 '1990-1995' 97 '1997' 98 'AFTER 1997'/
 01030 DECISIVE 1 'MC' 2 'UK' 3 'PRC' 4 'USA' 5 'TAIWAN' 6 'JAPAN'
 01040 7 'USSR' 8 'MC & OTHER'/
 01050 PARVICL 0 'UNCERTAIN' 1 'YES' -1 'NO'/
 01060 LKLYMTRD 0 'UNCERTAIN' 1 'VIOLENT' -1 'NON-VIOLENT'/
 01070 LKLYFTR -4 'PART OF KWANGTUNG' -2 'SPECIAL ADM REG'
 01080 -1 'SC-MC' 0 'SQ' 1 'SC-INDEP' 4 'INDEPENDENCE'/
 01090 LKLYRULE -3 'CHINA' 0 'UK' 3 'HK'/
 01100 LKLYGOVT -3 'APPOINTED' 0 'COMBINATION' 3 'ELECTED'/
 01110 LKLYECCN -3 'SOCIALIST' 0 'COMBINATION' 3 'CAPITALIST'/
 01120 PREFEFTD -4 'PART OF KWANGTUNG' -2 'SPECIAL ADM REG'
 01130 -1 'SC-MC' 0 'SQ' 1 'SC-INDEP' 4 'INDEPENDENCE'/
 01140 WSHCULDR -4 'CHINA' 0 'UK' 4 'HK'/
 01150 FORMGOVT -3 'APPOINTED' 0 'COMBINATION' 3 'ELECTED'/
 01160 PREFECCN -3 'SOCIALIST' 0 'COMBINATION' 3 'CAPITALIST'/


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01170 FEARFUL -4 'PART OF KWANGTUNG' -2 'SPECIAL ADM REG'
01180 -1 'SQ-MC' 0 'SQ' 1 'SQ-INDEP' 4 'INDEPENDENCE'/
01190 HGHKPO TO UKHKPO 1 'NOT AT ALL' 2 'A LITTLE'
01200 3 'QUITE A BIT' 4 'A LOT'/
01210 MANUFACT TO DENGSOFT -4 'SINOFICATION' -2 'AUTONOMOUS CITY'
01220 0 'STATUS Q' 4 'INDEPENDENCE'/
01230 POLKINMC TO BEENINMC 0 'NO' 1 'YES'/
01240 CCPKMT -1 'PRO CHINA' 0 'NEUTRAL' 1 'PRO TAIWAN'
01250 7 'INDIFFERENT' 8 'NOT SURE' 9 'DONT KNOW'/
01260 LEAVEHK -1 'NO' 0 'UNSURE' 1 'YES'/
01270 'KJKNOW' 1 'YES' 0 'NO'/
01280 MISSING VALUES FREQREAD (99)/
01290 RECODE PACKAGE (2=1)/NEED (10=1)/LKLTYMD (10=1)/
01300 LKLYRHL (1=0) (4=3) (-1,-2,-4=-3)/LKLTYGOVT (-2=-3)/
01310 WSHOULDR (-1,-2=-4) (1,2,3=4)/FCRPMGOVT (1=0)/
01320 COMMENT
01330 COMMENT THE FOLLOWING COUNT COMMANDS COLLAPSE THE IDENTICAL VALUE
01340 COMMENT LABELS OF VARIABLES ONEBEST, TWOBEST, THREEBEST AND FOURBEST
01350 COMMENT TOGETHER TO FORM 22 NEW VARIABLES, INDICATING PLACES THAT
01360 COMMENT RESPONDENTS MOST DESIRE TO LIVE IN. THE OTHER 22 COUNT
01370 COMMENT COMMANDS COLLAPSE THE IDENTICAL VALUE LABELS OF VARIABLES
01380 COMMENT ONELEAST, TWOLEAST, THREELEAST AND FOLEAST TOGETHER TO
01390 COMMENT CREATE 22 NEW VARIABLES, INDICATING PLACES THAT RESPONDENTS
01400 COMMENT LEAST DESIRE TO LIVE IN.
01410 COMMENT
01420 COUNT BESTNIGE=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('NIGE')
01430 COUNT BESTMEXI=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('MEXI')
01440 COUNT BESTSING=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('SING')
01450 COUNT BESTVIET=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('VIET')
01460 COUNT BESTCANA=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('CANA')
01470 COUNT BESTJAPA=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('JAPA')
01480 COUNT BESTFRAN=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('FRAN')
01490 COUNT BESTISRA=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('ISRA')
01500 COUNT BESTCHAD=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('CHAD')
01510 COUNT BESTTAIW=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('TAIW')
01520 COUNT BESTUSCA=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('USCA')
01530 COUNT BESTUSSR=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('USSR')
01540 COUNT BESTIRAN=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('IRAN')
01550 COUNT BESTSKOR=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('SKOR')
01560 COUNT BESTAUST=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('AUST')
01570 COUNT BESTMCHI=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('MCHI')
01580 COUNT BESTSARA=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('SARA')
01590 COUNT BESTUKIN=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('UKIN')
01600 COUNT BESTSWIT=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('SWIT')
01610 COUNT BESTPHIL=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('PHIL')
01620 COUNT BESTUKON=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('UKON')
01630 COUNT BESTMACA=ONEBEST, TWOBEST, THREEBEST, FOURBEST ('MACA')
01640 COMMENT
01650 COMMENT THE OTHER 22 COUNT COMMANDS START HERE.
01660 COMMENT
01670 COUNT LESTNIGE=ONELEAST, TWOLEAST, THREELEAST, FOLEAST ('NIGE')
01680 COUNT LESTMEXI=ONELEAST, TWOLEAST, THREELEAST, FOLEAST ('MEXI')
01690 COUNT LESTSING=ONELEAST, TWOLEAST, THREELEAST, FOLEAST ('SING')
01700 COUNT LESTVIET=ONELEAST, TWOLEAST, THREELEAST, FOLEAST ('VIET')
01710 COUNT LESTCANA=ONELEAST, TWOLEAST, THREELEAST, FOLEAST ('CANA')
01720 COUNT LESTJAPA=ONELEAST, TWOLEAST, THREELEAST, FOLEAST ('JAPA')
01730 COUNT LESTFRAN=ONELEAST, TWOLEAST, THREELEAST, FOLEAST ('FRAN')
01740 COUNT LESTISRA=ONELEAST, TWOLEAST, THREELEAST, FOLEAST ('ISRA')

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01750 COUNT LESTCHAD=ONELEAST,TWCLEAST,THRELEAST,FORLEAST('CHAD')
01760 COUNT LESTTAIW=ONELEAST,TWCLEAST,THRELEAST,FORLEAST('TAIW')
01770 COUNT LESTUSCA=ONELEAST,TWCLEAST,THRELEAST,FORLEAST('USOA')
01780 COUNT LESTUSSR=ONELEAST,TWCLEAST,THRELEAST,FORLEAST('USSR')
01790 COUNT LESTIPAN=ONELEAST,TWCLEAST,THRELEAST,FORLEAST('IRAN')
01800 COUNT LESTSKOR=ONELEAST,TWCLEAST,THRELEAST,FORLEAST('SKOR')
01810 COUNT LESTAUST=ONELEAST,TWCLEAST,THRELEAST,FORLEAST('AUST')
01820 COUNT LESTMCHI=ONELEAST,TWCLEAST,THRELEAST,FORLEAST('MCHI')
01830 COUNT LESTSARA=ONELEAST,TWCLEAST,THRELEAST,FORLEAST('SARA')
01840 COUNT LESTUKIN=ONELEAST,TWCLEAST,THRELEAST,FORLEAST('UKIN')
01850 COUNT LESTSWIT=ONELEAST,TWCLEAST,THRELEAST,FORLEAST('SWIT')
01860 COUNT LESTPHIL=ONELEAST,TWCLEAST,THRELEAST,FORLEAST('PHIL')
01870 COUNT LESTHKON=ONELEAST,TWCLEAST,THRELEAST,FORLEAST('HKON')
01880 COUNT LESTMACA=ONELEAST,TWCLEAST,THRELEAST,FORLEAST('MACA')
01890 COMMENT
01900 COMMENT THE LABELS FOR THE NEW VARIABLES ARE AS FOLLOWS:
01910 COMMENT
01920 VARIABLE LABELS
01930 BESTNIG 'NIGERIA: A FOURBEST PLACE TO LIVE IN'
01940 BESTMEXI 'MEXICO: A FOURBEST PLACE TO LIVE IN'
01950 BESTSING 'SINGAPORE: A FOURBEST PLACE TO LIVE IN'
01960 BESTVIET 'VIETNAM: A FOURBEST PLACE TO LIVE IN'
01970 BESTCANA 'CANADA: A FOURBEST PLACE TO LIVE IN'
01980 BESTJAPA 'JAPAN: A FOURBEST PLACE TO LIVE IN'
01990 BESTFRAN 'FRANCE: A FOURBEST PLACE TO LIVE IN'
02000 BESTISRA 'ISRAEL: A FOURBEST PLACE TO LIVE IN'
02010 BESTCHAD 'CHAD: A FOURBEST PLACE TO LIVE IN'
02020 BESTTAIW 'TAIWAN: FOURBEST PLACE TO LIVE IN'
02030 BESTUSCA 'USA: A FOURBEST PLACE TO LIVE IN'
02040 BESTUSSR 'USSR: A FOURBEST PLACE TO LIVE IN'
02050 BESTIRAN 'IRAN: A FOURBEST PLACE TO LIVE IN'
02060 BESTSKOR 'S.KOREA: A FOURBEST PLACE TO LIVE IN'
02070 BESTAUST 'AUSTRALIA: A FOURBEST PLACE TO LIVE IN'
02080 BESTMCHI 'CHINA: A FOURBEST PLACE TO LIVE IN'
02090 BESTSARA 'SAUDI: A FOURBEST PLACE TO LIVE IN'
02100 BESTUKIN 'UK: A FOURBEST PLACE TO LIVE IN'
02110 BESTSWIT 'SWITZERLAND: A FOURBEST PLACE TO LIVE IN'
02120 BESTPHIL 'PHILIPPINES: A FOURBEST PLACE TO LIVE IN'
02130 BESTHKON 'HONGKONG: A FOURBEST PLACE TO LIVE IN'
02140 BESTMACA 'MACAU: A FOURBEST PLACE TO LIVE IN'
02150 COMMENT
02160 LESTNIGE 'NIGERIA: A FOURWORST PLACE TO LIVE IN'
02170 LESTMXYT 'MEXICO: A FOURWORST PLACE TO LIVE IN'
02180 LESTSING 'SINGAPORE: A FOURWORST PLACE TO LIVE IN'
02190 LESTVIET 'VIETNAM: A FOURWORST PLACE TO LIVE IN'
02200 LESTCANA 'CANADA: A FOURWORST PLACE TO LIVE IN'
02210 LESTJAPA 'JAPAN: A FOURWORST PLACE TO LIVE IN'
02220 LESTFRAN 'FRANCE: A FOURWORST PLACE TO LIVE IN'
02230 LESTISRA 'ISRAEL: A FOURWORST PLACE TO LIVE IN'
02240 LESTCHAD 'CHAD: A FOURWORST PLACE TO LIVE IN'
02250 LESTTAIW 'TAIWAN: A FOURWORST PLACE TO LIVE IN'
02260 LESTUSCA 'USA: A FOURWORST PLACE TO LIVE IN'
02270 LESTUSSR 'USSR: A FOURWORST PLACE TO LIVE IN'
02280 LESTIPAN 'IRAN: A FOURWORST PLACE TO LIVE IN'
02290 LESTSKOR 'S.KOREA: A FOURWORST PLACE TO LIVE IN'
02300 LESTAUST 'AUSTRALIA: A FOURWORST PLACE TO LIVE IN'
02310 LESTMCHI 'CHINA: A FOURWORST PLACE TO LIVE IN'
02320 LESTSARA 'SAUDI: A FOURWORST PLACE TO LIVE IN'

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11:39:32 12 JAN 84

U740990.AU.SURVEY.CNTL

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02330 LESTUKIN 'UK: A FOURWORST PLACE TO LIVE IN'
02340 LESTSWIT 'SWITZERLAND: A FOURWORST PLACE TO LIVE'
02350 LESTPHIL 'PHILLIPPINES: A FOURWORST PLACE TO LIVE'
02360 LESTHKCN 'HONGKONG: A FOURWORST PLACE TO LIVE IN'
02370 LESTMACA 'MACAU: A FOURWORST PLACE TO LIVE IN'
02380 COMMENT
02390 FREQUENCIES VARIABLES=ALL/
02400 STATISTICS=ALL/
02410 FORMAT=NEWPAGE OFPEQ INDEX/
02420 COMMENT
02430 DOCUMENT THIS FILE CONTAINS INPUT FORMATING INFORMATION ON AN
02440 AUGUST 1982 SURVEY OF HONG KONG STUDENTS' OPINIONS ON
02450 POSSIBLE POLITICAL FUTURES OF HONG KONG. A SUBSEQUENT
02460 JANUARY 1983 SURVEY OF ELITES' ATTITUDES ON HONG KONG
02470 FUTURES ALSO ADOPTS THIS INPUT FORMAT.
02480 SAVE OUTFILE=RESULT
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18:34:50 11 JAN 84

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02730 -4 -2 -2 1 1 07 01 0
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02760 00 00 0 3 4 00 -2 1 1 -1 00 0980 0
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02780 VIET CHAD USSR MCHI 3 4 3 1 1601-101 1 84 84 97 801-1 00 03 03 03 00 04
02790 03 03 -4 3 4 4 -4 00 1 1 00 01 0881 0
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02820 03 03 -4 3 -2 -4 0 0 07 01 0882 0
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02850 0
02860 SR 1 1 22 70 0 3 1 192 1 1 08 010 10 00 00 1 04 35 1 USOA MCHI SWIT HKON
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02880 03 03 -4 3 2 3 -4 -2 1 1 00 01 1176 0
02890 FR 0 1 18 70 0 4 1 216 5 0 12 003 00 00 03 1 30 39 1 USOA HKON
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02970 -4 4 4 4 -4 -2 1 0 07 01 0
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03000 03 03 -4 4 3 3 0 0 07 00 1281 0
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03030 04 -4 -2 0 0 08 01 78 0
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03150 -3 03 -4 4 -4 00 1 1 00 81 0
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03170 CHAD 4 4 4 1 1001-101 0 96 96 97 3-1-1 -2 -3 -3 00
03180 -4 4 4 -4 00 1 1 00 81 0
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03370 SR 1 1 21 73 0 3 1 216 5 1 15 1 04 30 1 CANA USOA SWIT HKON
03380 CANA USOA SWIT HKON 4 2 3 1 0501-1-1 1 98 98 89 401-1 00 00 -3 03 00
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03600 -4 1 0 09 01 0
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03790 JR 0 1 22 70 0 3 1 264 5 1 14 003 03 00 00 1 04 38 1 CANA FRAN USOA SWIT
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03990 0
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04070 VIET ISRA USSR SARA 3 3 3 1 180001-1 1 97 84 98 3-1-1 00 -3 03 00
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04140 0
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04170 -3 03 -4 4 1 4 00 -4 1 0 00 01 0882 0
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04290 04 3 2 3 00 -2 1 1 07 01 0881 0
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04380 -3 -3 -2 -2 1 0 00 01 0
04390 FR 0 1 19 70 0 3 2 072 6 1 12 026 02 00 24 1 30 37 1 SING USOA MCHI HKON
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04410 00 -3 -4 3 2 2 -2 -2 1 1 -1 00 0482 0

APPENDIX B
ELITE INTERVIEW

Date: December 1982 to January 1983.

Situs: Hong Kong.

Sampling Frame: A professional mailing list of prominent Hong Kong business and other professional elites furnished to this researcher by a senior staffer in one of the world largest and probably the top public relations firm in Hong Kong.

Sampling Method: One half of the sample was randomly drawn from the mailing list. The other half was selected based on respondents' expertise in the studies of Hong Kong affairs as indicated by the number and the quality of their publications on Hong Kong. This somewhat unconventional method of selection was adopted to ensure both the representativeness of the sample and the depth of elites' knowledge on Hong Kong.

Since the questionnaire and the data definition and control file used here are similar to those of survey research, only the raw data table is shown here.

U740980.AU.ELITE.DATA

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00020 NIGE MEXI CHAD SARA 4 4 1 1 1801-1-1 1 89 89 84 1-1-1 -2 03 -3 03 -1 03
00030 03 03 -4 4 3 3 -2 -2 0 1 00 -1 0183 0
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00150 03 03 -4 3 1 3 -4 -2 0 1 0183 0
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00180 03 -4 3 2 2 -4 -2 0 1 00 0183 1
00190 ET 1 2 51 80 0 4 5 1 1 30 1
00200 3 3 1 1 01-101 1 84 84 97 1-1-1 -2 -3 -3 03 -4 03
00210 03 03 -4 3 3 3 -4 -2 0 1 00 01 0183 0
00220 ET 1 2 51 60 0 4 5 156 7 1 019 06 10 03 1 30 46 1 CANA USOA AUST UKIN
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00240 -3 -4 3 2 3 -2 0 1 07 01 0183 0
00250 ET 1 1 33 60 0 4 1 396 7 1 24 019 06 10 03 1 30 45 1 SING USOA AUST HKON
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00270 03 03 -4 4 4 4 -2 -2 1 1 -1 -1 0183 0
00280 ET 1 1 39 60 1 3 2 396 7 1 14 016 06 10 00 1 30 44 1 JAPA UKIN HKON MACA
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00300 03 -3 -4 4 2 3 -4 -2 1 1 00 01 0183 0
00310 ET 1 1 34 80 0 3 1 408 5 1 13 008 03 05 00 1 30 42 1 SING TAIW USOA HKON
00320 NIGE MEXI USSR SARA 3 3 3 1 1202-101 1 89 84 96 1-1-1 -2 01
00330 -4 4 2 4 -4 -2 0 0 00 01 0183 0
00340 ET 0 1 34 80 0 3 6 060 6 1 035 12 20 03 1 30 45 1 SING HKON
00350 IRAN SKOR AUST SARA 3 4 3 1 2001-101 1 84 84 96 1-100 -2 00 -3 03 04 03
00360 03 03 -4 3 2 3 -2 0 0 00 00 0183 0
00370 ET 1 1 34 10 0 4 2 396 6 1 14 019 06 10 03 1 30 42 1 CANA USOA AUST HKON
00380 NIGE VIET ISRA IRAN 4 4 1 3001-101 1 89 84 96 8-100 00 00
00390 -3 03 -4 3 2 3 1 1 00 01 0183 0
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00410 VIET ISRA USSR IRAN 1 5 2 1 01-101 0 89 89 1-1-1 -2 03 03 03 -2 03
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00440 SING MCHI PHIL 4 1 2 1 25-10101 1 84 84 89 2-1-1 -1 00 -3 03 00 00
00450 -3 03 -4 3 1 2 -4 00 1 1 00 01 0183 0

APPENDIX C
DELPHI SURVEY

Date: August 1982.

Situs: Honolulu, Hawaii, USA. However, questionnaires were sent world wide to locations such as India, Canada, Mexico, France, Israel, Switzerland, the USSR, Senegal, Holland, the USA, Egypt, Yugoslavia, Argentina, Hong Kong and China.

Sampling frame:

1. Membership list of World Future Studies Federation 1982 and, 2. A list of expert on Hong Kong developed by the researcher.

Sampling Method: The sample was selected by this researcher and his Dissertation Committee Chair James Dator on the basis of the known expertise (in Hong Kong and/or Chinese Affairs) of the people on the list. Since it is helpful to bring together a wide spectrum of expertise in order to expose as many related factors or linkages as possible, the criteria of selection are as follows:

- A. People who have written books or articles on the political future of Hong Kong or on related subject such as the politics of Hong Kong.
- B. People who are futurists and who are familiar with the issue facing the political future of Hong Kong.

Forty one experts were selected Three rounds of questionnaires were planned. Owing to the low rate of usable return (19.5%), plans

for the second and third rounds of questionnaire were cancelled.

What follows is a copy of the letter and the questionnaire sent to each target respondent.



University of Hawaii at Manoa

Department of Political Science
Porteus 640 • 2424 Maile Way
Honolulu, Hawaii 96822 • Cable Address: UNIHAW

August 19, 1982

Dear Sir/Madame:

My PhD dissertation advisor Professor James A. Dator suggested that I send the attached delphi survey to you because of your experience in futures studies and/or Chinese politics.

Thank you very much for you kind assistance!

Aloha,

Henry T.K. Au
T.A.

AN EQUAL OPPORTUNITY EMPLOYER

Dear Sir/Madame:

By way of introduction, my name is Henry T.K. Au. I am a PhD candidate at the Department of Political Science of the University of Hawaii doing a dissertation on possible political futures of Hong Kong.

My dissertation attempts to forecast possible political futures of Hong Kong (HK) through different forecasting methods. In turn, the strengths and weaknesses of the methods will be evaluated according to how well the research results fulfil certain criteria of forecasting.

One of the methods I am using is called "Delphi Forecasting". Delphi is a survey method to collect experts' opinion on the future of one or more events. Since you are an expert on the politics of Hong Kong, I am requesting your kind assistance to help me generate expert judgemental data on the political future of Hong Kong. The data so collected will be used in a cross-impact analysis on the political future of Hong Kong.

In TABLE 1, there is a hypothetical ultimate political future of Hong Kong and a list of important hypothetical events which will probably affect the ultimate political future of Hong Kong. Please take a look at the list to see whether or not there are other important hypothetical developments which you think would affect the political future of Hong Kong. If there are, please add them to the list and give the rationale for doing so. If there are no events you want to add to the list or after you have done so, please assign the initial probability of the occurrence of each event in 1982 and state the reason for arriving at the respective probabilities. By "initial probability of occurrence in 1982", I mean the likelihood of that event happening in 1982. For example, if you feel a certain event "A" has a 20% chance of occurrence in 1982, then the initial probability of occurrence of event "A" is 20% or .2. (Please use whichever one of the above notations you want; that is "20%" or ".2").

TABLE 1

<u>Important Hypothetical Events</u>	<u>Initial Probability of Occurrence in 1982</u>	<u>Reason for assigning the initial Prob.</u>
1) The ultimate political future of Hong Kong is to remain a British Crown Colony	:	:
2) Change in communist China's Leadership to a more radical group similar to the "Gang of Four"	:	:
3) Unification of Taiwan (either militarily or peacefully) with China	:	:
4) Unification of Macau with China	:	:
5) Improvement in China's state of the economy to such an extent that the economic benefit derived from the presence of Hong Kong is dispensable	:	:
<u>Suggested Additional Important Hypothetical Events</u>		
6) Name of Event:	:	:
	:	:
	:	:
Rationale of adding the event		
<hr/>		
7) Name of Event:	:	:
	:	:
	:	:
Rationale of adding the event		
<hr/>		
8) Etc.	:	:
	:	:
	:	:

In TABLE 2, assuming each of the hypothetical events were to happen, please state how much effect (increase the probability of a certain event by say 20%, decrease, or have no effect) of the occurrence of a particular event has on the rest of the events in the list. For example, if unification of Taiwan and China occurs before an "ultimate" political future of Hong Kong is settled, such an occurrence may increase or decrease the probability of Hong Kong remaining as a British Colony by say 20% (.2). Or some may say that the unification of China and Taiwan has no effect on the probability of Hong Kong "ultimately" remaining as a British Colony. An illustration is as follows:

If The Following Event Were to occur	The Effect on The Following Event Would Be 1) The ultimate political future of Hong Kong is to Remain a British Colony
3) Unification of Taiwan with China	: : :

TABLE 2
How the Occurrence of the Following events affect the Status-quo of HK?

If This Event were to occur	The Effect on these Events would be									
	1	2	3	4	5	6	7	8	...	n
1) The ultimate political future of Hong Kong is to remain a British Colony	:	:	:	:	:	:	:	:	:	:
2) Change to a radical leadership in China	:	:	:	:	:	:	:	:	:	:
3) Unification of Taiwan with China	:	:	:	:	:	:	:	:	:	:
4) Unification of Macau with China	:	:	:	:	:	:	:	:	:	:
5) Improvement of China's state of the economy to such an extent that the economic benefit derived from the presence of Hong Kong as a British Colony is dispensable	:	:	:	:	:	:	:	:	:	:
6) (Your suggestion)	:	:	:	:	:	:	:	:	:	:
.	:	:	:	:	:	:	:	:	:	:
.	:	:	:	:	:	:	:	:	:	:
N	:	:	:	:	:	:	:	:	:	:

In TABLE 3, please indicate whether or not the New Territories Lease and the rest of HK is a "package deal". That is, that however the N.T. Lease is settled, the status of the rest of Hong Kong will be settled the same way. Please also state your reasons for giving the answer.

Table 3

Is This a Package deal? Yes _____ No _____

Why?

In TABLE 4a, you are asked to conceptualize HK's political futures as to the kind of freedom HK will be allowed to have by the People's Republic of China. The extent of the freedom that HK is allowed to enjoy is expressed in a continuum ranging from -4 to +4 with 0 indicating the status-quo (political conditions of HK) in 1982. The status-quo means that HK is a British colony and that N.T. part of the colony is leased from China. Any decrease in freedom will be interpreted as some kind of absorption back to China, with (-4) meaning total reabsorption. Any increase in freedom will be interpreted as gaining certain degrees of independence on the part of HK with (+4) meaning complete independence of HK. In TABLE 4a, please indicate your feared, preferred, and anticipated (likely) futures of HK on the continuum as well as the rationale behind your particular indication (Please see TABLE 4a). In TABLE 4b, please indicate your opinion as to the time of occurrence of your chosen three futures (Please see TABLE 4b).

CONTINUUM OF FREEDOM OF HONG KONG

TABLE 4a

4 -3 -2 -1 0 +1 +2 +3 +4

FEARED

Reason:

LIKELY

Any explanation?

PREFERRED

Explanation:

TABLE 4b

Estimate the year by which the probability of each future will already have occurred
(likely time of occurrence of your stated futures)

FUTURES

10% 25% 50% 75% 90%

FEARED

Year _____ Year _____ Year _____ Year _____ Year _____

Reason:

LIKELY

Year _____ Year _____ Year _____ Year _____ Year _____

Reason:

PREFERRED

Year _____ Year _____ Year _____ Year _____ Year _____

Reason:

TABLE 4B
EXPERTS' ESTIMATES OF THE TIME OF OCCURENCE OF THE THREE FUTURES

This is the end of the first round of my survey. Any comments or suggestions on the project are most welcome! Please put your answers (Tables 1, 2, 3, 4a, and 4b) in the enclosed pre-addressed envelope and return them to me at your earliest convenience.

Thank you very much for your assistance!

Very Sincerely Yours,

Henry T.K. Au

APPENDIX D

SIMULATION

I. Hypothesis Testing

A. Theoretical Assumptions

Owing to political inertia, Hong Kong will stay as it is, unless there is evidence showing otherwise. Therefore, the null hypothesis is that the mean estimated issue position (EIP) is equal to 0.0 (or H_0 : Mean EIP = 0).

B. Data Sources

Simulation runs on Hong Kong's future were performed over a period of five years, from Spring 1977 to Fall 1982.

1. Au (1977).
2. Students.
 - a. Fall 1981.
 - b. Spring 1982.
 - c. Fall 1982: The attempt to simulate Hong Kong's future was aborted after the September 1982 joint Sino-British announcement on the general principle of maintaining Hong Kong's stability and prosperity.
3. Random numbers.
 - a. With 99.
 - b. Without 99.
 - c. 99 means not applied.

80 sets of random numbers were generated from a computer program specially written for the generation of random numbers to be used as input data to the Probe simulation. For details of the actual random number input, please write this author at the Political Science Department of the University of Hawaii, Manoa.

There are 40 sets of random number with 99s in them and 40 sets with no possibility of 99s in them. 99s mean "not applicable". So, those random number sets that allow no 99s, in effect, force the OA (output actor), in this case China, (and implicitly the reference actors) to take an issue position on the PO (policy output), the future of Hong Kong. Random number sets that allow 99s in them provide China (and other reference actors) with the choice of taking or not taking an IP on PO.

C. Results

1. AU (1977)

EIP = 0.0.

Interpretation: From the vantage point of 1977, China will allow the status-quo of Hong Kong to remain in the future.

Since there was only one simulation run based on data supplied by AU himself, no hypothesis testing was done on EIP derived from this source of data.

2. STUDENTS

a. Fall 1981:

Mean EIP = 0.62; n = 5

Interpretation: According to simulation results from the five groups of students, the central tendency of China is to allow a little bit more freedom for Hong Kong in the future than it is enjoying now (1981).

Test to see if this central tendency of EIP = 0.62 is statistically significantly away from an EIP = 0.0.

$$\begin{aligned} H_0: \text{Mean EIP} &= 0.0 \\ H_1: \text{Mean EIP} &\neq 0.0 \end{aligned}$$

Result:

since $p < 0.18$
Therefore don't reject H_0

Conclusion: Central tendency of China's decision on the political future of Hong Kong is to let the status-quo of Hong Kong remain in the future.

b. Spring 1982:

Mean EIP = 2.28; n = 5

Interpretation: According to the simulation results of the five groups of students, the central tendency of China is to allow much more freedom for Hong Kong in the future than it is enjoying now (1982).

Test to see if this central tendency of EIP = 2.28 is statistically significantly away from an EIP = 0.0.

$$\begin{aligned} H_0: \text{Mean EIP} &= 0.0 \\ H_1: \text{Mean EIP} &\neq 0.0 \end{aligned}$$

Result:
since $p < 0.003$
Therefore reject H_0

Conclusion: Central tendency of China's decision on the political future of Hong Kong is to give Hong Kong more freedom than it is now (1982).

c. All Students

$n = 10$
All Mean EIPs > 0
No -'ve EIPs

d. Test to see if there is a difference in the means of the two student groups:

H_0 : Mean EIP (1981) - Mean EIP (1982) = D_0
 H_1 : Mean EIP (1981) - Mean EIP (1982) $\neq D_0$

Result:
 $t\text{-statistic} = -3.1495$
 $p \leq 0.014$

Intrepretation: There is a difference between the population from which EIPs in Fall 1981 came and the population from which EIPs in Spring 1982 came. This difference in mean EIPs may in part be due to systematic differences in the physical and attitudinal composition of the two classes. It may also be due to the fact that conditions were so different in Fall 1981 from those in Spring 1982 that the mean EIPs of the two groups of students seem to come from two populations.

3. Random Number

a. With 99s: China may not take an issue position on Hong Kong's future. i.e. OA's IP on PQ may be 99:

Mean EIP = 0.15; $n = 40$

Interpretation: If China were given the option of leaving Hong Kong's future alone or deciding for Hong Kong's future, by chance, the central tendency of China is to allow a very little bit more freedom to Hong Kong than that that is enjoyed by Hong Kong.

Test to see if Mean EIP of 0.15 is statistically significantly away from an EIP = 0.0.

H_0 : Mean EIP = 0.0
 H_1 : Mean EIP = 0.0

Result:
t-statistic = 0.609651
 $p \leq 0.546$

Conclusion: I would not reject the hypothesis that the population mean equal 0.0. We would run the risk of having 55% wrong if we reject the hypothesis. Since the chance for error is so great (traditional acceptable chance for error is 5%), I would not reject the null hypothesis.

- b. Without 99s: China must take an issue position on Hong Kong's political future.

Mean EIP = -0.0925

Interpretation: A EIP of -0.0925 means if China were forced to take a position on Hong Kong's future, it will on the average take a position of reducing a little amount of freedom that Hong Kong is enjoying now.

A Methodological Note: Owing to software restrictions under this assumption, all other reference actor(s) must take IP's on P0 and all RO(s). In the future, maybe it is a good idea to develop software that can allow no 99s on OA's IP-P0 cell only and still let other cells to have 99s.

Test to see if a Mean EIP of -0.0925 is statistically significantly away from an EIP = 0.0.

H_0 : Mean EIP = 0.0
 H_1 : Mean EIP \neq 0.0

Result:
t-statistic = -0.331766
 $p \leq 0.742$

Conclusion: I would not reject that the population mean equals 0.0. Chances for error are too great to reject the null hypothesis. In other words, even if forced to take a position on Hong Kong's future, by chance the central tendency of China is to allow the status-quo of Hong Kong to remain in the future.

Test to see if the population mean of the sample Mean EIP = 0.1575 (EIP w/99) is different from the population mean of the sample Mean EIP = -0.0925 (EIP w/out 99) or not.

H_0 : Mean EIP w/99 - Mean EIP w/out 99 = D_0
 H_1 : Mean EIP w/99 - Mean EIP w/out 99 $\neq D_0$

Result:
t-statistic = 0.657718
 $p \leq 0.513$

Interpretation: There is more than 50% chance of error if we reject H_0 . Therefore, we do not reject the hypothesis of no differences in the means of the populations from which the two groups were drawn.

Conclusion: According to chance, on the average, it makes no difference whether or not China takes a position on the political future of Hong Kong for the outcome will be the same, namely, letting the status-quo of Hong Kong to remain in the future.

II. A Summary of EIPs from Respective Random Number Sets

A. Random Number Sets With Possibility of 99s

<u>Random Number Sets Number</u>	<u>EIP</u>	<u>Random Number Sets Number</u>	<u>EIP</u>
1	0.8	21	1.6
2	-1.2	22	-1.0
3	2.3	23	2.4
4	-0.3	24	-1.3
5	-1.9	25	2.0
6	1.4	26	-2.1
7	1.8	27	-3.0
8	1.0	28	-2.9
9	-0.7	29	*-0.0
10	1.2	30	2.1
11	1.6	31	-2.0
12	-1.4	32	-1.0
13	0.1	33	*-0.0
14	2.4	34	2.8
15	2.0	35	0.2
16	0.6	36	-3.0
17	1.4	37	0.0
18	1.0	38	-0.9
39	-0.7	39	1.0
20	1.2	40	-1.2

99s: Not Applied.

* Rounding results.

B. Random Number Sets With No Possibility of 99s

<u>Random Number Sets Number</u>	<u>EIP</u>	<u>Random Number Sets Number</u>	<u>EIP</u>
1	-0.5	21	-2.1
2	-0.2	22	-1.2
3	-3.0	23	-1.4
4	-0.7	24	1.2
5	2.2	25	2.8
6	-2.4	26	1.0
7	-1.8	27	-2.0
8	0.9	28	-0.8
9	2.8	29	-1.5
10	3.0	30	-1.8
11	1.8	31	-1.7
12	-3.7	32	-2.5
13	0.0	33	-0.7
14	2.2	34	2.3
15	-0.3	35	2.0
16	0.7	36	0.6
17	-1.3	37	2.0
18	-0.5	38	-1.0
19	-0.7	39	1.6
20	0.5	40	0.5

What follows in this appendix is

1. The output of the 1977 simulation done on input data supplied by this researcher
2. The output of the simulation runs using data supplied by students.
3. A copy of the computer program that was written specifically to generate random numbers as input data for the Probe simulation.

Probe Simulation done by Au, Spring 1977

ISSUE POSITION MATRIX

	<u>PFHK</u>	<u>TRAC</u>	<u>FIHK</u>	<u>INCP</u>	<u>PROI</u>
<u>PRC</u>	0	3	1	2	2
<u>UK</u>	0	1	3	0	4
<u>US</u>	0	1	3	3	3
<u>JAPN</u>	0	1	3	99	3
<u>TAWN</u>	0	-3	2	3	3

POWER MATRIX

	<u>PFHK</u>	<u>TRAC</u>	<u>FIHK</u>	<u>INCP</u>	<u>PROI</u>
<u>PRC</u>	4	4	3	4	3
<u>UK</u>	1	2	2	2	1
<u>US</u>	3	1	2	1	2
<u>JAPN</u>	1	1	2	1	1
<u>TAWN</u>	1	1	1	1	1

SALIENCE MATRIX

	<u>PFHK</u>	<u>TRAC</u>	<u>FIHK</u>	<u>INCP</u>	<u>PROI</u>
<u>PRC</u>	2	3	1	2	3
<u>UK</u>	1	1	1	1	1
<u>US</u>	1	0	1	1	2
<u>JAPN</u>	1	0	1	1	2
<u>TAWN</u>	2	1	1	1	2

Estimated Issue Position = 0.0

THE CONTRIBUTING REFERENCE WEIGHT

<u>ACTOR</u>	<u>DECISION RULE</u>	<u>REFERENCE WEIGHT</u>
<u>PRC</u>	IA	0.50
<u>JAPN</u>	CN	0.39
<u>US</u>	CN	0.39
<u>UK</u>	CN	0.32
<u>TAWN</u>	CN	0.21

THE POLITICAL FUTURE OF HONG KONG FALL 1981 GROUP 001 00000010

 THE FOLLOWING IS A LIST OF THE RUN PARAMETERS.
 NUMBER OF ISSUES: 5, NUMBER OF ACTORS: 5
 THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.K. IS: CN
 THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.S. IS: CN
 THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR JAPN IS: CN
 THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR TAWN IS: CN
 THESE MATRICES ARE USED TO PRODUCE THE OUTPUT.

ISSUE POSITION MATRIX

	PPHK	PRIV	PLGN	FBNP	ECBP
PRC.	0.	0.	3.	0.	0.
U.K.	0.	3.	3.	2.	0.
U.S.	0.	3.	1.	1.	1.
JAPN	0.	3.	1.	3.	3.
TAWN	0.	2.	2.	2.	2.

POWER MATRIX

	PPHK	PRIV	PLGN	FBNP	ECBP
PRC.	4.	3.	4.	4.	4.
U.K.	2.	2.	2.	2.	2.
U.S.	3.	2.	2.	2.	2.
JAPN	1.	2.	1.	2.	2.
TAWN	1.	1.	1.	1.	1.

SALIENCE MATRIX

	PPHK	PRIV	PLGN	FBNP	ECBP
PRC.	3.	2.	3.	3.	3.
U.K.	1.	2.	2.	2.	2.
U.S.	1.	2.	2.	1.	2.
JAPN	1.	1.	1.	2.	2.
TAWN	2.	1.	1.	1.	1.

NOTE: 99. IS AN UNDEFINED POSITION.

FALL 1981 GROUP 001

ON THE POLICY OUTPUT PPHK

THE OUTPUT ACTOR'S ESTIMATED ISSUE POSITION IS: 0.0
 CONTRIBUTING TO THIS DECISION THE INFLUENCE OF EACH OF THE OTHER ACTORS IS:

ACTOR	DECISION RULE	REFERENCE WEIGHT	STARTING ISSUE POSITION	POWER	SALIENCE
1 PRC.	IA	0.75	0.	4.	3.
2 U.K.	CN	0.44	0.	2.	1.
3 U.S.	CN	0.51	0.	3.	1.
4 JAPN	CN	0.36	0.	1.	1.
5 TAWN	CN	0.42	0.	1.	2.

POSSIBEL POLITICAL FUTURES OF HONG KONG FALL 1981 GROUP 002 00000010

THE FOLLOWING IS A LIST OF THE RUN PARAMETERS.

NUMBER OF ISSUES: 5, NUMBER OF ACTORS: 6

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.K. IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.S. IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR JAPN IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR TAWN IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR USSR IS: CN

THESE MATRICES ARE USED TO PRODUCE THE OUTPUT.

ISSUE POSITION MATRIX

	PPHK	TIPN	SPHK	CVC	DEP
PRC.	2.	3.	3.	2.	3.
U.K.	0.	3.	4.	4.	3.
U.S.	0.	2.	3.	3.	3.
JAPN	2.	1.	0.	1.	1.
TAWN	3.	1.	0.	2.	1.
USSR	-4.	-3.	-3.	-4.	-1.

POWER MATRIX

	PPHK	TIPN	SPHK	CVC	DEP
PRC.	4.	4.	4.	4.	4.
U.K.	0.	2.	3.	0.	3.
U.S.	0.	1.	0.	0.	1.
JAPN	2.	2.	2.	0.	2.
TAWN	1.	1.	0.	0.	1.
USSR	1.	0.	0.	0.	0.

SALIENCE MATRIX

	PPHK	TIPN	SPHK	CVC	DEP
PRC.	4.	4.	4.	3.	4.
U.K.	4.	4.	4.	3.	4.
U.S.	2.	2.	3.	2.	2.
JAPN	3.	3.	2.	2.	3.
TAWN	2.	2.	1.	2.	2.
USSR	1.	0.	0.	0.	0.

NOTE: 99. IS AN UNDEFINED POSITION.

FALL 1981 GROUP 002
 ON THE POLICY OUTPUT PPHK

THE OUTPUT ACTOR'S ESTIMATED ISSUE POSITION IS: 1.7
 CONTRIBUTING TO THIS DECISION THE INFLUENCE OF EACH OF THE OTHER ACTORS IS:

<u>ACTOR</u>	<u>DECISION RULE</u>	<u>REFERENCE WEIGHT</u>	<u>STARTING ISSUE POSITION</u>	<u>POWER</u>	<u>SALIENCE</u>
1 PRC.	IA	1.00	2.	4.	4.
2 U.K.	CN	0.72	0.	0.	4.
3 U.S.	CN	0.76	0.	0.	2.
4 JAPN	CN	0.56	2.	2.	3.
5 TAWN	CN	0.55	3.	1.	2.
6 USSR	CN	-0.66	-4.	1.	1.

FALL 1981 GROUP 003

THE POLITICAL FUTURE OF HONG KONG

00000010

THE FOLLOWING IS A LIST OF THE RUN PARAMETERS.

NUMBER OF ISSUES: 5, NUMBER OF ACTORS: 6

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.K. IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR JAPN IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR USSR IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.S. IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR TAWN IS: CN

THESE MATRICES ARE USED TO PRODUCE THE OUTPUT.

ISSUE POSITION MATRIX

	PPHK	IMEX	INVT	STIP	TEIN
PRC.	-1.	3.	3.	3.	4.
U.K.	1.	1.	2.	0.	1.
JAPN	2.	3.	3.	2.	1.
USSR	99.	0.	0.	99.	0.
U.S.	0.	2.	1.	4.	2.
TAWN	0.	2.	0.	99.	0.

POWER MATRIX

	PPHK	IMEX	INVT	STIP	TEIN
PRC.	4.	3.	3.	3.	3.
U.K.	0.	1.	2.	0.	1.
JAPN	1.	3.	2.	1.	1.
USSR	99.	0.	0.	99.	0.
U.S.	1.	3.	0.	3.	2.
TAWN	2.	2.	0.	99.	1.

SALIENCE MATRIX

	PPHK	IMEX	INVT	STIP	TEIN
PRC.	3.	3.	3.	2.	4.
U.K.	1.	1.	2.	0.	1.
JAPN	1.	4.	4.	1.	3.
USSR	99.	0.	0.	99.	0.
U.S.	2.	1.	1.	3.	2.
TAWN	3.	2.	1.	99.	0.

NOTE: 99. IS AN UNDEFINED POSITION.

FALL 1981 GROUP 003

ON THE POLICY OUTPUT PPHK

THE OUTPUT ACTOR'S ESTIMATED ISSUE POSITION IS: 0.0
 CONTRIBUTING TO THIS DECISION THE INFLUENCE OF EACH OF THE OTHER ACTORS IS:

ACTOR	DECISION RULE	REFERENCE WEIGHT	STARTING ISSUE POSITION	POWER	SALIENCE
1 PRC.	IA	0.75	-1.	4.	3.
2 U.K.	CN	0.38	0.	0.	1.
3 JAPN	CN	0.37	2.	1.	1.
4 USSR	CN	0.13	99.	99.	99.
5 U.S.	CN	0.47	0.	1.	2.
6 TAWN	CN	0.33	0.	2.	3.

FALL 1981 GROUP 004

THE ANALYSIS OF THE POLITICAL FUTURE OF HONG KONG 00000010

 THE FOLLOWING IS A LIST OF THE RUN PARAMETERS.
 NUMBER OF ISSUES: 5, NUMBER OF ACTORS: 6
 THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.S. IS: CN
 THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR JAPN IS: CN
 THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR TAWN IS: CN
 THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR USSR IS: CN
 THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.K. IS: CN
 THESE MATRICES ARE USED TO PRODUCE THE OUTPUT.

ISSUE POSITION MATRIX

	PPHK	INVT	INGT	TRAD	SYMB
PRC.	0.	4.	1.	4.	1.
U.S.	3.	4.	-2.	3.	3.
JAPN	3.	4.	-4.	4.	4.
TAWN	2.	3.	2.	3.	4.
USSR	3.	99.	99.	99.	99.
U.K.	0.	4.	-3.	3.	4.

POWER MATRIX

	PPHK	INVT	INGT	TRAD	SYMB
PRC.	4.	3.	3.	4.	4.
U.S.	1.	2.	3.	3.	3.
JAPN	2.	4.	3.	4.	2.
TAWN	0.	1.	3.	2.	1.
USSR	0.	99.	99.	99.	99.
U.K.	2.	2.	3.	3.	2.

SALIENCE MATRIX

	PPHK	INVT	INGT	TRAD	SYMB
PRC.	3.	3.	3.	4.	4.
U.S.	2.	3.	2.	3.	2.
JAPN	4.	4.	1.	3.	2.
TAWN	4.	3.	3.	2.	4.
USSR	3.	99.	99.	99.	99.
U.K.	4.	3.	3.	2.	4.

NOTE: 99. IS AN UNDEFINED POSITION.

FALL 1981 GROUP 004

ON THE POLICY OUTPUT PPHK

THE OUTPUT ACTOR'S ESTIMATED ISSUE POSITION IS: 1.4
 CONTRIBUTING TO THIS DECISION THE INFLUENCE OF EACH OF THE OTHER ACTORS IS:

<u>ACTOR</u>	<u>DECISION RULE</u>	<u>REFERENCE WEIGHT</u>	<u>STARTING ISSUE POSITION</u>	<u>POWER</u>	<u>SALIENCY</u>
1 PRC.	IA	0.75	0.	4.	3.
2 U.S.	CN	0.38	3.	1.	2.
3 JAPN	CN	0.34	3.	2.	4.
4 TAWN	CN	0.50	2.	0.	4.
5 USSR	CN	0.19	3.	0.	3.
6 U.K.	CN	0.42	0.	2.	4.

FALL 1981 GROUP 005

THE ANALYSIS OF POLITICAL FUTURE OF HONG KONG 00000010

THE FOLLOWING IS A LIST OF THE RUN PARAMETERS.
NUMBER OF ISSUES: 5, NUMBER OF ACTORS: 6
THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.K. IS: CN
THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.S. IS: CN
THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR JAPN IS: CN
THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR TAWN IS: CN
THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR SVUN IS: CN
THESE MATRICES ARE USED TO PRODUCE THE OUTPUT.

ISSUE POSITION MATRIX

	PPHK	FEIM	INQA	INT.	EXT.
PRC.	0.	3.	1.	3.	1.
U.K.	0.	3.	2.	1.	2.
U.S.	0.	2.	3.	2.	4.
JAPN	0.	1.	0.	4.	1.
TAWN	0.	0.	0.	1.	0.
SVUN	0.	0.	-2.	0.	0.

POWER MATRIX

	PPHK	FEIM	INQA	INT.	EXT.
PRC.	4.	3.	4.	3.	1.
U.K.	2.	2.	4.	2.	2.
U.S.	1.	2.	4.	2.	3.
JAPN	0.	1.	4.	3.	1.
TAWN	1.	1.	4.	1.	0.
SVUN	1.	0.	4.	0.	0.

SALIENCE MATRIX

	PPHK	FEIM	INQA	INT.	EXT.
PRC.	4.	3.	2.	3.	1.
U.K.	3.	3.	2.	1.	3.
U.S.	1.	2.	1.	2.	3.
JAPN	1.	1.	0.	4.	1.
TAWN	2.	1.	1.	1.	0.
SVUN	0.	0.	0.	0.	0.

NOTE: 99. IS AN UNDEFINED POSITION.

FALL 1981 GROUP 005

ON THE POLICY OUTPUT PPHK

THE OUTPUT ACTOR'S ESTIMATED ISSUE POSITION IS: 0.0
 CONTRIBUTING TO THIS DECISION THE INFLUENCE OF EACH OF THE OTHER ACTORS IS:

ACTOR	DECISION POLE	REFERENCE WEIGHT	STARTING ISSUE POSITION	POWER	SALIENCE
1 PRC.	IA	1.00	0.	4.	4.
2 U.K.	CN	0.54	0.	2.	3.
3 U.S.	CN	0.49	0.	1.	1.
4 JAPN	CN	0.51	0.	0.	1.
5 TAWN	CN	0.42	0.	1.	2.
6 SVUN	CN	0.27	0.	1.	0.

POSSIBLE POLITICAL FUTURES OF HONG KONG (SPRING 82 GROUP 1) 00000010

THE FOLLOWING IS A LIST OF THE RUN PARAMETERS.

NUMBER OF ISSUES: 5, NUMBER OF ACTORS: 6

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR H.K. IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR TAWN IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.K. IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR JAPN IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.S. IS: CN

THESE MATRICES ARE USED TO PRODUCE THE OUTPUT.

ISSUE POSITION MATRIX

	PPHK	ECON	EDUC	MILI	GOVT
PRC	4.	4.	4.	4.	3.
H.K.	4.	4.	0.	-1.	3.
TAWN	2.	-1.	99.	-2.	-3.
U.K.	0.	4.	2.	4.	4.
JAPN	3.	3.	1.	3.	3.
U.S.	3.	3.	99.	99.	2.

POWER MATRIX

	PPHK	ECON	EDUC	MILI	GOVT
PRC	4.	3.	0.	4.	3.
H.K.	0.	2.	1.	0.	0.
TAWN	1.	3.	99.	0.	1.
U.K.	0.	0.	4.	4.	4.
JAPN	2.	1.	1.	2.	1.
U.S.	1.	1.	99.	09.	2.

SALIENCE MATRIX

	PPHK	ECON	EDUC	MILI	GOVT
PRC	4.	4.	4.	4.	3.
H.K.	0.	4.	2.	0.	1.
TAWN	2.	3.	99.	2.	3.
U.K.	4.	4.	4.	4.	4.
JAPN	3.	3.	4.	2.	2.
U.S.	1.	3.	99.	99.	2.

NOTE: 99. IS AN UNDEFINED POSITION.

SPRING 1982 GROUP 001
 ON THE POLICY OUTPUT PPHK

THE OUTPUT ACTOR'S ESTIMATED ISSUE POSITION IS: 2.4
 CONTRIBUTING TO THIS DECISION THE INFLUENCE OF EACH OF THE OTHER ACTORS IS:

ACTOR	DECISION RULE	REFERENCE WEIGHT	STARTING ISSUE POSITION	POWER	SALIENCE
1 PRC	IA	1.00	4.	4.	4.
2 H.K.	CN	0.42	4.	0.	0.
3 TAWN	CN	-0.36	2.	1.	2.
4 U.K.	CN	0.61	0.	0.	4.
5 JAPN	CN	0.65	3.	2.	3.
6 U.S.	CN	0.69	3.	1.	1.

POSSIBLE POLITICAL FUTURES OF HONG KONG (SP '82 GROUP TWO) 00000010

THE FOLLOWING IS A LIST OF THE RUN PARAMETERS.

NUMBER OF ISSUES: 5, NUMBER OF ACTORS: 6

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.K. IS: CB

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR H.K. IS: CB

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.S. IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR JAPN IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR TAWN IS: CN

THESE MATRICES ARE USED TO PRODUCE THE OUTPUT.

ISSUE POSITION MATRIX

	PPHK	INVT	IMPT	EXPT	TOUR
PRC	4.	4.	2.	3.	3.
U.K.	3.	2.	3.	3.	2.
H.K.	0.	2.	0.	2.	3.
U.S.	2.	2.	3.	-1.	-2.
JAPN	3.	4.	3.	1.	0.
TAWN	4.	3.	4.	-1.	4.

POWER MATRIX

	PPHK	INVT	IMPT	EXPT	TOUR
PRC	4.	3.	1.	3.	2.
U.K.	2.	3.	3.	2.	1.
H.K.	0.	2.	1.	1.	1.
U.S.	2.	3.	2.	3.	2.
JAPN	1.	3.	3.	3.	1.
TAWN	0.	0.	2.	0.	0.

SALIENCE MATRIX

	PPHK	INVT	IMPT	EXPT	TOUR
PRC	4.	4.	1.	3.	3.
U.K.	3.	3.	2.	3.	3.
H.K.	4.	3.	4.	4.	3.
U.S.	2.	3.	2.	2.	2.
JAPN	2.	4.	3.	2.	3.
TAWN	3.	1.	4.	2.	2.

NOTE: 99. IS AN UNDEFINED POSITION.

SPRING 1982 GROUP 002
 ON THE POLICY OUTPUT PFHK

THE OUTPUT ACTOR'S ESTIMATED ISSUE POSITION IS: 3.1
 CONTRIBUTING TO THIS DECISION THE INFLUENCE OF EACH OF THE OTHER ACTORS IS:

ACTOR	DECISION RULE	DEPENDENCE WEIGHT	STARTING ISSUE POSITION	POWER	SALIENCE
1 PRC	IA	1.00	4.	4.	4.
2 U.K.	CB	0.52	3.	2.	3.
3 H.K.	CB	0.31	0.	0.	4.
4 U.S.	CN	0.07	2.	2.	2.
5 JAPN	CN	0.50	3.	1.	2.
6 TAWN	CN	0.41	4.	0.	3.

THE FOLLOWING IS A LIST OF THE RUN PARAMETERS.

NUMBER OF ISSUES: 5, NUMBER OF ACTORS: 5

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.K. IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.S. IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR TAWN IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR JAPN IS: CN

THESE MATRICES ARE USED TO PRODUCE THE OUTPUT.

ISSUE POSITION MATRIX

	PPHK	MILI	INVT	TRDE	TECH
PRC	4.	0.	3.	4.	4.
U.K.	4.	2.	1.	2.	3.
U.S.	2.	3.	1.	3.	1.
TAWN	1.	2.	2.	2.	2.
JAPN	2.	0.	3.	2.	1.

POWER MATRIX

	PPHK	MILI	INVT	TRDE	TECH
PRC	4.	4.	2.	3.	2.
U.K.	1.	1.	1.	2.	2.
U.S.	2.	3.	1.	3.	3.
TAWN	1.	0.	0.	0.	0.
JAPN	0.	0.	1.	3.	4.

SALIENCE MATRIX

	PPHK	MILI	INVT	TRDE	TECH
PRC	4.	2.	3.	4.	3.
U.K.	4.	1.	1.	1.	2.
U.S.	3.	1.	1.	3.	1.
TAWN	1.	0.	0.	0.	0.
JAPN	1.	0.	4.	1.	4.

NOTE: 99. IS AN UNDEFINED POSITION.

SPRING 1982 GROUP 003

ON THE POLICY OUTPUT PPHK

THE OUTPUT ACTOR'S ESTIMATED ISSUE POSITION IS: 3.0 CONTRIBUTING TO THIS DECISION THE INFLUENCE OF EACH OF THE OTHER ACTORS IS:

ACTOR	DECISION RULE	REFERENCE WEIGHT	STARTING ISSUE POSITION	POWER	SALIENCE
1 PRC	IA	1.00	4.	4.	4.
2 U.K.	CN	0.54	4.	1.	4.
3 U.S.	CN	0.39	2.	2.	3.
4 TAWN	CN	0.39	1.	1.	1.
5 JAPN	CN	0.49	2.	0.	1.

SPRING 1982 GROUP 004
 POLITICAL FUTURES OF HONG KONG 00000010

 THE FOLLOWING IS A LIST OF THE RUN PARAMETERS.
 NUMBER OF ISSUES: 6, NUMBER OF ACTORS: 5
 THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.K. IS: CN
 THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.S. IS: CN
 THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR JAPN IS: CN
 THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR SING IS: CN
 THESE MATRICES ARE USED TO PRODUCE THE OUTPUT.

ISSUE POSITION MATRIX

	PPHK	TECH	TRAD	CULT	DIPL	MILT
PRC	0.	3.	4.	1.	3.	1.
U.K.	2.	1.	4.	4.	4.	1.
U.S.	3.	2.	3.	2.	3.	2.
JAPN	1.	2.	3.	3.	3.	0.
SING	3.	1.	2.	1.	2.	0.

POWER MATRIX

	PPHK	TECH	TRAD	CULT	DIPL	MILT
PRC	3.	1.	3.	2.	3.	4.
U.K.	2.	1.	2.	3.	2.	2.
U.S.	2.	2.	3.	2.	3.	1.
JAPN	0.	4.	2.	3.	3.	0.
SING	0.	2.	2.	0.	1.	0.

SALIENCE MATRIX

	PPHK	TECH	TRAD	CULT	DIPL	MILT
PRC	4.	3.	4.	1.	3.	3.
U.K.	4.	3.	4.	4.	4.	4.
U.S.	0.	1.	2.	3.	3.	2.
JAPN	1.	4.	3.	3.	3.	0.
SING	3.	0.	2.	1.	2.	2.

NOTE: 99. IS AN UNDEFINED POSITION.

SPRING 1982 GROUP 004
 ON THE POLICY OUTPUT PPHK

THE OUTPUT ACTOR'S ESTIMATED ISSUE POSITION IS: 1.6
 CONTRIBUTING TO THIS DECISION THE INFLUENCE OF EACH OF THE OTHER ACTORS IS:

ACTOR	DECISION RULE	REFERENCE WEIGHT	STARTING ISSUE POSITION	POWER	SALIENCE
1 PRC	IA	0.75	0.	3.	4.
2 U.K.	CN	0.54	2.	2.	4.
3 U.S.	CN	0.51	3.	2.	3.
4 JAPN	CN	0.50	1.	0.	1.
5 SING	CN	0.42	3.	0.	3.

SPRING 1982 GROUP 005

POLITICAL FUTURES OF HONG KONG

00000010

THE FOLLOWING IS A LIST OF THE RUN PARAMETERS.

NUMBER OF ISSUES: 4, NUMBER OF ACTORS: 6

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.K. IS: CB

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR JAPN IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR U.S. IS: CB

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR TAWN IS: CN

THE DECISION RULE BETWEEN THE OUTPUT ACTOR AND REFEREN CE ACTOR H.K. IS: CB

THESE MATRICES ARE USED TO PRODUCE THE OUTPUT.

ISSUE POSITION MATRIX

	PPHK	INVT	TRAD	MIFC
PRC	0.	3.	3.	2.
U.K.	3.	3.	2.	3.
JAPN	3.	4.	4.	3.
U.S.	0.	4.	2.	2.
TAWN	4.	4.	4.	99.
H.K.	0.	4.	4.	3.

POWER MATRIX

	PPHK	INVT	TRAD	MIFC
PRC	4.	4.	4.	3.
U.K.	0.	0.	3.	1.
JAPN	1.	4.	4.	3.
U.S.	1.	1.	2.	2.
TAWN	1.	2.	2.	3.
H.K.	2.	1.	2.	0.

SALIENCE MATRIX

	PPHK	INVT	TRAD	MIFC
PRC	3.	2.	2.	2.
U.K.	3.	3.	2.	3.
JAPN	2.	2.	2.	3.
U.S.	2.	2.	3.	1.
TAWN	4.	4.	4.	1.
H.K.	4.	4.	4.	3.

NOTE: 99. IS AN UNDEFINED POSITION.

SPRING 1982 GROUP 005
 ON THE POLICY OUTPUT PPHK

THE OUTPUT ACTOR'S ESTIMATED ISSUE POSITION IS: 1.3
 CONTRIBUTING TO THIS DECISION THE INFLUENCE OF EACH OF THE OTHER ACTORS IS:

ACTOR	DECISION RULE	REFERENCE WEIGHT	STARTING ISSUE POSITION	POWER	SALIENCE
1 PRC	IA	0.75	0.	4.	3.
2 U.K.	CB	0.29	3.	0.	3.
3 JAPN	CN	0.33	3.	1.	2.
4 U.S.	CB	0.35	0.	1.	2.
5 TAWN	CN	0.25	4.	1.	4.
6 H.K.	CB	0.25	0.	2.	4.

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10 REM          THIS PROGRAM IS WRITTEN BY HENRY T. K. AU AND DARWIN
20 REM D. L. NG BASED ON THE ALGORITHM DEVELOPED BY HENRY AU.
30 REM ALTHOUGH NG TAKES CARE OF MOST OF THE TECHNICAL DETAILS
40 REM OF THE PROGRAM, HENRY AU ALONE SHOULDERS ALL RESPONSIBILITIES
50 REM OF MISTAKES MADE IN THE PROGRAM, TECHNICAL OR OTHERWISE.
60 REM
70 REM          THIS PROGRAM UTILIZED THE RANDOM NUMBER FUNCTION TO
80 REM GENERATE RANDOM NUMBERS TO BE USED AS JUDGEMENTAL DATA IN THE
90 REM PROBE SIMULATION MODEL FOR THE PURPOSE OF PREDICTING THE
100 REM POLITICAL FUTURE OF HONG KONG.
105 REM
110 REM          THE USER IS ASKED TO INPUT THE MAXIMUM NUMBER OF ACTORS
120 REM AND THE MAXIMUM NUMBER OF ISSUES FOR A PROBE SIMULATION RUN.
130 REM THE COMPUTER WOULD THEN GENERATE RANDOM NUMBERS THAT ARE
140 REM WITHIN THE RANGE SPECIFIED BY THE USER TO DETERMINE THE
150 REM TOTAL NUMBER OF ACTORS AND THE TOTAL NUMBER OF ISSUES USED
160 REM IN THE SIMULATION.
165 REM
170 REM          SINCE THE MODEL ASSUMES/REQUIRES A MINIMUM OF TWO
180 REM ACTORS, THE NUMBER OF ACTORS USED WOULD BE BETWEEN TWO AND
190 REM THE INPUTTED MAXIMUM VALUE. SINCE THE MODEL ALSO REQUIRES A
200 REM MINIMUM OF ONE ISSUE, THE NUMBER OF ISSUES USED WOULD BE
210 REM BETWEEN ONE AND THE INPUTTED MAXIMUM VALUE.
220 REM
225 REM          FOR SIMULATION RUNS THAT ALLOW CHINA THE CHOICE OF
230 REM MAKING OR NOT MAKING A DECISION ON THE SETTLEMENT OF THE
235 REM 1898 LEASE (THE POLICY OUTPUT), A CERTAIN PERCENTAGE (E. G.
240 REM 1/8) OF UNAPPLIED DATA IS ASSUMED, REFLECTING THE CHOICE OF
245 REM NON-DECISION.
247 REM
250 REM          UNDER THIS CIRCUMSTANCE, ONCE A RANDOM NUMBER IS
255 REM GENERATED, A CHECK IS MADE TO SEE IF IT FALLS WITHIN A
260 REM CERTAIN PREASSIGNED RANGE FOR UNAPPLIED DATA. IF IT DOES, THE
265 REM NUMBER 99 SIGNIFYING INAPPLICABILITY IS THEN ASSIGNED IN THE
270 REM CELL. IF IT DOES NOT FALL WITHIN THE RANGE, A NEWLY-GENERATED
272 REM RANDOM NUMBER WILL REPLACE THE OLD ONE AND BE ASSIGNED IN THE
274 REM CELL. THE SAME PROCEDURES ARE APPLIED TO EVERY CELLS OF THE
276 REM MATRIX, AND EVERY MATRIX OF THE SIMULATION - THE ISSUE
278 REM POSITION, THE POWER AND THE SALIENCE MATRICES.
279 REM
280 REM          AFTER ALL THE MATRICES ARE FILLED WITH DATA, RANDOM
282 REM NUMBERS ARE USED TO DETERMINE THE APPLICABLE DECISION RULE
284 REM FOR EACH OF THE ACTORS. THERE IS NO UNAPPLIED DATA TO THE
286 REM DECISION RULE. THE FIRST ACTOR, THE ASSUMED OUTPUT ACTOR, IS
288 REM AUTOMATICALLY ASSIGNED THE DECISION RULE "IA".
289 REM
290 REM          FOR SIMULATION RUNS THAT ASSUMES CHINA MUST MAKE A
292 REM DECISION ON HONG KONG'S FUTURE THE SAME PROCEDURES ARE
294 REM ADOPTED WITHOUT THE TESTING OF RANDOM NUMBERS TO SEE IF THEY
296 REM FALL WITHIN THE RANGE FOR UNAPPLIED DATA. EVERY RANDOM NUMBER
298 REM GENERATED IS USED TO FILLED UP THE CELLS IN THE MATRICES.
300 REM
340 REM          THE VARIABLES ARE DEFINED:-
350 REM          NUMERIC

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360 REM          B,J=MAX. # OF ACTORS AND ISSUE(S).
370 REM          A,I=RANDOMLY GENERATED # FOR # OF ACTORS AND
371 REM          IP(S)
380 REM          P1,P2,P3,P4,S1,S2,D=LOOP VARIABLES
390 REM          R1,R2,R3,R4,R5,R6,R7=VARIABLES TO GENERATE
391 REM          RANDOM NUMBERS
400 REM          CHARACTER
410 REM          E$,B$,J$=INPUT VARIABLES FOR EXPLANATION,
415 REM          # OF ACTORS
420 REM          AND ISSUES.
430 REM          P$,S$,D$=TO PRINT THE MATRIX ELEMENTS
431 REM          MATRIX
440 REM          M,N,S,D=TO STORE RANDOMLY GENERATED POSITIONS
450 REM          FOR IP, POWER, SALIENCE, AND
455 REM          DECISION RULE.
460 REM
470 REM
480 REM          THE VARIABLES FOR INPUT ARE DIMENSIONED.
490 REM
500 DIM E$[20],B$[20],J$[20]
510 REM
520 REM
530 REM *****
535 REM *****
540 REM          THE FOLLOWING IS THE MESSAGE USED DURING THE RUNNING
545 REM          OF THE PROGRAM TO EXPLAIN THE PROGRAM TO THE USER.
550 REM
560 PRINT &
565 PRINT & "YOU HAVE JUST LOGGED ON A PROBE SIMULATION PROGRAM USING RANDOM"
570 PRINT &
575 PRINT & "NUMBERS. DO YOU WANT AN EXPLANATION OF THE PROGRAM, PLEASE TYPE"
580 PRINT "Y FOR YES AND N FOR NO";
590 INPUT E$
600 PRINT
610 PRINT
620 IF E$[1]="Y" THEN 690
630 IF E$[1]="N" THEN 990
640 PRINT "PLEASE TYPE IN EITHER Y FOR YES OR N FOR NO";
650 GOTO 590
660 REM
670 PRINT
680 PRINT
690 PRINT &
695 PRINT & "THE PROBE SIMULATION IS A FORECASTING MODEL WHERE ISSUE POSITON,"
700 PRINT &
705 PRINT & "POWER, AND SALIENCE POSITIONS OF VARIOUS ACTORS, IN THIS CASE, NA&
TION-STATES"
710 PRINT &
715 PRINT & "AND RELATED ISSUES ARE DEFINED BY THE USER AND THEN VALUES ARE AS&
SIGNED TO THE"
720 PRINT &
725 PRINT & "VARIOUS IP, P, AND S CORRESPONDING TO THE ACTOR(S). FROM THERE,"
)

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730 PRINT &
    "THE USER COULD THEN DECIDE WHICH ACTOR HAS WHAT KIND OF INFLUENCE&
    "
740 PRINT "ON THE ISSUE."
750 PRINT
760 PRINT
770 PRINT
780 PRINT &
    "IN THIS PROGRAM, HOWEVER, YOU ONLY NEED TO ASSIGN THE MAXIMUM"
790 PRINT &
    "NUMBER OF ACTORS AND ISSUE(S) TO THE PROBE SIMULATION AND THE RES&
T"
800 PRINT &
    "WILL BE PERFORMED BY THE COMPUTER. THE COMPUTER WILL GENERATE"
810 PRINT &
    "RANDOM NUMBERS TO DECIDE THE NUMBER OF ACTORS AND ISSUE POSITION&
    "
820 PRINT &
    "AND THEN ALSO USING THE RANDOM NUMBER FUNCTION TO ASSIGN VALUE TO&
    "
830 PRINT &
    "THE IP, P, AND S. CERTAIN PERCENTAGE OF UNAPPLIED DATA WILL ALSO &
BE"
840 PRINT &
    "ASSUMED. THEN THE DECISION WILL ALSO BE ASSIGNED WITH THE RANDOM"
850 PRINT "NUMBER FUNCTION."
860 PRINT
870 PRINT
880 PRINT
890 PRINT &
    "PLEASE TYPE IN THE NUMBER OF ACTORS AND ISSU 900 PRINT "THE QUESTIONS APPEAR ON THE SCREEN."
910 PRINT "THERE IS AT LEAST TWO ACTORS."
920 PRINT
930 PRINT$0 PRINT
960 REM
970     THE USER IS ASKED TO INPVALUE OF THE MAXIMUM
975 REM     NUMBER OF ACTORS AND ISSUES.
990 PRINT "WHAT IS THE MAX. # OF ACTORS";
1000 INPUT B$
1010 CONVERT B1040
1020 IF INT(B)=B THEN 1060
0 1000
1040 PRINT "YOU HAVE TYPED IN ";B$;&
    " WHICH IS A CHARACTER. PLEASE TYPE IN AN INTEGER";
1050 GOTO 1060 IF B>2 AND B<25 THEN 1110
1065 REM     THE VERSION THIS RESEARCHER IS USING
1067 REM     CAN HAY A MAXIMUM OF 10 ACTORS.
1070 PRINT "PLEASE TYPE IN A NUMBER BETWEEN 2 AND 25";
1080 GOTO 1000
)

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