

OTHER NATIONS

rican plantation economy began to take shape. Ironically, this new system was doomed by the influx after midcentury of reform-minded white colonists—the same Europeans whose ancestors had vastly expanded the slave trade 200 years earlier.

Hong Kong's Uncertain Future

"The International Position of Hong Kong" by Lucian W. Pye, in *The China Quarterly* (Sept. 1983), School of Oriental and African Studies, Malet St., London WC1E 7HP, England.

Nervous businessmen in Hong Kong, facing a Chinese takeover once Britain's 99-year lease to the territory expires in 1997, were not reassured when China's Deng Xiaoping told them several years ago to "put their hearts at ease." As Lord Carrington, then British foreign secretary, pointed out, "It's not their hearts they are worried about."

Today, the leaders of the world's third largest financial center fear local economic collapse under communist management. Rather than signing standard 15-year business contracts that would extend beyond 1997, Hong Kong's industrialists are beginning to shift their capital out of the territory. Taiwan, Singapore, the Philippines, and Thailand offer investment opportunities that encourage the exodus.

London opened negotiations with Beijing over the fate of Hong Kong's five million citizens in 1982. But hopes for an early accord were dashed by the implacable negotiating stance assumed by each side. Deng declared Chinese sovereignty over the entire territory a "non-negotiable" issue. Prime Minister Margaret Thatcher countered by invoking Britain's "moral obligation" to consider the wishes of the people of Hong Kong, most of whom prefer the present arrangement.

Optimists in Hong Kong assume that the newly pragmatic worldview of post-Maoist Chinese leaders, and their need for the export earnings that a healthy Hong Kong could provide, will assure minimal Chinese meddling with the economic status quo. But Pye, an MIT China scholar, points out that even with a 70 percent drop in earnings, an assimilated Hong Kong would still generate more hard currency for China from exports than it now pays for the food and water it imports from the Chinese mainland. Furthermore, while Beijing's desire for a good public relations image in Taiwan (a target for future absorption) could be a moderating force, Pye predicts that Beijing's fear of "interference" from Taiwan will rule out electoral freedom: Chinese-appointed native administrators may be the most Hong Kong can hope for.

So far, says Pye, the Hong Kong Chinese have been "oddly devoid of political vitality." But as 1997 draws nearer, political groups of young, well-educated Hong Kong Chinese have formed (Meeting Point, the Hong Kong Observers, China Spring), calling for varying degrees of autonomy. Pye surmises that the longer the negotiations drag on, the stronger the chance that an articulate nationalist figure will rise to transform the Sino-British transaction into a campaign by the people of Hong Kong for self-determination.