

World Class Commercial Sea Port

Hong Kong had been occupied by an imperialistic power for over a hundred years. No matter what the invader's aim was, the historical development has been out of expectation. Owing to the elements of time, geographic position and human endeavours, Hong Kong has become a centre of the world's economic and commercial activities, tourism, and information and cultural exchanges between the East and the West and a meeting place of science and humanism. It is an international market place where merchants meet. Today's Hong Kong has a population of only 1/1000 of the world's and a territorial area of less than 1/148900 of that of the world. But the amount of its exports exceeds one per cent of the world's total. The value of exports amounts over HK\$2,000 billion, exceeding more than twice the value of its local products. In the twenty years between 1975 and 1995, the tangible trade of Hong Kong had grown forty-four times reaching a value of HK\$2,835.2 billion and at the end of the year 1996, it had reached HK\$2,934 billion. At the end of 1996, Hong Kong had a total of 182 licenced banks operating, of which there were 157 foreign bank branches (including 80 of the world's 100 largest banks). The annual foreign loans amount to more than HK\$3,700 billion and Hong Kong operates banking business with more than 180 countries and regions. There are 2,307 overseas companies which have established Asian Pacific headquarters or regional branches in Hong Kong. Last year, the Stock Exchange of Hong Kong Ltd. recorded stock exchanges of over HK\$2,000 billion in value. At the end of 1996, the value of shares reached HK\$3,476 billion. Hong Kong's stock market is the 8th largest in the world, and the 2nd largest in Asia. There are more than 300 shipping companies belonging to over 50 countries which have headquarters or branch offices in Hong Kong and there are 66 airlines which have offices in Hong Kong. We have a passenger plane landing or departing every 5 minutes. In every 13 minutes, we have an ocean-going ship entering to or departing from our harbour. We have air or ocean communication with more than 100 cities of the world. In 1996, the number of tourists visiting Hong Kong reached 11,700,000 passenger-trips. Income from tourism reached HK\$87 billion which exceeded that of inland China of the same year (US\$10.2 billion).

What is more important is that Hong Kong after more than a hundred years of progress, has gradually established its own cultural background, habituation, rules of games and mode of doing things. It is not an English or American mode. It has the Chinese heritage of cultural and moral standard with the absorption of the Western scientific technic and cultural thoughts. Under equal conditions, Hong Kong citizens are capable of making fortunes in the most efficient way. In the Swiss journal: World Economic Forum, Hong Kong has been placed as the world's 2nd most competitive economic entity. The Fraser Institute of Canada recently named Hong Kong as the world's most free economic entity and the Heritage Foundation of the United States has for the third consecutive year named Hong Kong as the world's most free economic entity. What does it mean by being "free"? I think "freedom" is an active life force. It enables people to have world vision, broad mindedness and absorption of the best of the East and the West. Under the same rules of the game, we have the courage to combat, to break through, to express our positive individuality, to improve our standard of living, to promote

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wealth of our society, and to create a progressive civilization. All these are Hong Kong's value and its valuable contribution to mankind.

Hong Kong Is of Great Value to Inland China

The development of Hong Kong depends mainly on the effort of its citizens. What is more important is that it has the backing of its motherland with its broad market and the strong support of the 1.2 billion population and their Central Government. Inland China has become Hong Kong's largest market place of export and re-export and a supply base of low cost commodities for local consumption and as raw materials for manufacture. We know how greatly inland China supports Hong Kong but Hong Kong is also of great value to inland China. After the Opium War, Hong Kong has been for a long time the window for the Chinese to view the outside world. It has become the main road for inland China to communicate with the rest of the world. It has served as a bridge for the international society to gain access to inland China. Many of modern China's new personage, new thoughts, new conceptions, new fashions have been related to Hong Kong. When Kang You Wei visited Hong Kong at the age of twenty two, he exclaimed "To see the splendour of the palaces of the west, the cleanliness of its roads, its tight police security, we can learn that the westerners know how to govern their countries methodically. They should no longer be looked down upon as barbarians". Many of the great men of China had their early education in Hong Kong. Great revolutionist Dr. Sun Yat Sen, and the early Republic of China's prime minister Tang Zhao Yi, minister of finance Chen Jin Tao, foreign minister Wu Ting Fang were all graduates of the Queen's College of Hong Kong. There were also such famous personalities as Wang Tao, Tang Yan Shu who had their education in Hong Kong. Dr. Sun Yat Sen graduated from Hong Kong Medical College which was the predecessor of the University of Hong Kong. When he made a speech in 1923 at the University of Hong Kong, he remarked "Xiang Shan and Hong Kong are only 50 miles apart but why are they so different? The foreigners could in seventy to eighty years make such a great creation on a barren island but China with its four thousand years of civilization still has not a place comparable to Hong Kong. Why?". From this remark, we can see the origin of Dr. Sun Yat Sen's revolutionary thought. In fact, Hong Kong was the birthplace of China's democratic revolution. It can be said that Dr. Sun Yat Sen was the first person who discovered this value of Hong Kong. However, there can be a negative effect which may make people think that Europe and America are the most progressive and the most perfect continents where morality is at its highest, where bloodshed and brutality are unknown and people enjoy equality and a happy life and the two continents may be thought of as the dream land of the world.

Hong Kong has once been considered by some people as the desert of civilization. This is a misunderstanding. The publication in Hong Kong of "Treasures of the Past & the Present" in 1853 and "Chinese and Foreign New Port" in 1858 were the earliest Chinese journals published anywhere in the world. Some of the most important figures who promoted China's modern cultural movement had done their work in Hong Kong. The founder of the Beijing University,

Mr. Tsoi Yuang Pei came to stay in Hong Kong during his later years. When he died, flags were lowered half-mast all over Hong Kong. Mr. Lu Xun had twice made speeches in Hong Kong. It was raining hard and yet all seats were fully occupied. Educator Tao Xing Zhi, historian Chen Yin Ke, great figures of literature Guo Mo Ruo, Mao Dun and Xia Yan, past dramatists Tian Han, Ou Yang Yu Qian and the still living dramatist Li Men, musicians Ma Si Cong, Li Ling and Zhao Feng all had once worked in Hong Kong. Famous figures of literature and education Hu Shi, Xu Di Shan, Ma Jian, Qian Mu, Chen Jun Bao and Xu Fu Guang had all been vigorously promoting educational work in Hong Kong.

Since the 1960s and 1970s, Hong Kong's culture has had a long stride development. Of Asia's ten best known universities, Hong Kong has three. The winner of the world's highest price for young mathematicians, the Fields Medal winner Mr. Qiu Cheng Tong is a graduate of the Chinese University of Hong Kong. Hong Kong's Jin Yong is one of the Chinese novelists who have the largest number of Chinese readers in the world. The greatest cultural success of Hong Kong may have been the result of the incessant collision, intercommunication and harmonization of the cultures of the East and the West. Today Hong Kong has 58 newspapers, 625 journals, over 200 publishers and very active radio and television programmes. In terms of its population, Hong Kong has the largest number of printed newspapers in the world. Of one thousand citizens, there are 300 copies of newspapers, which are three times the world's average. Hong Kong has the reputation of a "hundred-newspaper" city. More than half of a century ago, western musical instruments such as the violin and the saxophone were introduced for accompaniment in Cantonese operas. The music of the western song "Happy Birthday" was used for the Buddhist believers to sing the Buddhist chant. Famous actors and actresses Xue Jue Xian, Ma Shi Zeng, Hong Xian Nu, Xin Ma Zai, Ren Jian Hui, Fang Yan Fen and Bai Xue Xian all had their individual ways of singing. They were very popular and are still remembered by their fans. Hong Kong's gifted composers Gu Jia Hui, Xu Guan Jei, Luo Wen and Huang Zhan have written many songs which have local peculiarities and they are very popular with local citizens. Worldly culture may sometimes exhibit meagerness and poor taste but it also expresses positivity, optimism, tolerance and progressivism and it reflects how the overseas Chinese achieve success by struggling from the bottom level. As from 1978, this kind of culture has clearly exerted great influence on the interior of China. The culture of Hong Kong tells us that in order to possess an active life force, every kind of culture must be able to abandon the old and to absorb the new under changing circumstances. Every nationality has some meritorious tradition. "To be able to absorb means greatness". In order to develop uninterruptedly, the Chinese culture must be able to absorb the best in other cultures. We all know that worldliness is one of the signs of modernization. We can say that from time of Kang You Wei and Dr. Sun Yat Sen to this day, for over a hundred years when China has been on the road of modernization, Hong Kong as a place offering a series of initiatives for development is of extremely great value to China.

Since the pursuit of the reform and opening up policy in inland China, the great value of Hong Kong has become the most apparent. As we all know, the reform and opening up of China, leading to its development of market economy, is an important

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event of the latter half of the present century. To China's 1.2 billion population and to all the societies of the world, it is an important page of history. At the beginning of the adoption of the policy, many new problems arose. The perfection of the legal system remained to be tested. The door to market economy had opened only slightly. Under these conditions, it was the merchants of Hong Kong who took the lead of entering inland China to promote the development of its market economy. According to statistics, up to the year 1994, there were over 50,000 Hong Kong investment companies operating in inland China. They employed over 5 million people (nearly 13 times the number of workers in the manufacturing industries of Hong Kong in the year 1995 which stood at the figure of 398,000). Up to the year 1996, the visible trade of Hong Kong with inland China had reached HK\$1,049.8 billion in value and Hong Kong direct investments in China had reached US\$78.6 billion, being 58% of the total value of foreign investments in China. Hong Kong has become an important base for China to accumulate foreign capital by way of share issue. Up to the end of June, 1997, there were 80 inland Chinese companies whose "Red Chip" and "H" shares were enlisted in Hong Kong's stock market with a total value of over HK\$400 billion being approximately 13% of the total value of shares in Hong Kong's stock market. Up to the end of the year 1996, there were 1,818 inland Chinese investment companies operating in Hong Kong. Their direct investments in Hong Kong amounted to over US\$42.5 billion. The economic relationship between Hong Kong and the Pearl River Delta Region has reached such a stage that any benefit or loss becomes mutual. At present, the scope of Hong Kong merchants' investments in China is enlarged from the coastal areas to the inland including the large Northwest region. Accompanying Hong Kong's capital to the interior of China are Hong Kong's management expertise, technical skill, communication and foreign markets. Hong Kong has long been the place which has the greatest influence on the economy of the interior of China.

Hong Kong is the place of accumulation and distribution of the world investment capital in the Asian Pacific region. It is the ideal base for the inflow and outflow of domestic and foreign investment capital. Most of the banks in Hong Kong have a Chinese business department. Of the total inflow of foreign capital in Guangdong, 80% comes from Hong Kong. Sixty percent of China's foreign commercial loans is negotiated in Hong Kong. Hong Kong has become the centre of inland China's offshore money market. The extremely active stock market of Hong Kong has been accumulating billions of Hong Kong dollars of capital for the investment companies of inland China.

Hong Kong's value to the interior of China is inestimable when we consider its role as a gangway of investment, the place where capital is accumulated or transferred and as a centre of tourism, a place for the exchange and training of personnel and intercommunication. For example, in Guangdong alone there are more than 60,000 veteran managerial personnel from Hong Kong working for various kinds of enterprises. In 1984 when Arkhibov, the Soviet Advisor General for the economic assistance of China in the 1950s, visited Shenzhen, he remarked "It is regrettable that the Soviet has not a place like Hong Kong". It is worthy of consideration and investigation that a how small

place like Hong Kong, which is mostly mountainous with only 14% of flat land, is able to absorb the modes of operation of the Chinese and Western economy markets and develop its own to such a high level of excellence.

The Great Contribution of the World Chinese Entrepreneurs to Hong Kong

The history of China shows that her people were mobile. From the Yellow River and the Yangtze, they migrated to all parts of China and principally in the southward direction. From the beginning of the 18th Century, the Chinese, especially the Cantonese, started to leave their birthplace to migrate to other parts of the world. What is more important is that wherever they went, they were able to thrive. There are now more than 30 million overseas Chinese. Of them, 20 million inhabit in various parts of South East Asia. When Hong Kong has attained its enviable success, the world Chinese entrepreneurs have similarly achieved their great importance. The early history of Hong Kong was also the first page of the history of bloodshed of the overseas Chinese labour and the first page of the history of the struggle of the world Chinese entrepreneurs.

In the early stage of the British occupation of Hong Kong, there was not much development. In less than a decade of their occupation, the British had a feeling of great despair. In 1850, Hong Kong had a population of only twenty thousand. In a report to the Governor of Hong Kong by 31 British merchants, they stated "There is no business that can be carried out in Hong Kong." They were ready to quit.

History is sometimes very peculiar. The people who "saved" the British merchants were the hardworking Chinese labourers. In 1850, the Taiping Revolution broke out in Guangxi and spread rapidly northward. A great number of people fled to the south and some of them arrived at Hong Kong. The British "human sellers" in Hong Kong grasped the chance of developing "coolie" trade. In the last 50 years of the 19th Century, there had been 2,050,000 Chinese labourers sold overseas. They had to do extremely hard labour in the South Pacific and the North and South American regions. Most of these labourers had to pass through Hong Kong. The "coolie" trade benefited the navigation, hostel and food businesses. The immoral wealth from the "coolie" trade was not less than that of the opium trade. In any case, the history of the Chinese overseas labourers and overseas Chinese entrepreneurs had their beginning in Hong Kong.

An important organization of the world Chinese entrepreneurs with its influence on Hong Kong and the interior of China is the chamber of commerce. China's earliest chamber of commerce was an organization for the intercommunication of South Eastern Asian countries and regions and it first appeared in Hong Kong. In 1868, Mr. Gao Man Hua, a Chaozhou merchant and Mr. Zhao Yu Tian, a Cantonese merchant, established the "Nan Bei Hang Chamber" in Hong Kong. It dealt with the business of transportation of the goods produced in northern China and in the regions south of the Yangtze River to Europe, the American Continents and the North and South Hemispheres. Its principal aim was "To procure benefits for those engaged in same line of business and for the development of market prosperity". Mr. Gao Man Hua in his early years worked as a coolie in Thailand. He came to Hong Kong in 1856 and

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was one of the earliest overseas entrepreneurs who came to develop trade in Hong Kong. In 1896, Hong Kong merchants organized the “Chinese Chamber” which was predecessor of the “Chinese General Chamber of Commerce of Hong Kong”. The early “Chinese Chamber” was managed by Feng Hua Chuang, Gu Hui Shan, Lu Guang Ting, He Ya Mei and He Qi. It proclaimed “protection of merchants’ interest, collection of business information, resolution of disputes and promotion of common interest”. At the time, there were about six thousand Chinese merchants in Hong Kong. The “Chinese Chamber” was an effective organization for the protection of their political and economic rights. The British Hong Kong Government was established in 1842 and the first order it made was the curfew order for the Chinese. In June, 1897 after more than 50 years of struggle, the Hong Kong Chinese forced the government to repeal the curfew order. The success could be attributed to the work of the members of the “Chinese Chamber” which was organized a year earlier.

Influenced by the “Chinese Chamber” of Hong Kong and taking advantage of the Manchu Government’s practice of its new policy, chambers of commerce were established in Tianjin in 1904 and in Beijing in 1906. Hong Kong’s “Nan Bei Hang Chamber” had already been in existence for more than thirty years. The chambers of commerce have the common aim of promoting industries, commerce, production of commodities and the development of market economy. Their members have the chance of intercommunication with one another. The despotic society’s habitual lack of intercommunication became a thing of the past. The early chambers of commerce were a pioneering force in the development of market economy in China.

For Dr. Sun Yat Sen’s national revolution, Hong Kong was not only an important place of planning. It was also the place for the accumulation of capital, weapons and various kinds of commodities. During the times of the Sino-Japanese War and the War of Liberation, the Chinese Communists were very active in Hong Kong. Hong Kong’s every step of development, including the development of international navigation, commerce, monetary market, tourism, and as the centre of communication between China and western countries, cannot be made without the active participation of overseas Chinese entrepreneurs. Hong Kong’s value to the interior of China, the Asian Pacific regions and the rest of the world, cannot be spoken apart from the contribution of the overseas Chinese entrepreneurs. Today when Hong Kong has become a shining pearl of the world, development without the participation of the overseas Chinese entrepreneurs is unthinkable. After 200 years of experience, Chinese capital has become a thing of great importance. In 1996, the market value of the largest 500 Chinese companies enlisted in stock markets (including Taipei’s stock market) reached a total of US\$560 billion, an increase of 30% above that of the previous year. In comparison with the estimates of Chinese capital made by relevant U.S. organizations two years ago, the present total value of Chinese capital is between US\$2,600 billion and US\$3,000 billion of which about 70% is in South East Asia. It can be expected that in the coming decade, the Chinese capital will play a very important role in the Asian market and in the world market as well.

"One Country Two Systems" Expresses Hong Kong New Value

In 1910 at the commencement of construction of the University of Hong Kong, the Governor of Hong Kong Mr. Luard made it plain that the aim of the university was: "To train personnel for the Empire, to maintain the reputation of the Empire in the Far East and to promulgate western culture". His remark expressed the desire for the British Empire for perpetual colonization. But the historical result was that it made the Chinese people take the road of patriotism, revolution and progress. Today, China has repossessed Hong Kong.

Mr. Deng Xiaoping has said: "Develop socialism with special Chinese characteristic. The most important content of this characteristic is the treatment of the problems of Hong Kong, Macau and Taiwan. It is the policy of one country, two systems". He also demanded the long term insistence on this policy. This is an important tactic for the realization of China's modernization.

Hong Kong had been occupied by the British for more than a hundred years. To resolve this historical remnant and at the same time maintain the prosperity of Hong Kong, the one country two systems policy is the wisest solution. It has its basis on history. It has respect for reality, maintenance of principle and flexibility. It is the only policy acceptable to China, the United Kingdom and Hong Kong. This policy not only enabled the smooth transfer of sovereignty of Hong Kong. It also made it possible for the improvement of relationship between China and the United Kingdom to a new historical level. The former British Foreign Secretary Mr. Howe also considered the one country two systems policy as a conception having historical meaning and the ability of stirring up people's minds.

We have all witnessed the peaceful transfer of sovereignty of Hong Kong. Compared with the conditions of retreat of the governments of invaders from the countries where they had forcefully occupied in the old days, the peaceful return of sovereignty of Hong Kong to China can be taken as a contribution of historical importance to the civilization of mankind and world peace. The fact that the return of the sovereignty of Hong Kong could be so peacefully carried out signifies that the world has really progressed. Colonization is no longer acceptable. Power politics has declined. Time has changed. China is no longer the old China that could be so easily trodden and imposed unequal treaties upon by a few gunboats of the imperialistic powers. The Chinese people have arisen and have the ability to demand treatment of equality.

The practice of one country two systems has no historical precedence. It makes it possible for Hong Kong to exert its special importance in the Chinese and world markets and in the harmonization of China with the West. It is Hong Kong's new contribution to the world's political culture and it once more shows the new value of Hong Kong. The Chinese government has once again declared that the one country two systems policy must be strictly followed, the Basic Law must be enforced and Hong Kong must be governed by its own citizens and should enjoy a high degree of self-rule. The one country two systems policy is of great importance not only to Hong Kong and China but to those backward countries which are on the road of independence and self-determination as well. The leaders of China have given their undertaking for the

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support of Mr. Tung Chee Hua and for the retention of the structure of the former government of Hong Kong and the system of its civil servants and their rules of practice. The Central Government of China has more than once declared that its officials and those of other local governments of China are not allowed to interfere with the work of the Hong Kong Special Administrative Region Government and organizations with Chinese capital in Hong Kong are not given any special privilege. All these are for the strict adherence of the one country two systems policy. The citizens of Hong Kong, the people of inland China and the overseas ethnic Chinese all hope that the stability and prosperity of Hong Kong can be maintained and its development can proceed uninterruptedly. The one country two systems policy is a new concept for social development. It is an important ring in the process of China's modernization. There are always difficulties in the practice of something new as there is no precedent to follow. But the citizens of Hong Kong have the common aspiration of developing Hong Kong. They will not become unworthy of the support and trust of the people of its motherland. They will make the Pearl of the Orient even more brilliant and beautiful. It is in turbulent seas that we can observe the heroic character of the sailor. The leaders of the Hong Kong SAR Government show the best in the character of the men and women of China. They have a keen sense of duty and are unafraid of violence or pressure. In dealing with those who are unreasonable, they remain calm and try their best to make them listen to the logic of the matter on hand. Their endeavours and accomplishments have gained the recognition and support of the majority of the citizens. As a matter of fact, after the return of Hong Kong's sovereignty to its motherland, its society has remained stable and more and more citizens have great confidence in the future.

Of course there have been adverse views and actions. It is interesting to review them. The British Hong Kong Government had made a series of moves for the creation of doubts, tribulation and opposition so as to mislead the citizens of Hong Kong and the people of the world. In 1994, the well-known American magazine 'FORTUNE' placed Hong Kong as the world's most attractive commercial city. In the year thereafter, the same magazine published an article entitled "Hong Kong is dead". A Japanese author said even more plainly that, because she wanted to personally view what would happen after the transfer of sovereignty of Hong Kong, she decided to remain in Hong Kong. What she imagined was that immediately after the transfer of sovereignty, there would be a scene of general disturbance with robberies and bloodshed. She said that she and her foreign friends expected that after the 1st of July, 1997, Hong Kong would be like the tragedy of the fall of Shanghai. They expected to see destruction and rape. Her words represented the thought of a minority of people who considered China to be as backward as she was a hundred years ago. They were wrong. There are still a small number of people who are not happy with the smooth transfer of the sovereignty of Hong Kong. They want to create disturbance and to publicize that Hong Kong is ill. They have erected what they call "Pillar of national sorrow". They like to put into disgrace the occasion of the return of Hong Kong to its motherland. They even want foreign governments to "supervise" the SAR Government of Hong Kong. But everyone knows that the past history of Hong Kong

is a history of a century of national disgrace. The "Pillar of national sorrow" should record the true story of the bloody invasions of China by foreign powers. Now that Hong Kong has returned to its motherland, it can no longer tolerate the political interference of foreign powers. If some people in Canada should invite foreign powers to interfere with the governing of Vancouver, they would be looked upon by all as being nonsensical. Now that Hong Kong has become "The Pearl of the Orient" is the fruit of a century of hard work, struggle and sacrifice of the Chinese people. On the question of whether the country should be a democratic republic or a constitutional monarchy, the Chinese people have experienced many tumbles and much bloodshed. Democracy has to go through a road of development. To meet the requirement of the minority, consideration must be given to the benefits of the majority. Hong Kong is our place of abode. We are on the same boat. We must work together for the prosperity and stability of Hong Kong.

The Chinese government is no longer the "sick-man" government of the Manchurian Dynasty. Legality, righteousness and power are all in the hands of the Chinese people. The Central Government has the ability of control under any circumstance. Those who expect Hong Kong to be in turmoil and to collapse can only be disappointed. Today, I have the same view as that of the Chinese in inland China and overseas and the majority of people of the world, and that is after Hong Kong's return to its motherland, the SAR Government and the citizens of Hong Kong will steadfastly carry out the policy of one country two systems. They have the ability of treating matters in the right order and to promote the stability and prosperity of Hong Kong. I firmly believe the Hong Kong will even be better tomorrow.