

"It makes for sad—and angry—reading." —Wall Street Journal

THE FALL OF HONG KONG

REVISED AND UPDATED

*China's Triumph
& Britain's Betrayal*



MARK ROBERTI

The Fall of Hong Kong

China's Triumph
and Britain's Betrayal

MARK ROBERTI



John Wiley & Sons, Inc.

New York · Chichester · Brisbane · Toronto · Singapore · Weinheim

"Deng Xiaoping Is Coming To Town," page 58, is reprinted with permission from "Traveler's Tales" by Derek Davies, as it appeared in the Jan. 20, 1983, issue of the *Far Eastern Economic Review*.

This text is printed on acid-free paper.

Copyright © 1994, 1996 by Mark Roberti
Published by John Wiley & Sons, Inc.

All rights reserved. Published simultaneously in Canada.

Reproduction or translation of any part of this work beyond that permitted by Section 107 or 108 of the 1976 United States Copyright Act without the permission of the copyright owner is unlawful. Requests for permission or further information should be addressed to the Permissions Department, John Wiley & Sons, Inc.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering professional services. If legal, accounting, medical, psychological, or any other expert assistance is required, the services of a competent professional person should be sought.

Library of Congress Cataloging-in-Publication Data:

Roberti, Mark. 1961—

The fall of Hong Kong : China's triumph and Britain's betrayal /
Mark Roberti.

p. cm.

Includes index.

ISBN 0-471-15961-1

1. Hong Kong—Politics and government. 2. Great Britain—Foreign relations—China. 3. China—Foreign relations—Great Britain.

I. Title.

DS796.H757R628 1994

951.2505—dc20

94-9891

Printed in the United States of America

10 9 8 7 6 5 4 3 2

Acknowledgments

THESE ARE several people without whom I would never have been able to write this book. I am forever indebted to my wife Lydia, who supported me emotionally and financially during the two years it took to complete the manuscript; to the late Diane Cleaver, who did more than any writer could ask for (she is greatly missed); and to my friend and mentor Sam Toperoff, who read the manuscript at a critical juncture and offered invaluable suggestions for improving it.

I am especially grateful to Winnie Lee, who provided the crucial and difficult service of translating documents and articles from Chinese to English; to Hana Lane, my editor, who made important suggestions and helped to get the manuscript ready for publication; to Maria denBoer, who copy edited the manuscript with intelligence and care; to Julia Markus, who got the whole thing started by introducing me to Diane Cleaver and who encouraged me throughout the period I worked on the book; to John Hull, who read numerous drafts of the manuscript and was extraordinarily generous with his ideas, support, and brandy; and to Seymour Kurtz, whose contribution was not in vain.

An investigative project like this would never be possible if the researcher did not have access to secondary source material. I would especially like to thank Jan Bradley and Roger Tam at the *Far Eastern Economic Review* library; Judy Young and her amiable staff at the *South China Morning Post* library; and the staffs at the American Library and the Hong Kong University Library.

I am indebted to all of the daily newspaper journalists who covered the situation in Hong Kong under very difficult circumstances. Their work provided the foundation on which I was able to build. I am particularly grateful to journalists Chris Yeung, Stanley Leung, Willy Lam, and Cheng Tak-shing, who covered firsthand many of the events I wrote about and shared their insights.

I would also like to thank the following individuals in Hong Kong for their help and support: Steve and Irene Knipp, Tom Boesberg, Thomas

Chan, Albert Chen, Amitabha Chowdhury, Nihal Jayawichrama, Kevin Lau, Lau Siu-kai, Richard Margolis, Margaret Ng, Shui Sin-por, John Walden, B. Y. Wong, Kenneth Wong, and Patrick Wong.

I am grateful to Ken Vance and the staff at Southwell House, who put me up for a month while I conducted my research in London. I would like to thank the following people in London: Greg and Margaret Ketteridge, whose warm friendship made the trip enjoyable as well as productive; historian Peter Hennessy, who shared his infinite knowledge of Whitehall with me; members of the Omelco Office; John Yaxley and the staff at the Hong Kong Government Office, who helped me dig up whatever information I needed; and Robert Archer and Steve Tsang.

I am grateful to Martin Lee, who, despite the enormous demands on his time, granted me numerous interviews over the past ten years and contributed the introduction to this edition. Lastly, my deepest thanks to all of the other people who gave their time, cooperation, and support to this project in spite of the sensitive nature of the subject matter and the rules prohibiting disclosure.

Preface

AT MIDNIGHT on June 30, 1997, British officials will pull down the Union Jack from the flagpole outside Government House for the last time. Cadres from Beijing will run up the Chinese five-starred red flag. With that simple act, Britain will erase a legacy of injustice—and create a new one. For London is not just handing back the tiny outcropping of land on the South China Coast that she took during the last century. She is also handing over her six million Chinese subjects living there.

Britain is stripping the people of Hong Kong of the protection of British democracy and forcing them to live under a communist dictatorship. Britain and China have told them they will be allowed to maintain their way of life, capitalist economy, and legal system for fifty years after 1997. The two governments have promised them that they will manage their own affairs, enjoy a high degree of autonomy, and exercise the same rights and freedoms they had under British rule.

But these promises are empty. Beijing has ensured that it will control every facet of Hong Kong's affairs through a hand-picked governor. It will be able to interfere in court cases because China's rubber stamp legislature—not local judges—will interpret the post-1997 constitution. The first legislature will be appointed by Beijing and will draft the rules for “electing” future members to that body. And the legislature has been given little power to check abuses by the executive branch of government. Moreover, the people of Hong Kong do not know who will be running China in the coming years, what his policies will be, if he will uphold the right of private ownership in Hong Kong, and whether he will respect human rights and the rule of law or will resort to the gun to implement his will. They await the transfer of sovereignty in dread.

Britain did not want to return the last jewel in her imperial crown, but was forced to sign away her last important colony because of an accident of history. In the mid-1800s, she fought two wars with China. Opium was the excuse, but trade was the real issue. At the time, China considered herself to be superior to all nations. She refused to establish relations with any European nation and restricted trade to the southern port of Guangzhou

(Canton). British merchants deemed it their god-given right to do business in China. They wanted the whole country opened to trade and encouraged London to use the Royal Navy to do it.

Despite the Celestial Emperor's delusions of superiority, China was an empire in decline. The mandarin bureaucracy had become bloated, inefficient, and corrupt. Scientific advancement had fallen behind the West and most of the population lived in appalling poverty. Britain, on the other hand, was a rising power. Her armed frigates easily defeated China's sluggish junks, and she forced Beijing to sign two humiliating treaties under which Hong Kong Island and the tip of the Kowloon Peninsula across the harbor were ceded to Britain "in perpetuity."

China's defeat showed how weak and vulnerable she really was. In 1895, Japan routed China in the first Sino-Japanese war and grabbed the Liaotung Peninsula, which controlled the strategic opening to Beijing. That sent the European powers scrambling for China's territory: Germany seized Kiaochow across from the Korean Peninsula; Russia occupied Lushun in northern China and renamed it Port Arthur; and France grabbed Kwangchow Wan, 210 miles southwest of Hong Kong. Officials in the British colony feared that the French might also try to seize Hong Kong. Moreover, if the Chinese ever summoned the courage to take back the ceded territories by force, they controlled both entrances to Hong Kong Harbor and could shell the heart of the city from their own territory. London was encouraged to secure the land between the Kowloon hills and the Shenzhen River to provide protection.

The decrepit Manchu dynasty was powerless to stop the Europeans from taking what they wanted, but tried to avoid losing land permanently. It agreed to lease to Britain the area south of the Shenzhen River and 235 islands scattered off the coast for ninety-nine years. It must have seemed like virtual annexation to the British negotiators who accepted the deal, but in leasing the New Territories, as the new land was called, they destroyed Hong Kong's territorial integrity and assured that China would one day recover the whole colony.

Hong Kong became a borrowed land living on borrowed time. No one seemed to mind as long as 1997 was far in the future. After World War II, businesspeople invested heavily in plants and machinery, and the colony's economy took off. By the late 1970s, Hong Kong had been transformed from a barren rock into a major commercial center and economic powerhouse. Though just 412 square miles—about one-third the size of Rhode Island—it exported more toys, watches, and radios than any country in the world. It was the second largest exporter of clothing and ranked twenty-first in world trade (by 1996, it would be eighth). But the New Territories accounted for over ninety percent of Hong Kong's land area. Much of its manufacturing, a

third of its population, and all of its local water supply was situated there. The colony could not survive without it.

In 1978, it became clear to the governor of Hong Kong that something had to be done to resolve the question of Hong Kong's future or business confidence would gradually erode as 1997 grew closer. Britain wanted to maintain control of her colony, and in September 1982, Prime Minister Margaret Thatcher went to Beijing to initiate negotiations with that aim. Beijing refused to accept any form of British presence in Hong Kong after 1997. China experts in the British Foreign Office wanted to negotiate a deal and be done with Hong Kong, but an adviser to the governor named S. Y. Chung, and his colleagues in Hong Kong's Executive Council, pushed the diplomats relentlessly to get the best agreement for the colony, one that would guarantee that local residents could continue to live as they always had.

Under the Joint Declaration, an agreement signed by the British and Chinese in 1984, Britain agreed to return Hong Kong to China, and China spelled out the liberal promises of freedom and autonomy. The accord was widely hailed the world over as a shining example of how two countries can work out their differences peacefully. The Hong Kong people, however, were given a stark choice: to be returned to China under an internationally binding agreement with liberal provisions—which Britain conceded it could not enforce—or to be returned without any guarantees.

They accepted the agreement reluctantly. Many doubted China's willingness to stick to the terms. Britain encouraged the people of Hong Kong to believe that they would run their own government after 1997, which would protect them from interference and abuses by Beijing. But when the Hong Kong government took steps to replace the colonial system (under which the governor was a virtual dictator) with a more democratic system, Beijing opposed the changes. It said it would determine the future political structure of Hong Kong through a hand-picked committee codifying the terms of the Joint Declaration into the Basic Law, a mini-constitution under which the colony would exist after 1997.

The Basic Law Drafting Committee was made up of Hong Kong and mainland drafters. The Hong Kong contingent was stacked with conservative businesspeople who were opposed to democratic reforms. They arrogantly asserted that they had made Hong Kong successful and therefore should be allowed to run the colony after 1997. Beijing, eager to ensure its control over Hong Kong and to keep the tycoons from emigrating, agreed.

The "unholy alliance" of capitalists and Communists would have had its way without fuss had it not been for one man: Martin Lee, a British-educated lawyer who was appointed to the Basic Law Drafting Committee. Lee felt

that an independent judiciary and an elected government that could stand up to meddling by Beijing was vital for Hong Kong's future. He took to the streets and enlisted the support of butchers and bus drivers, seamstresses and students to force two faraway governments to stick to their word.

In the end, Britain's resolve to do right by her colony wavered, and Lee and his followers did not have enough leverage to influence Beijing. When the Basic Law was promulgated in April 1990, it called for only a third of the legislators to be democratically elected in 1997 and only half by 2003. Many people now fear Hong Kong will never have a democratic government or guaranteed human rights. They are leaving in record numbers to live in freedom elsewhere.

I ARRIVED IN Hong Kong in 1984, eager to study Asia. As a journalist for *The Executive*, a regional business magazine, I watched the confidence created by the Joint Declaration slowly erode as China reneged on her promises and Britain caved in to maintain cordial relations with Beijing. In the summer of 1987, while covering the fierce debate over democratic elections for *Asiaweek* (a weekly news magazine owned by Time Inc.) I first considered writing a book on the secret history of the transfer of Hong Kong's sovereignty. There were many questions central to the debate and critical to Hong Kong's future that could not be answered by someone working with a weekly deadline. What did China mean when she said in the Joint Declaration that the Hong Kong legislature would be "constituted by elections" and that the executive would be "accountable" to it? Why weren't these terms spelled out? What secret agreements, if any, did Britain make about democracy? No one knew. The negotiations between Britain and China were strictly confidential. Even the British Parliament was not privy to the details of the talks. Under Britain's Official Secrets Act, records are not released for at least thirty years.

The drafting of the Basic Law was conducted more openly than the Sino-British negotiations. Reporters were briefed on the progress of each meeting. But the sessions were conducted behind closed doors, and all members agreed not to discuss the positions of individual drafters, which, in the case of the mainland members, meant the Chinese government.

Academics trying to analyze what happened and why had to guess at what went on behind the scenes. But how the political and economic framework was constructed was as important as what it was made of: If China negotiated the Joint Declaration and the Basic Law openly, democratically, and with the best interests of Hong Kong at heart, people would have faith in them and make them work; if Beijing bullied Britain and Hong Kong, gave concessions reluctantly, and reinterpreted the provisions in a way that served its own interests, people would consider them worthless scraps of paper, no

matter what they contained. Therefore, it was important to get behind the official statements, the disinformation, and the contradictory press reports to uncover the real story of Hong Kong's transition to Chinese rule.

I took as my starting point articles published in the two daily English newspapers in Hong Kong (the *South China Morning Post* and the *Hong Kong Standard*), and then referred extensively to the two regional weekly news magazines (the *Far Eastern Economic Review* and *Asiaweek*) and other local magazines (e.g., *Hong Kong, Inc.*). Background information on the major players, dates, and economic data contained in this book come primarily from these sources. Based on the published reports, I drew up a list of over 200 people to interview: all of the British, Hong Kong, and Chinese officials involved with the Sino-British negotiations; all of the Hong Kong Basic Law drafters; foreign diplomats; pro-China journalists and businesspeople; members of Parliament; and members of Hong Kong's Executive and Legislative Councils.

Penetrating the veil of secrecy surrounding the negotiations was a daunting task. All of those on the British side, including the Executive Councilors in Hong Kong, signed an oath of secrecy. Basic Law drafters agreed not to reveal the positions of their colleagues during the closed-door meetings. Anyone who did so could be the target of reprisals by the Chinese government after 1997. The only way to shed light on the subject was to conduct the interviews "on background"—that is, use the information, but not identify the source.

I worked full time for more than two years, interviewing 142 people in Hong Kong, London, and Beijing. I saw almost all of the major players, including former British Foreign Secretary Geoffrey Howe and Shao Tianren, a legal adviser to the Chinese Foreign Ministry, both of whom dealt with Hong Kong at the highest level. About a third of my sources were interviewed more than once and some as many as eight times. I would like to publish a list of the people interviewed, but many requested that their name not be connected with the book in any way. It would be misleading to publish a partial list.

There has been a great deal of misinformation and disinformation about the exchange of sovereignty over Hong Kong. Press reports attributed to anonymous sources that could not be confirmed have not been used. In most cases where private conversations are quoted, two or more people present were interviewed and only the corroborated portions used. Where exact words could not be recalled, quotes have been omitted. Thoughts, beliefs, and attitudes attributed to the participants were either told to me directly by the person involved, or related by someone close to that person.

In addition to the interviews, I filed over a hundred Freedom of Information Act requests with the United States government. The State Department

was briefed by the British and Chinese governments during Hong Kong's transition to Chinese rule. All of the documents obtained under the act, as well as those passed to me by sources in the Hong Kong government and on the Basic Law Drafting Committee, have been donated to the Hoover Institution at Stanford University and will be made available to other researchers.

What emerged from my research was not just startling information that disproves some of the most commonly believed information about the hand-over (such as that Mrs. Thatcher went to Beijing in 1982 and insisted the nineteenth-century treaties were valid), but a human drama. This book is the story of a handful of people who fought doggedly for Hong Kong's interests: of S. Y. Chung and the Executive Councilors battling Foreign Office diplomats who put Britain's interests ahead of those of her colony; of Martin Lee and his supporters campaigning tirelessly to convince Britain and China to give Hong Kong the vote at the risk of their careers and their future in the colony.

This book is not a history of Hong Kong. It does not deal with its colonial beginnings or its development into an economic powerhouse. Other books have done that well. This book is the story of a diplomatic takeover. The first two parts cover the first half of the transition back to Chinese rule from 1978—when the Hong Kong and British governments first confronted the problem of the expiration of the New Territories lease—to 1990—when China promulgated the Basic Law for Hong Kong. During this critical period, the legal, constitutional, and economic framework for post-1997 Hong Kong was completed. For better or worse, Hong Kong will have to live with this charter until 2047. In the final chapter, I look at important events since the Basic Law was completed, and in the conclusion, I explain how the business environment in Hong Kong is being radically changed by the transition to Chinese rule.

A Note about Style

I have used the pinyin version of mainland Chinese names and places, except in historical contexts, where the reader will be more familiar with the Wade Giles rendition. It may seem awkward to refer to Beijing and Guangzhou in the nineteenth century instead of Peking and Canton. But the pinyin spellings have been accepted by most newspapers as the standard.

I have used English given names whenever possible for Hong Kong Chinese. These will be easier to remember for English readers unfamiliar with the people in this book. Chinese names consist of a surname followed by two characters that make one given name. For example: Chung Sze-yuen. In many cases Hong Kong Chinese without given English names use the initials of their given Chinese name. Thus, Chung Sze-yuen is known as S. Y. Chung.

I have used this rendition for those who have adopted it themselves. For all other Chinese I have adopted a uniform style. Hong Kong given names are hyphenated, while mainland Chinese names are not. Not all people write their names this way, but it is a useful practice to avoid confusion.

All figures are in U.S. dollars unless otherwise stated.

Introduction

ON SUNDAY, SEPTEMBER 17, 1995, the people of Hong Kong left apartments, local teahouses, and bustling shopping malls to go to the polls and elect representatives to the last legislature under British rule. It was only the second time in Hong Kong's 150-year colonial history that ordinary people could cast their ballots and elect members of the Legislative Council through universal suffrage.

Many pollsters predicted that the pro-democracy forces—of which I count myself a member—would not have the same success at the polls as in 1991. The so-called experts said that the democrats had benefitted from a “Tiananmen Square effect,” which led Hong Kong people to vote overwhelmingly for pro-democracy candidates, and the victory could not be repeated. Moreover, this time there were many well-organized and well-funded candidates and several political parties made up of local pro-China business leaders and politicians.

Despite the fact that the Beijing-backed politicians had substantially greater resources, pro-democracy candidates swept seventeen of the twenty seats returned by universal suffrage and garnered over sixty percent of the popular vote. When all the ballots were counted, democrats had a majority in the legislature for the first time. The chairman, vice chairman, and general secretary of the largest pro-Beijing party were all soundly defeated.

When the results of these historic elections became clear, a defeated leader of the pro-Beijing Democratic Alliance for the Betterment of Hong Kong said: “Hong Kong people will have to pay for it—they should have considered the consequences of voting for the democrats.” In Beijing, Chinese leaders insisted the election of the new Legislative Council—the most democratic in Hong Kong's history—was “unfair and unreasonable” and did “not truly reflect the will of the Hong Kong people.” Chinese Premier Li Peng repeated his government's pledge to abolish the legislature when it takes over Hong Kong at midnight on June 30, 1997.

In voting overwhelmingly for pro-democracy candidates—despite Beijing's attempts to intimidate them into casting ballots for its proxies—the people of Hong Kong showed that they wanted to and were ready to take

control of their own affairs. This is something that Beijing and London had promised solemnly they would be allowed—indeed, encouraged—to do. But that was back in 1984 when the situation was very different.

For two years in the early 1980s, British and Chinese diplomats had met in secrecy to hammer out a solution to the Hong Kong question. In September 1984, the Chinese and British governments initialled the Joint Declaration on the Future of Hong Kong, under which London would hand over its colony, and the six million people who live there, to the Chinese government in 1997. In that treaty, China promised that after 1997 Hong Kong would be allowed to retain its capitalist economy, legal system, and way of life. Under Deng Xiaoping's "one country, two systems" policy, China also guaranteed the people of Hong Kong would be given a "high degree of autonomy" and allowed to govern themselves in all matters, except defense and foreign affairs.

For its part, Britain pledged that it would use the thirteen years remaining until the transfer of sovereignty in 1997 to transform its wholly appointed colonial legislature into an elected one that would allow Hong Kong to exercise real autonomy. The people of Hong Kong were never offered the opportunity to vote on or amend in any way the provisions of the Joint Declaration. It was presented as a *fait accompli* by the outgoing and incoming sovereign powers. British Prime Minister Margaret Thatcher signed her name to the agreement, and in Parliament, the British Foreign Secretary sold the Joint Declaration as a "bold and imaginative plan." The world applauded.

At the time, many of us thought it was a good agreement that could secure Hong Kong's future. Though we knew nothing about what went on at the negotiating table, we took at face value Britain and China's promises that the future legislature would be "constituted by elections" and that the future chief executive would be "accountable" to the legislature. We were concerned about the vagueness of these provisions, but believed that the thirteen-year transition period allowed time for genuine democracy to evolve so that Hong Kong people could run their own affairs.

When the hardback version of this book was published in September 1994, it received wide attention in Hong Kong, London, and the United States; it was excerpted in local papers and discussed by policy makers. Even Hong Kong's governor felt he had to respond to its conclusions. For the first time, the people of Hong Kong and the foreigners who have made a home there had hard new evidence about the flaws in the Joint Declaration and why the transition has gone so badly awry.

This book documents in compelling detail how Britain negotiated the colony's return to Chinese rule, from the first tentative diplomatic overtures in 1979 through the Tiananmen Square tragedy in 1989 to the last fight for real democracy in the final years of British rule. Numerous other books have

looked at the Sino-British negotiations from an academic perspective and have relied mainly on British Foreign Office sources. But this book shows what the diplomats' actions mean for the future of Hong Kong and its citizens. The author succeeds in telling the human drama of six million free people struggling to maintain their way of life.

Mr. Roberti has broken the conspiracy of silence about how Hong Kong was negotiated away. He has also broken new ground using U.S. investigative journalistic techniques, including Freedom of Information Act petitions, to pierce the secrecy surrounding Hong Kong's transfer.

We now know that British officials lied when they leaked word to the press that the constitutional provisions in the Joint Declaration were negotiated at the last minute and could not be fleshed out for lack of time. We now know that Britain knew all along—despite public assurances to the contrary—that China had no intention of allowing any meaningful measure of democracy in Hong Kong and that Beijing agreed to include provisions for an elected legislature in the agreement only at the eleventh hour to clinch a deal. And the author presents strong evidence that Britain got China to accept that the future chief executive would be accountable to the legislature by defining accountability in the narrowest terms.

The author shows how British diplomats succeeded in getting key constitutional terms written into the accord, and how the British government then misled the people of Hong Kong and Parliament about what had been agreed with China to get them to accept the accord. In fact, the book reveals that on several occasions Foreign Office diplomats and the Hong Kong government knowingly deceived Parliament about the situation in the colony.

The great strength of this work is that it is not about Britain or China, but about Hong Kong. Many Hong Kong people have disagreed profoundly about how best to fight for our future. Mr. Roberti shows the sometimes silent but often courageous efforts to secure a better future made by Hong Kong citizens of all backgrounds: appointed advisers, legislators, and grass-roots activists.

For years, many Hong Kong people have charged that Britain caved in to pressure from Beijing and put off its plans to introduce democratic reforms in the run-up to 1997. There was scant proof, and London repeatedly denied that it backtracked in any way. This book presents stark evidence to prove Britain's duplicity. It reveals that in 1984 Hong Kong's Executive Council approved a plan to introduce democratic elections in 1988. This decision was overturned by London after Beijing insisted that elections—and all other constitutional changes—be put off until after China had the chance to set Hong Kong's political system in stone by drafting the Basic Law, the "mini-constitution" that will govern Hong Kong after 1997.

This book also shows how David Wilson, the diplomat who became Hong Kong's governor during a crucial phase of the transition, convinced a new crop of Executive Councilors to vote to put off democratic elections before they saw the report on public opinion that was in fact supposed to be the basis for their decision. Wilson's maneuvering undermined Mrs. Thatcher's original determination to introduce elections—over Beijing's objections—if that was what the people of Hong Kong wanted. Thanks to Wilson's actions, Beijing was able to guarantee that Hong Kong's autocratic colonial system of government will survive beyond 1997.

Given the level of control Beijing will exercise over Hong Kong after 1997, some international observers have been surprised by China's determination to bully Britain into giving it a say in Hong Kong's affairs well before the hand-over. The author shows that from the start of the Sino-British negotiations in 1982, China demanded a role in governing Hong Kong during the transition period. When Britain fought these demands, China relented and agreed to insert a provision in the Joint Declaration stating that Britain alone would govern Hong Kong during the transition. But Chinese leaders never gave up their efforts to run Hong Kong prior to 1997. In the years following the promulgation of the Basic Law, they used all means necessary to force London to give them a veto over many decisions made in Hong Kong.

London has always maintained—and will continue to maintain—that it did all it could to secure a free future for Hong Kong people and the fiction that China never made clear its intentions to impose authoritarian rule in Hong Kong. Mr. Roberti shows these assertions to be cynical lies.

The Fall of Hong Kong is not merely a history to be read only by those who want to know what happened between 1979 and 1997, but it should be read by those who want to understand what the future holds for Hong Kong. It also has broader implications and is required reading for all who want to understand Beijing's attitude towards international agreements and China's expanding role in the international community.

ON DECEMBER 19, 1984, I stood in Beijing's Great Hall of the People with 101 other witnesses from Hong Kong. Watching Mrs. Thatcher and Chinese Premier Zhao Ziyang put their signatures to the Joint Declaration, I said that China's actions would speak louder than its words. This book chronicles China's actions before 1997, so that the people of Hong Kong and the international community can understand how Beijing will deal with Hong Kong after 1997.

Today, Hong Kong's future looks darker than ever before. The Chinese

government has ensured total control over the three branches of government. Many people believe that this is irrelevant, that Hong Kong can succeed under despotic Chinese rule as spectacularly as it did under an autocratic British system. Unfortunately, it simply isn't so.

Hong Kong today is a modern, pluralistic society where people voice their opinions and aspirations. Though Hong Kong people have only experienced participatory democracy since 1991, we have long known the rights, freedoms, and rule of law that democracy underpins the world over. All of those freedoms are now under siege by Beijing. Aside from the impending destruction of civil liberties, Mr. Roberti concludes that Britain's failure to secure a democratic system of government for Hong Kong is having—and will continue to have—a profound impact on the business environment. Beijing is already moving to control the budget and to centralize Hong Kong's traditionally laissez-faire economy. Free and fair competition is being eroded by the political influence of powerful executives with good connections in Beijing, and corruption is beginning to take root.

Should Beijing carry out its intentions to impose dictatorial rule on Hong Kong, the territory will surely lose the vital protections of the rule of law and freedom of the press. It is likely there will be serious conflict between the communist government and the well-educated, sophisticated, and heretofore free people of Hong Kong. Such a conflict threatens Hong Kong's ability to continue as a thriving economic force and the leading commercial and financial center in Asia.

The people of Hong Kong were never given a collective say in their future, so they have had to make tough individual choices. Recent polls show that 43 percent of young people want to leave Hong Kong before 1997, and the rate of emigration is higher today than it was immediately following the Tiananmen Square massacre. And in the first three months of 1996, over 210,000 people applied for British Dependent Territory Citizen passports (which will be obsolete as of July 1, 1997, and do not provide the right of abode in Britain), more than had applied for naturalization in the past five years combined.

Those who are staying made it clear to London, Beijing, and the world during the last election that they are prepared to govern themselves and that they want leaders who will fight for Hong Kong's interests. This book shows that Hong Kong people have earned the right to save Hong Kong on their own terms. They continue to fight for a better future, one skirmish at a time—to preserve freedom of the press, to make the legislature more democratic, and to stave off corruption and attacks on the rule of law. They believe that if China's offensive can be slowed for a little while, then much more of Hong Kong will survive. Many know it will mean personal sacrifice, but