CHINA'S RECOVERY OF FORMER TERRITORIES: INVASION OR LIBERATION?

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On July 1, 1997, Hong Kong will end its days as a British crown colony and become part of the People's Republic of China. In light of what occurred at Tiananmen Square in June 1989 and recent events involving China's treatment of dissidents, many people expect that the takeover of Hong Kong will mean the end of its position as a bastion of market capitalism and it will become a dreary corner of a repressive Marxist regime.

Macao, just 40 miles from Hong Kong, will be returned to Chinese control in 1999. It is not nearly as famous as Hong Kong. If anything is known about it in the west, it usually is that this colonial outpost of Portugal is a gambling mecca for East Asia. What will be its fate after 1999? Will both of these enclaves, where values and practices seem diametrically opposed to those of the People's Republic of China, suffer what amounts to an invasion of austere socialism? Or will they experience a liberation from centuries of colonial control?

This paper posits no categorical answers, but will examine recent and past history to show the most likely possibilities. From past history, an account will be given of how Macao came under Portuguese and Hong Kong under British control. Also examined will be traditional Chinese attitudes and beliefs toward its territory and the idea of sovereignty, as well as the ruler's responsibility to safeguard the motherland. These ideas still influence Chinese desires and expectations. And from recent history this study describes how China managed to get Great Britain and Portugal to relinquish control of these long-held colonies.

modernization program -- the hard-working, entrepreneurial Chinese in Hong Kong and Macao.

Whether China does use brute force to impose socialism and totalitarianism may well depend upon how the inhabitants of Hong Kong and Macao react to the new situation. Beijing is not about to lose face by losing control. If demonstrations, strikes, and other forms of civil unrest challenge the government's authority, it will react quickly and harshly. In that way, the fear of invasion will become a self-fulfilling prophecy.

On the other hand, it would not be surprising if the transition to Chinese rule is accomplished with relatively little friction. The Chinese people in these two colonies (95 percent or more of the inhabitants) may respond to the ancient Chinese impulse toward unity and find a restored sense of pride in the fact that China, for so long the impotent target of foreign power, has turned the tables on its tormentors. After all, it is not as if China itself were completely opposed to a market economy and private enterprise. There are no billboards in the United States -- as there are in China -- proclaiming, "To Get Rich Is Glorious!"[23] The private sector of China's economy is booming, a major reason why China now has the world's fastest growing economy. Hong Kong and Macao can play a major role in China's future economic development, and their people can experience a share of that sense of accomplishment.

One should not expect to hear shouts of "Free at last!" in 1997 and 1991, but neither should one be surprised to hear "Chinese at last." Many Chinese who have lived under European control for all of their lives just might consider that a greater achievement.

China's Communist Party came into being during a fertile period of intellectual activity. Radical thinkers were attracted to Marxism partly because Lenin, the architect of Russia's Bolshevik Revolution, offered a theoretical explanation for the West's imperialist dominance in Asia and Africa. Moreover, the new Soviet State declared that it would renounce the unequal tsarist treaties by which areas of China had come under foreign control.[1] Anti-imperialism was, for Chinese Communists, both a core principle and a useful means of rallying support among the increasingly nationalistic Chinese masses, first against the Japanese, and later against the Nationalists -- whom they denounced as "running dogs" of capitalism and imperialism.

Victory in 1949 brought no Communist softening of their views toward the West. A Chinese textbook published in 1954, *A Brief History of Modern China*, shows the extent of Chinese territory at two points in time: 1840 and 1919. The 1840 border encompasses Sakhalin Island and the Maritime Provinces north and east of Manchuria, Korea, the Ryukyu Islands, Taiwan, some small islands between Borneo and the Philippines, the entire Southeast Asian peninsula (including modern-day Vietnam, Cambodia, Laos, Burma, Thailand), the Assam region of northeastern India, Bhutan, Sikkim, Nepal, some smaller chunks of territory now part of India and the former Soviet Union, a large area northwest of Xinjiang Province, and all of Mongolia. By 1919, in the Chinese view, all these territories had been "lost" to Western imperialism.[2]

Not all of this extensive amount of territory which the Chinese claim to have lost to nineteenth-century imperialism was China's land to lose. Yet all of it, to some degree, was within China's cultural sphere of influence before 1840. And the Chinese people themselves are keenly aware that their historical power and influence in eastern Asia have been severely curtailed. It is not only the

communist Chinese who feel this way. A former Nationalist governor of Taiwan once referred to the nineteenth century as "the period of humiliation."[3]

By 1840, Macao had been a Portuguese trading post for almost 300 years. It is not precisely known when they first occupied this small peninsula, but a Chinese document from 1647 states that Portuguese had been at Macao for a hundred years and paid ground rent annually to the provincial government in exchange for the privilege of trading there and at Canton.[4] In the 1660s, faced with an imperial expulsion order, the Portuguese waged a long diplomatic campaign and finally secured the emperor's permission to keep Macao as the base of their East Asian trade. This arrangement was not formalized by treaty, only by the emperor's endorsement of an official's recommendation.[5]

As more European countries sent merchant ships to get in on the increasingly lucrative China trade in silk, tea, and porcelain, Macao became an even more important outpost. China allowed seaborne foreign trade only at Canton, its largest seaport in the south, but limited the trading season there to six months each year. Thus Macao became the only port where foreign ships could dock anytime they arrived in Chinese waters. By the nineteenth century, when foreign gunboats ruled the China coast, it was obvious to the Chinese court that imperialist powers would use force if necessary to maintain Portuguese control over Macao. This peninsula had thus come under *de facto* foreign control even though there was no formal treaty which legitimized it.

Hong Kong, on the other hand, was taken by the British as a spoil of the Opium War (1839-1842). Circumstances under which it became British territory point up the Chinese desire to recovery it.

Until the early nineteenth century, trade with

Europeans was beneficial to China. Foreigners bought large quantities of Chinese tea, silk, and porcelain, but had few items that Chinese wanted to buy. Silver was used to make up the difference.[6] Toward the end of the eighteenth century British merchants began selling opium to the Chinese. The drug was already used as a medicine, but its availability and modest price served to increase consumption -- slowly, then steadily, and finally by leaps and bounds. Jonathan Spence estimates "that by the 1820s enough opium was coming into China to sustain the habits of around 1 million addicts."[7] By 1820 the value of opium sold in China exceeded the amount foreigners paid for Chinese exports. When silver, to pay for opium, began to flow outward from China, imperial edicts banned it, but these went unheeded by the merchants -- foreign or Chinese -- in their quest for greater profits.[8] S. Wells Williams, an American missionary, witnessed the illegal trade and observed: "It is a sad exhibition of power, habit, skill, and money all combining to weaken and overpower the feeble, desultory resistance of a pagan and ignorant people against the progress of what they knew was destroying them."[9]

Finally, in 1839, the emperor sent an honest and diligent official to Canton with orders to enforce the ban on opium. When he confiscated and destroyed 20,000 chests of it without compensating the foreign merchants, they requested and got military intervention. Thus began the Opium War.

The small island of Hong Kong contained only a few fishing villages, but possessed -- as opium smugglers had discovered -- an excellent natural harbor on the protected, landward side. Its location, 40 miles east of Macao and on the bay through which ships sailed to and from Canton, gave it strategic importance as well. Britain's dominant position in the China trade required her own port

so as not to be dependent on Macao for a year-round anchorage if China denied her free access to Canton or other Chinese ports.

In the treaty negotiations at Nanking in 1842, Sir Henry Pottinger, the British plenipotentiary, insisted that the Chinese accept this provision: ". . . His Majesty the Emperor of China cedes to Her Majesty the Queen of Great Britain, &c., the island of Hong Kong, to be possessed in perpetuity by Her Britannic Majesty, her heirs and successors. . ."[10]

As a result of a second war with China from 1856 to 1858, the Treaty of Peking ceded the Kowloon peninsula across from Hong Kong island as a dependency of the earlier cession.[11] And in 1898 a larger portion of the mainland and adjacent waters called the New Territories was leased for 99 years from 1 July 1898. This lease expires on 30 June 1997.[12]

If traditional Chinese attitudes did not value its territory or traditional Chinese thought did not accept the notion of sovereignty, China's determination in recovering these alienated territories would have to be based mainly on revenge. Yet the desire to reincorporate these small and peripheral areas stems from the very core of the Chinese sense of national identity.

Since ancient times the Chinese have called their country the Middle Kingdom. While we might scoff at their pretensions and parochialism, it should be borne in mind that during the formative stages of their civilization they occupied a fertile area surrounded by deserts, mountains, rain forests, and oceans and had no contact with any other people with a similar level of development. Although they considered non-Chinese peoples as barbarians, they accepted as Chinese any group which adopted their agrarian-based culture, learned their language, and submitted to imperial rule. This explains why non-Chinese in the southern regions, who were also rice-growers, could

be assimilated, but Northerners who were pastoral nomads could not.

Besides this horizontal dimension of the term "Middle Kingdom," there was a vertical dimension as well. At least since the time of Confucius (551-479 B.C.) the Chinese emphasized the role of virtue. The emperor ruled by the Mandate of Heaven and was called the Son of Heaven, not because he was considered divine, but because his virtue and benevolence invoked the sanction of the impersonal forces governing the universe. If he failed to fulfill his responsibilities to oversee the welfare of the people, he forfeited his right to rule and could be replaced. One of the ways by which he tended to the people's welfare was to protect them from barbarian invasions. This point should be kept in mind.

A parallel idea in traditional Chinese thought is the notion that a benevolent emperor should rule over a unified China. Confucius accepted the idea that this situation existed during the reigns of the ancient sage kings, whose principles of good government were the basis of his teachings. He lived at a time when China consisted of several states which were contending among themselves for advantage, but his whole career was devoted to the goal of reunification. *The Doctrine of the Mean*, one of the Confucian Classics, has this to say: "The state of centrality is the great root and the state of harmony is the far-reaching Way of all existence in the world. Once centrality and harmony are realized, Heaven and earth take their proper places and all things receive their full nourishment."[13]

Although a unified China has remained the ideal ever since, there have been periods of disunity, most of which were occasioned by barbarian invasions, when the Tribute System failed to keep the marauding nomads pacified. The system also permitted some trade with these outlying peoples. In the Chinese mind, barbarians -- if they

were good – came to trade; if they were bad, they invaded. No wonder then, that the foreign imperialists who came to trade with China and began to undermine the emperor's sovereignty were considered barbarians. A Chinese scholar in the nineteenth century was once asked, "What do you think of Western civilization?" He replied, "I think it would be a good idea."[14]

One further point needs to be made about Chinese attitudes toward their territory. Every period of disunity and every barbarian invasion has eventually ended. As the Chinese, also by tradition, accept a cyclical view of history, they fully expect that territories taken over by western imperialists will one day be recovered. It may not happen right away, but the Chinese have shown themselves to be patient, willing to wait if necessary, but taking advantage of opportunities as they come, to work for the inevitable reunification of their country.

In 1982, such an opportunity arose. Margaret Thatcher, the first British prime minister to visit China, found out that her hosts wanted to negotiate the return of Hong Kong. Given the termination of the lease on the New Territories in 1997, she could hardly refuse, but British diplomats soon found out that the Chinese wanted it all back. British efforts to exclude Hong Kong island and Kowloon from the negotiations, based on the treaties which granted them to the British monarch "in perpetuity," fell on deaf ears. The Chinese cited precedents in international law to the effect that treaties forced on defeated nations and resulting from aggression are not valid. The treaties of 1842 and 1860 and the 1898 Convention for the Extension of Hong Kong, the Chinese declared, "were the products of unlawful acts; they were concluded by Britain's use or threat of force; their contents constitute serious encroachments upon China's sovereignty and territorial integrity and violation of the peremptory norms of international law.

Therefore, . . . these treaties should be considered null and void."[15]

There is a great irony here. When Britain attacked China in the Opium War, only one of its aims was to gain compensation for 20,000 chests of opium which the Chinese official had destroyed. China had steadfastly refused to deal with Britain -- or any of the other trade-seeking nations – on the basis of equality, which the norms of European diplomacy demanded. Britain, in the Opium War, was trying to force China to act in accordance with standard diplomatic practice and international law. That is exactly what Chinese did in refuting Britain's claim to retain control over Hong Kong. They demonstrated quite convincingly that they had learned from their experience with the consummate British diplomats how to achieve their aims.

China has pledged that following its takeover in 1997, Hong Kong will be allowed to retain its capitalist economy and lifestyle for at least 50 years under a formula called "one country, two systems." Hong Kong will become a Special Administrative Region with its own form of government, but will ultimately be subject to Beijing. There are some uncertainties, to be sure, and thousands of Hong Kong's entrepreneurs have already left for more favorable locales. Yet recent reports indicate that outward migration has declined. The rate for 1993 was 20% lower than in 1992.[16] Before the events of 1989, it seemed reasonable to assume that China would honor its pledges to allow Hong Kong's capitalism to continue. If Beijing ruled Hong Kong benevolently, that might go a long way toward persuading the Nationalists on Taiwan that the Communists could be trusted and perhaps hasten reunification with the mainland. After all, Deng Xiaoping's economic development plan for China, called the Four Modernizations, would have far greater chances for success if both Hong Kong and Taiwan

with their strong economies were linked with that of the People's Republic.

Since Deng's assault on the demonstrators in Tiananmen Square, economic development no longer seems to be his primary concern. Instead, maintaining the Communist Party's position of absolute authority appears to take precedence over all other considerations. This is one way to interpret recent events, especially the way Chinese dissidents have been treated and how adamantly Chinese leaders have insisted that they will not be coerced on the issue of human rights by threats of cancelling their most-favored-nation trade status with the United States.

In the view of the Chinese leadership, any reduction in the power of the state to exercise control will lead to disorder, and disorder will lead to another period of chaos in which all the worthwhile achievements of the past 45 years would be negated.

There is yet reason to expect that China's takeover of Hong Kong will not be traumatic or disastrous. Ninety-eight percent of the population of Hong Kong is ethnic Chinese, and there seems to be a deep core of patriotism among Chinese wherever they live. Communist or not, they want to see China recover its place among the great nations of the world, and if that means cooperating with Beijing as the best way to achieve that goal, many of them will likely accept the new state of things.[17] China's burgeoning economy has already produced, according to "Adam Smith," a middle class of two hundred million people on the mainland.[18] Hong Kong has, proportionately, a much larger middle class. If historical development toward democratic government in other countries is any guide, increasing demands for more political voice by an unrepresented middle class will eventually bring about substantial changes.

China's recovery of Macao has been far less noticed in the world news media, at least on this side of the

globe. Once Great Britain agreed that Hong Kong would revert to Chinese control, the Portuguese did not have much chance of holding out over Macao. As explained earlier, there is no treaty -- valid or otherwise -- which supports Portugal's right to retain it. Macao is much smaller than Hong Kong. Whereas Hong Kong is over 400 square miles, Macao is only six square miles in area. Hong Kong has a population of almost six million persons, but Macao has about half a million, 95 percent of whom are ethnic Chinese.

Yet to read the official announcement China made in 1987, when an agreement was reached with Portugal for the return of Macao on 20 December 1997, one would think it were much larger: ". . . Macao, a Chinese territory which came under foreign rule, will return to the motherland. The satisfactory settlement of the Macao issue, following that of the Hong Kong question in 1984, represents another giant step towards the unification of China."[19] The National People's Congress of China approved on 31 March of that year (1987) the Basic Law (i.e., constitution) that will govern Macao on its return to Chinese control. It states in a similar vein: ". . . [T]he Government of the People's Republic of China will resume the exercise of sovereignty over Macao with effect from 20 December 1999, thus fulfilling the long-cherished common aspiration of the Chinese people for the recovery of Macao." Like Hong Kong, Macao will become a Special Administrative Region of China but is considered "an inalienable part of the People's Republic of China." (Art. I) Article 5 of the Basic Law states: "The socialist system and policies shall not be practiced in the Macao Special Administrative Region, and the previous capitalist system and way of life shall remain unchanged for 50 years." It will be the second area after Hong Kong to experience the unique Chinese plan of "one country, two systems."[20]

Whereas China's recovery of Hong Kong holds

great promise as a boon to its economic development and represents a measure of its growing power in the world, the recovery of Macao has more symbolic value than anything else. But what it symbolizes is that China is playing the international game by accepted international rules -- using diplomacy and negotiations -- and winning points against its former imperialist foes. More than a billion Chinese hearts now beat with more pride than they have been able to in the last one hundred and fifty years.

The title of this paper questions whether China's recovery of Hong Kong and Macao will result in an invasion or liberation. For the people of Hong Kong and Macao, the question is hardly academic. When they once again become part of China a few years from now, which of these alternatives will be their fate?

Without a doubt, Deng Xiaoping and doctrinaire communists in China believe sincerely that Hong Kong and Macao will have been liberated from centuries of colonial control. Deng also believes that his place in history, as well as how the Chinese Communist Party is evaluated in years to come, depends on recovering these former Chinese areas. When he first discussed the return of Hong Kong with Margaret Thatcher in 1982, he put it bluntly:

> If China failed to take Hong Kong back in 1997, . . . no Chinese leaders or government would be able to justify themselves for that failure before the Chinese people or before the people of the world. It would mean that the present Chinese government was just like the government of the late Qing Dynasty. . . . If we failed to take Hong Kong back. . ., the people would no longer have reason to trust us, and any Chinese government would have no alternative but to step down

and voluntarily leave the political arena.[21]

Earlier in this paper a former Nationalist official was quoted as calling the nineteenth century "the period of humiliation." This humiliation took several forms: military defeats at the hands of foreigners the Chinese considered inferior, unequal treaties those foreigners imposed, and -- most of all -- parts of China that were taken over and the Chinese inhabitants treated as inferior. Defeats can fade from collective memory; unequal treaty provisions were cast aside years ago. But territory still under foreign control is a visible and constant reminder to Chinese that their former greatness has not yet been achieved.

Most Americans and some prosperous Chinese in the areas concerned would tend to see the return of Hong Kong and Macao to Chinese control as an invasion -- the forceful imposition of a discredited economic system and a repressive government. In this view, Beijing's promises to maintain capitalism and greater political autonomy in Hong Kong and Macao for 50 years are worthless. The regime has given forceful demonstration that perceived threats to its power will not be tolerated, notwithstanding world opinion. Its recently expressed attitudes toward and treatment of dissidents likewise display a greater emphasis on retaining control than on gaining a measure of popular support. Two traditions of strong, central control -- Chinese and communist -- buttress the government's insistence upon maintaining control. Deng himself may be taking a rigid stand against dissidents in order to forestall ideological hardliners' attempts to undo his more pragmatic economic gains.[22] Yet he does not want to be China's Gorbachev either.

He is caught between the need to maintain Communist Party power and his desire to assimilate -- peacefully if possible, for the maximum economic benefit to his