

# **THE LONG HISTORY OF UNITED FRONT ACTIVITY IN HONG KONG**

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With the dispute over the future electoral system continuing between Beijing authorities and pan-democrats in Hong Kong, it is useful to re-examine activities of Chinese Communist Party in Hong Kong from the outbreak of the Sino-Japanese War in 1937 to the handover in 1997 and beyond, for it occupies a unique place in the story of the Chinese Communist Party. As part of their united front policy, party leaders long ago sought an alliance with Hong Kong's "big capitalists", the chief targets of this work. This makes the party's role in Hong Kong greatly different from that of its mass campaigns in mainland China, and involves more than six decades of somewhat unlikely united front cooperation between the Chinese Communists and the city's tycoons and upper-class business elite.

A longer-term view of the Chinese Communists' involvement in Hong Kong involves several important points. First, the Communists were accommodating to Hong Kong even though it was a British colony, and they were more open to working with its leading capitalists than most China observers and scholars have argued. Second, the Communists and these business leaders have collaborated since 1937, a time earlier than many journalists and reporters have mentioned. Third, the future Premier Zhou Enlai—already a leading party official—played a significant role in this history from the beginning; he repeatedly sent directives to the Communists in Hong Kong which were carried out from the 1930s through the mid-1960s as part of his desire to create a united front with local business interests. This means a new look at Hong Kong history may be needed, for it suggests the Chinese Communist Party was extremely familiar with the colony's situation for many decades before the 1997 handover.

The outbreak of the Sino-Japanese War provided the party with both the rationale and the opportunity for taking advantage of Hong Kong's position as an outpost with connections to important overseas Chinese communities. This makes 1937 a significant turning point in mainland China-Hong Kong relations and, since then, the party has used many channels to approach and work with business leaders in Hong Kong. In particular, Zhou Enlai considered Hong Kong a distinct entity, to be dealt with differently from other areas of China.

In fact, the “one country, two systems” governing policy—now in effect—might be better understood by studying Communist activity in Hong Kong during the six decades prior to 1997. It was always a unique item on the party agenda—serving as their link to the outside world and the main source of foreign currency, and for showcasing the success of China's national unification and modernization efforts.

### **Woing the “Big Capitalists”**

This united front effort made creating and developing alliances with Hong Kong's “big capitalists” the top priority. These efforts differed sharply from Communist ideological and other political campaigns on the mainland, and comprised a secretive part of the party's history. These “big capitalists” were business, industrial, and community leaders who had already been members of the National People's Congress (of China) and the Chinese People's Political Consultative Conference.

At first, the party's fundamental goal was to use Hong Kong's special links to overseas Chinese communities to secure materials and mobilize resources for the anti-Japanese war effort. These valuable connections made Hong Kong special to the Communists and an important part of what they hoped would be a broader united front, outside the mainland's borders, in the struggle against the Japanese invaders. As one part of this effort, they established an Office of the Eighth Route Army in Hong Kong, which was the chief united front

organization under the versatile leader Liao Chengzhi who, among other things, was responsible for arms purchases. In addition, Madame Sun Yat-sen (Soong Ching Ling) and many leftist scholars, writers and journalists arrived in Hong Kong from the late 1930s to 1941. They contributed significantly to the anti-Japanese resistance in the British colony and, before the Japanese occupation in 1941, Liao Chengzhi and the Communists maintained good working relations with many Hong Kong businessmen.

After war ended in 1945, the Communists founded an industrial business club, with many local businessmen involved in its functions and activities. In addition, from 1947 to 1984, the Hong Kong Branch of the official Xinhua News Agency carried out both open and underground operations in the territory, which China considered “a question left over from history”. On the one hand, the Chinese Communists did not recognize the unequal treaties which established Hong Kong as a British colony, and therefore would not establish a consulate in territory which China considered its own. On the other hand, they understood that Hong Kong was a significant source of foreign exchange and thus continued the previous policy of pragmatism toward the territory.

### **Xinhua Gains Significance**

The Communists continued to work within Hong Kong’s capitalist system, as they had been done since the war against Japan. The local Xinhua office served as a quasi-diplomatic organization for governmental communication, helping Communist cadres understand the workings of colonial rule and making known Beijing’s policies to local authorities. Furthermore, it continued to implement Zhou’s directives about pursuing united work among the business, commercial, industrial and professional groups. In the 1980s, the Xinhua office gained greater significance when it focused on reaching out directly to a broader swathe of middle class Hong Kong society. For example, the local Xinhua office asserted that the middle class could contribute to the drafting of the Basic Law.

This alliance with Hong Kong's business leaders was especially important during the establishment of the Basic Law committees, which from 1985 to 1990 drafted the Basic Law that was destined to serve as the mini constitution of the future Hong Kong Special Administrative Region (SAR). Beijing's major consideration was reunification, namely Hong Kong's return to Chinese sovereignty. The central government was eager to facilitate a smooth transfer of authority, and thus made a tremendous effort to create supportive networks within the conservative business sector. In 1984, Deng Xiaoping, then China's paramount leader, emphasized that the Communists were ready to work with Hong Kong capitalists as long as the latter were "patriotic" and supportive of reunification. Such efforts would guarantee the future "stability and prosperity" of the Hong Kong SAR, he said.

Xu Jiatun, director of the local branch of Xinhua from 1983 to 1990 (who subsequently moved to California), played a leading role in this united front campaign. Under his direction, the effort assumed business leaders would continue to be the major political force in Hong Kong, so the ranks of the Basic Law Drafting Committee were formed to include many leaders who spoke for the territory's rich and economically powerful. Another supportive organization, called the Business and Professional Group, included prominent industrialists, businessmen, and professionals and advised on the political reform of Hong Kong.

These business leaders had great influence once the Basic Law Drafting and Consultative Committees began their meetings. However, the business members sometimes competed among themselves to appease Beijing, creating difficulties for the united front effort and often leading to misunderstandings between Beijing and the different business groups. The competition concerned the various proposals of the Business and Professional Group, and of prominent individuals like Louis Cha, a respected newspaper editor, and Cha Chi-ming, an industrialist.

### **The Two Chas Disagree**

For example, the Business and Professional Group proposed the creation of an electoral college to select the chief executive of the future Hong Kong SAR. The Group explained that its objective was to ensure that Hong Kong and its people continued to enjoy stability and prosperity by ensuring that democratic reform would take place gradually. Subsequently, publisher Cha put forth another proposal, stating that Hong Kong's political reform should proceed through three slow stages after 1997—a more conservative plan than that of the Business and Professional Group and which earned him much criticism in the local media. Then industrialist Cha argued that additional restrictions should be added to the system for implementing any future referendums, an even more conservative proposal. Therefore, the three parties were arguing among themselves and delaying the negotiating process.

Thus the business elite failed to present itself as an organized and united political force despite the party's sustained efforts to form a common front. In addition, many middle-class professionals grew suspicious of the tycoons. They considered them too conservative and self-interested, and thought adopting their proposals would delay democratic political reform in Hong Kong. This meant the Chinese Communists had trouble reaching out successfully to the middle class despite working closely with those they considered to be the "big bourgeoisie." Penetrating society from the top downward and then reaching out to the larger middle stratum of professionals and businessmen had long been the official policy, but it was not working.

Then came the Tiananmen incident of June 4, 1989, which had a tremendous and negative impact on both Hong Kong leaders and the public. This led to the creation of the New Hong Kong Alliance, consisting of Legislative Councilors, District Board members, civil servants and others, an organization that aroused much controversy among members of the business elite—many of whom opposed its proposal for the creation of a bicameral legislature. Also attracting attention was the "Omelco consensus model" (Omelco stands for Office of Members of the Executive and Legislative Councils), proposed by some members of the Executive Council (cabinet) and the legislature in response to public attitudes stemming from Tiananmen. Its main

recommendation was to introduce direct elections at a much faster pace than in other proposals.

### **Three Tiers Are Formed**

Despite all this, by the eve of 1997 China was able to consolidate big business support for the imminent transfer of sovereignty. Most importantly, “a three-tier” united front was then in place in Hong Kong to prepare for the future Communist leadership of the SAR. This structure included local members of the Preliminary Working Committee, forming the top layer; the local Hong Kong Affairs Advisers, forming the middle layer; and the District Affairs Advisers, forming the bottom layer. At this time, however, the Tiananmen incident continued to have an impact on Hong Kong public attitudes. In addition, Hong Kong people were still debating the problems of the Omelco consensus model, and how quickly the democratization process should proceed.

Eventually, the Chinese Communists succeeded in carrying out the central part of their united front work, in the sense that they were able to ally with the upper-class capitalists behind a conservative proposal for political reform in Hong Kong. The central government then named several party cadres to positions as Hong Kong Affairs Advisers, who served the State Council’s Hong Kong and Macao Affairs Office and the Hong Kong Branch of the Xinhua News Agency. Their local counterparts were selected by Beijing from the middle level of the Communists’ united front in Hong Kong. They included political and business representatives, academics and professionals.

To carry out its objectives, Beijing set up the Preliminary Working Committee (PWC), the forerunner of the SAR Preparatory Committee, in 1993. Local members of the PWC were business and community leaders and constituted the top layer of the united front structure, and were the most trusted advisers of the Beijing leaders. They followed the leadership of the Chinese Foreign Minister and advised the Beijing government on matters concerning the handover. PWC members included tycoon Henry Fok and barrister Maria

Tam.

The District Affairs Advisers formed the bottom layer of the united front supporters, and included members of the District Boards and Municipal Councils—neighborhood political bodies. At last, Beijing had implemented its megaphone diplomacy, characteristic of its traditional united front practices. The objectives were to attack any common opponents, publicize Communist positions and consolidate support behind them.

From May to December 1996, Hong Kong began the process of selecting the first chief executive of the Hong Kong SAR, as it was to become. There were issues that involved both Beijing and Hong Kong people, and both sides displayed a great deal of pragmatism with public opinion playing an important role. From these consultations there emerged what was considered a “dream team”, with the senior government post going to Tung Chee Hwa, a shipping magnate with many overseas business connections as well as in Beijing, and the number two government position given to Anson Chan, a senior bureaucrat seen as both a competent administrator and having democratic political beliefs. Because public opinion greatly influenced this selection process, a candidate lacking popularity could not have won a place in this competition.

The final colonial days—from December 1996 to June 1997—were an especially interesting period in Hong Kong history. Public support for the new leadership, as measured by opinion polls, varied according to the confidence placed in chief executive-designate Tung. With his family’s strong connections to Beijing, he stressed the need for harmonious relations with the Chinese Communists. As such, he was at the core of the united front effort. The front was not perceived as posing a threat to the public in general, and “pro-Beijing” supporters were able to work with the Chinese leaders. In Hong Kong, people knew who these loyal supporters of the united front were, and neither the term “united front” nor its methods seemed frightening to them. (However, later public discontent over several political and economic issues caused Tung to resign from office before his second five-year term was completed.)

The united front strategy continues to the present day. The Chinese Communists maintain close links with some local political parties, and work with the media, local schools, companies and others. They have attempted to project a positive image with the help of local politicians and have kept successful working relationship with many Hong Kong businessmen. With many decades of experience behind it, party has shown that it remains skillful in carrying out united front work.

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