

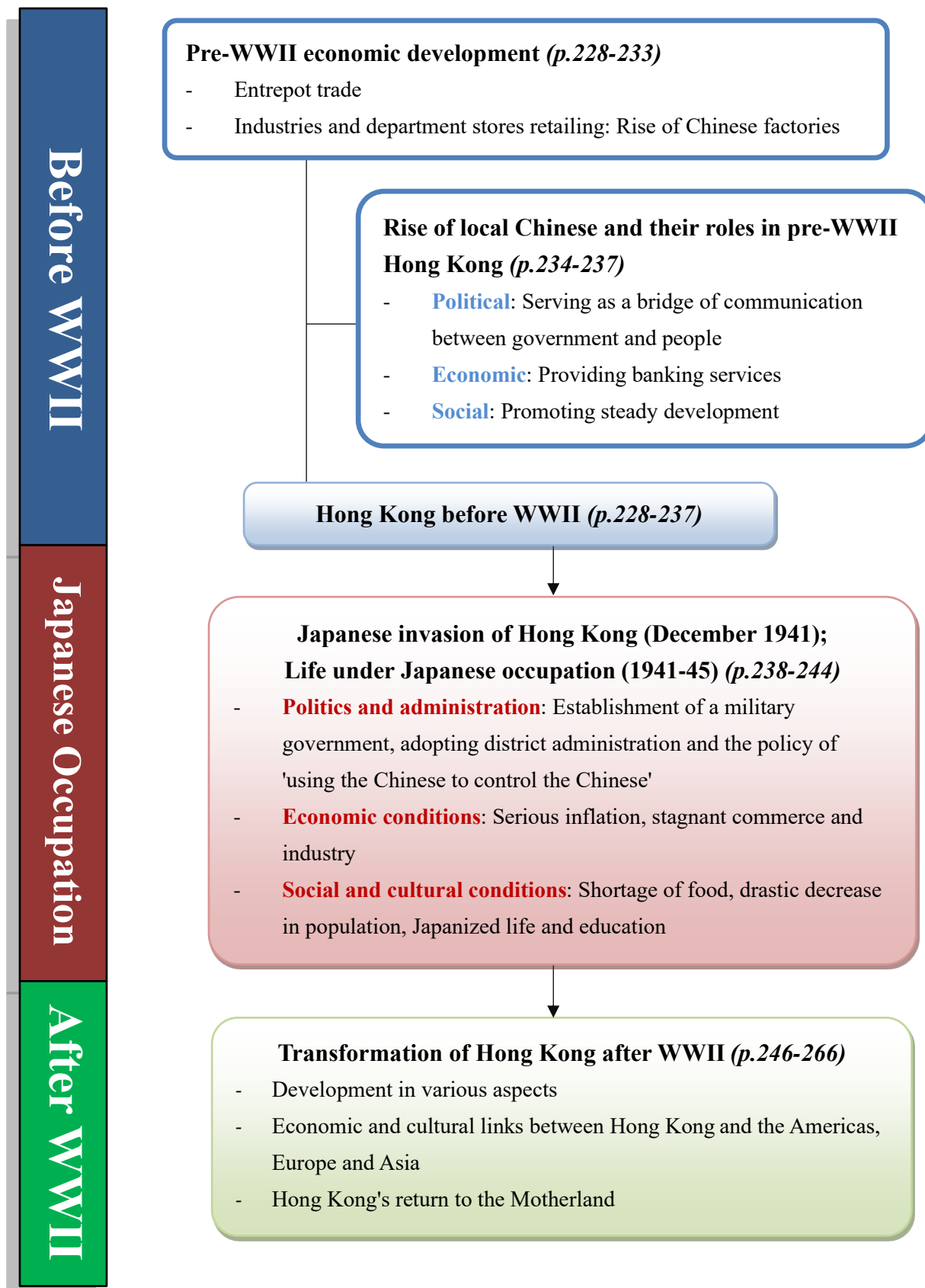
*Journey Through History -
New Topic-based Series*

Study Notes

Topic 12
*The growth and transformation of
Hong Kong in the 20th century*



CONCEPT MAP



Transformation of Hong Kong after WWII (p.246-266)

Development in various aspects (p.247-258)

■ Economic development

- External and internal factors that favoured economic development
- Entrepot → Industrial centre (1950s-1970s)
- Industrial centre → International financial centre (1970s to the present)

■ Social development

- Housing: Continuous development of public housing
- Education: Free education and the development of post-secondary education

■ Development of governance and political institutions

- In the 1960s: Strengthening communication between government and people
- In the 1970s: Combating corruption and localizing Civil Service
- In the 1980s: Developing representative government

Economic and cultural links between Hong Kong and the Americas, Europe and Asia (p.259-261)

■ Economic aspect

- Hong Kong exported industrial products
- Hong Kong linked with the global transportation network
- Hong Kong set up overseas offices and joined overseas organizations
- Enterprises expanded their business in Hong Kong

■ Cultural aspect

- Hong Kong held international cultural events
- Cultural organizations were founded in Hong Kong

Hong Kong's return to the Motherland (p.264-266)

- Question of Hong Kong's future being put forward (1979)
- Signing of the *Sino-British Joint Declaration* (1984)
- Drafting of the *Basic Law* and its promulgation (1985-1990)
- Establishment of the HKSAR (1997)

A. Hong Kong before the Second World War

1. Pre-WWII economic development

- Under the free port policy, Hong Kong developed into an _____.
- By 1941, entrepot trade was still the major pillar of the economy. Local industries were also flourishing with growing importance

Guiding Questions

- What types of industries were there in pre-war Hong Kong and how did they develop?
- What roles did local Chinese play in political, economic and social aspects in

(a) Development of entrepot trade

■ 1900s-1910s

- Owing to the improvement of transport facilities, Hong Kong's entrepot trade grew steadily.

■ 1920s

- Two large-scale strikes badly hit Hong Kong's shipping industry and entrepot trade.
- The entrepot trade quickly recovered in the late 1920s soon after the strikes.

■ Early 1930s

- The _____ in 1929 caused a sharp drop in international trade. Hong Kong's entrepot trade was again hit badly.

■ Late 1930s

- Between 1937 and 1940, large parts of China were occupied by _____.
- Hong Kong then became China's only gateway for importing and exporting goods. As a result, Hong Kong's entrepot trade greatly increased.

(b) Development of industries

(i) Favourable factors of industrial development

■ Population growth

- Hong Kong had a more stable political environment and more economic opportunities. It attracted many mainland Chinese to settle here.

- They provided manpower and increased the local demand for daily necessities.
- All these stimulated the early development of Hong Kong's _____ industries.

■ **Tariff concessions**

- According to the _____ in 1932, Hong Kong could export its products to the British Commonwealth countries at low price.
 - It promoted the development of local industry.

■ **Japanese invasion of China**

- In 1937, _____ began its full-scale invasion of China. More mainland industrialists and capitalists fled to Hong Kong.
 - They brought capital and expertise to local industries.

(ii) Features and overview

- Stepping into the 1920s, Hong Kong's industry underwent rapid development.
- It was reflected in the following aspects:

■ **Growth of light industries**

- Foreign and Chinese companies invested in new industries such as rubber products and stationery. Light industries became increasingly prosperous.

■ **Rapid increase in number of factories**

- The number of factories increased rapidly.
- There were only a few textile factories in the early 20th century. In 1931, there were over 400 textile factories.

■ **Rise of Chinese factories**

- Chinese factories accumulated more capital in the late 19th century.
- In the 1920s, most of them were of small or medium scale.
- However, a few already had more capital than foreign factories and broke their dominance in Hong Kong's industrial development.

■ **Increased use of machinery in production**

- Chinese factories started to follow foreign factories and introduced machines in production. The _____ was replaced.

(iii) Types of industries foreign companies mainly engaged in

- Foreign companies had more advanced technology and larger capital.
 - It allowed them to set up bigger factories and machines.
 - They were therefore particularly active in heavy industries which required high inputs.

■ **Shipbuilding industry**

- The shipbuilding industry was Hong Kong's most important _____ industry in the pre-war period.
- Owing to the supremacy of technology and capital, foreign companies were able to maintain their leading position in Hong Kong's shipbuilding industry.

■ **Manufacturing industry**

- Foreign companies engaged in the production of daily necessities and food.
- They even monopolized a few manufacturing sectors in the early 20th century, such as Western medicine, cement and rope.
 - Examples: Green Island Cement Company and Hongkong Rope Manufacturing Company.

(iv) Types of industries Chinese companies mainly engaged in

- Chinese companies were more active in light industries. They contributed particularly to the development of daily necessities and food manufacturing.

■ **Textile industry**

- 1904: Hong Kong's first Chinese textile factory, the _____ was established.
- Later, more fabric and textile factories were founded.
- During the period of the Japanese invasion of China, the demand for military uniforms from the mainland further boosted Hong Kong's textile production.

■ **Food manufacturing industry**

- Chinese companies manufactured various foods, seasonings, and beverages, etc.
- Some of them have become well-known brands in Hong Kong.
 - The Garden Company Limited started to make bread and biscuits in 1926.
 - _____ manufactured soy sauce and canned foods since 1928.

- Vitasoy International Holdings Limited, launched in 1940, provided cheap soy milk drinks in Hong Kong.

■ **Garment industry**

- In the 1930s, specialized garment factories including Kwong Hing Tai Company and Kwok Man Underwear Company were founded.
 - These factories mainly produced vests, underwear and socks. Some products were even exported to overseas markets.

(c) Development of department stores retailing

- 1900: Hong Kong's first Chinese department store, _____, opened in Central.
 - It was the first to introduce the '_____' mode of sale and employ saleswomen.
- Other department stores, namely Wing On, The Sun and China Emporium were established successively.
- They provided Hong Kong people with a wide range of foreign and local goods.

Chinese department stores in Hong Kong in the early 20th century

	Sincere	Wing On	The Sun	China Emporium
Founders	Ma Yingpiu	James Gocklock, Philip Gockchin	Choy Hing, Choy Chong	William Liu, Lee Minzhou
Background of founders	Australian-Chinese	Australian-Chinese	Australian-Chinese	Australian-Chinese
Year of founding	1900	1907	1912	1932
Original site of store	Queen's Road, Central	Queen's Road, Central	Des Voeux Road, Central	Queen's Road, Central
Current status	Five department stores in Hong Kong in total	Four department stores in Hong Kong in total	Closed down in 1973	Closed down in 1970

2. Rise of local Chinese and their roles in pre-WWII Hong Kong

- From the late 19th century onwards, some Chinese elites and leaders emerged in Hong Kong.
 - They became a new class and played a key role in political, economic and social aspects.

(a) Political aspect: serving as a bridge of communication

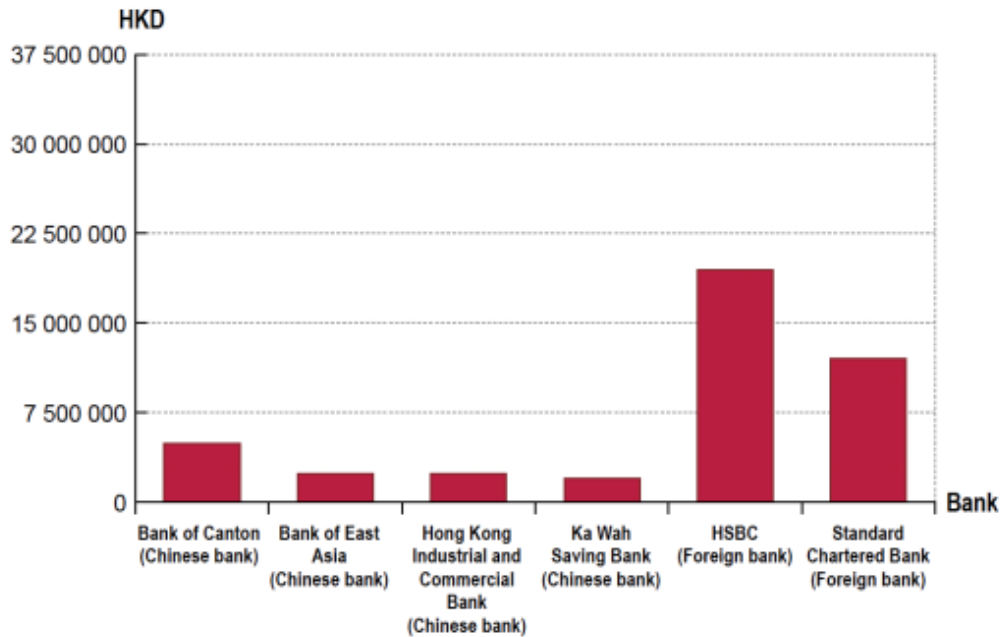
- Stepping into the 20th century, more Chinese elites were appointed as unofficial members of the Legislative Council.
- _____ and Wei Yuk were even appointed as Senior Unofficial Members.
- 1926: _____ was appointed as the first Chinese unofficial member of the Executive Council.
 - This marked the start of Chinese participation in policy-making.
- These Chinese unofficial members served as a bridge of communication between the government and the people.
 - They reflected the views of local Chinese.
 - This helped the government formulate proper policies.

(b) Economic aspect: providing banking services

- In the early 20th century, foreign banks did not serve most of the local Chinese.
- Since the 1910s, some wealthy Chinese established banks to serve them.
- After the Japanese invasion of China in the 1930s, Chinese banks in the mainland also opened branches in Hong Kong.
- These Chinese banks grew rapidly.
 - They absorbed the deposits of Chinese, and provided services such as foreign currency transactions. They broke the monopoly of foreign banks in the banking industry.
 - The _____ was Hong Kong's first Chinese bank listed on the stock market.

Journey Through History - New Topic-based Series Study Notes
Topic 12 The growth and transformation of Hong Kong in the 20th century

Capital of some banks in Hong Kong in 1926



Chinese banks established between the 1910s and 1920s

	Bank of Canton	Bank of East Asia	Hong Kong Industrial and Commercial Bank	Ka Wah Saving Bank
Year of founding	1912	1919	1917	1924
Founders	Li Yuktong and others	Kan Tongpo, Li Koonchun and others	Xue Xianzhou and others	Lam Chifung
Background of founders	American-Chinese	Local Chinese	Overseas Chinese	Local Chinese
Current status	Acquired by an American bank in 1988; re-named the China Construction Bank (Asia) Corporation Limited in 2007 after being acquired by the China Construction Bank Corporation	Continues to develop today	Merged into the China Construction Bank (Asia) Corporation Limited in 2007	Became present-day China CITIC Bank International in 2012

(c) Social aspect: promoting steady development

- In the pre-WWII period, Chinese social organizations already provided services to local Chinese. Some also served specific communities.
 - They greatly contributed to the welfare of local Chinese and social stability.

(i) Tung Wah Group of Hospitals

- In addition to Tung Wah Hospital, some Chinese leaders established Kwong Wah Hospital and Tung Wah Eastern Hospital in 1911 and 1929 respectively.
- 1931: The hospitals merged to form _____.
 - It worked to provide different kinds of services to local Chinese and helped improve their living standards in various ways.

(ii) Heung Yee Kuk

- After the New Territories came under British rule, local villagers frequently clashed with the government over policies on the New Territories.
- 1926: Village representatives of the New Territories formed a statutory advisory body, the Heung Yee Kuk.
 - It handled ordinary _____ in the New Territories.
 - It assisted the government in resolving and arbitrating village disputes.
 - It worked to protect and promote the interests of local villagers.
- Through negotiation with the government, it resolved the differences between government and the villagers over affairs concerning the New Territories.
 - It helped promote harmony in the New Territories.



Logo of Heung Yee Kuk

(iii) Clansmen associations

- In the 1930s, migrants from the mainland already founded 36 clansmen associations in Hong Kong.

- They worked to help migrants adapt to life in Hong Kong and helped stabilize Hong Kong society.
 - They provided members with money assistance and job referral services.
 - They held gatherings to give spiritual support to members.
- Some clansmen associations also organized clansmen business associations, such as the General Chamber of Commerce & Industry of The Tung Kun District.
- They contributed to the development of industry and commerce of Hong Kong.

(iv) Kaifong associations

- A number of kaifong associations had emerged in pre-war Hong Kong.
- They served the residents of specific neighbourhoods and promoted a spirit of mutual help.
- However, they were only supported and recognized by the government after WWII.

B. Hong Kong during the Japanese occupation (1941-1945)

Guiding Question

- What were the changes in livelihood under the Japanese occupation?

1. Course of Japanese invasion of Hong Kong

- On December 8, 1941 (Asian time), Japan attacked the American naval base at _____, and Hong Kong at the same time.
- On December 25, Hong Kong fell to Japan.
 - The Japanese occupation of Hong Kong began and lasted for three years and eight months.



- 8th December:** Japanese troops crossed the Shenzhen River to attack Hong Kong



- 13th December:** Japanese troops captured Kowloon and the last British troops retreated to Hong Kong Island



Course of Japanese invasion of Hong Kong



- 18th-25th December:** Japanese forces attacked Hong Kong Island



- 25th December:** Christopher Maltby, Commander of British Troops in Hong Kong (second from the left, in front of the table), negotiated a cease-fire with the Japanese army at the Peninsula Hotel. The British troops then surrendered to the Japanese army

2. Life under Japanese occupation

- During the Japanese occupation, the oppressive rule of the Japanese made Hong Kong people's life extremely miserable. Economic and social development came to a standstill.

(a) Politics and administration

(i) Establishment of a military government

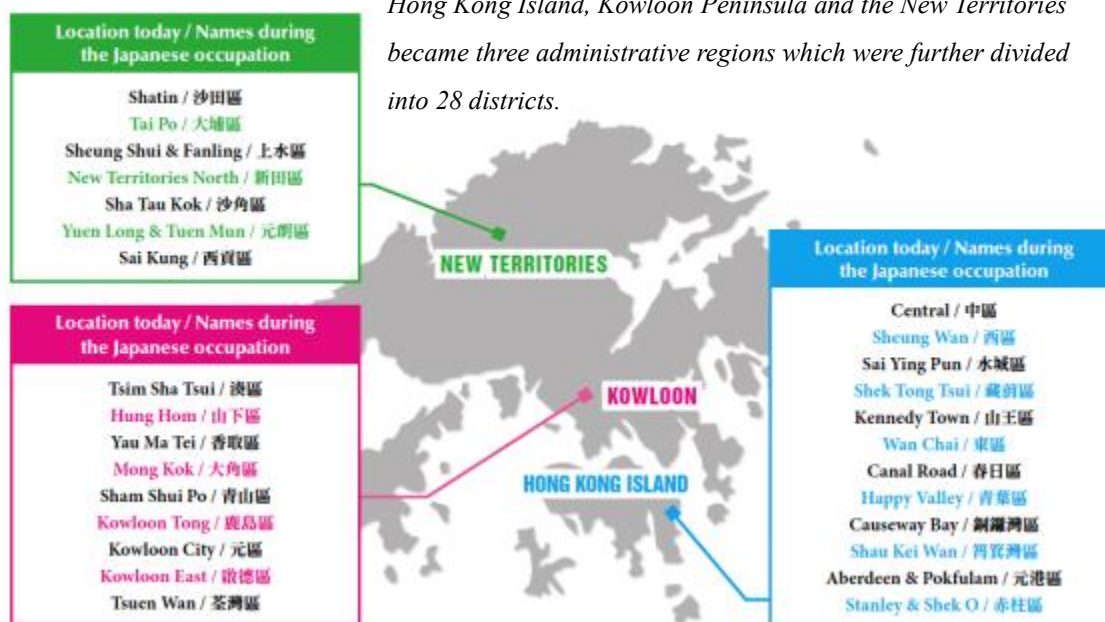
- The Japanese set up a temporary military government at first.
- February 1942: The occupation government was set up.
 - _____ as Governor and all important offices were taken up by the Japanese.
- Under the Governor were different departments. All important offices were taken up by the Japanese.

(ii) Adoption of district administration

- The occupation government divided Hong Kong into three administrative regions.
 - They were further subdivided into _____ districts and each had its district bureau.
- The adoption of district administration was to tighten control over Hong Kong and the Chinese.

The administrative regions of Hong Kong during the Japanese occupation

Hong Kong Island, Kowloon Peninsula and the New Territories became three administrative regions which were further divided into 28 districts.



(iii) Policy of 'using the Chinese to control the Chinese'

- The Chinese formed the majority of Hong Kong's population.
- The occupation government adopted the policy of 'using the Chinese to control the Chinese'.
 - It appointed local Chinese elites as members of _____ as chiefs of district bureaus.
 - These measures aimed to reduce the anti-Japanese feeling of local Chinese and facilitate governance.

(b) Economic conditions

(i) Serious inflation

- To get resources to support the war, the Japanese issued _____ after taking over Hong Kong.
- From June 1943, Hong Kong people could only use military notes as official currency.
- However, the notes devalued quickly, leading to serious inflation.

(ii) Stagnant commerce and industry

- The Japanese controlled trade and business.
- Chinese and foreign merchants had to apply to the occupation government if they wanted to set up a business.
- Chinese factories and shops could re-open in 1942.
 - Many soon closed down due to shortage of raw materials.

(c) Social and cultural conditions

(i) Shortage of food

- 1942-1944: Due to the shortage of food, the occupation government introduced _____.
 - People had to get food buying tickets from their district bureaus every month.
 - Each ticket only allowed a person to buy a small amount of rice, salt, oil and flour every day. Payment was made by military notes.
- The measure was unable to tackle food shortage. Many people died of starvation.

Food rationed per person

- 12 taels of oil (monthly)
- 6.4 taels of rice (daily)
- 4 taels of white sugar and 4 taels of brown sugar (monthly)
- 5 boxes of matches (monthly)
- Half a catty of salt (monthly)



(ii) Drastic decrease in population

- To solve the problem of food shortage, the occupation government introduced the policy of _____.
 - Local Chinese were forced to return to the mainland.
- Some were sent to work in other occupied territories.
- Hong Kong's population dropped from about 1.6 million in 1941 to about 0.6 million in 1945.

(iii) Japanized life and education

- To strengthen its rule, the occupation government enforced _____ in Hong Kong.
 - Japanese replaced English as the official language.
 - Western-style buildings were reconstructed in Japanese-style. Streets, districts and buildings were given Japanese names.
 - Mass media had to spread pro-Japanese messages as well.
 - Teachers in schools were forced to take Japanese language examination and training.
 - Students must study Japanese language and culture. They had to salute the Japanese flag and sing the Japanese national anthem.

3. End of Japanese occupation

- August 1945: The United States dropped two _____ on Japan.
- August 15: Japan finally surrendered.
 - The Japanese occupation of Hong Kong also ended.
- Britain restored its rule over Hong Kong, and _____ returned as the Governor in May 1946.

C. Transformation of Hong Kong after the Second World War

1. Introduction

(a) Reconstruction after the war

- After the restoration of British rule, the Hong Kong government carried out measures to reconstruct the economy and livelihood.
- By 1947, Hong Kong's population had increased to over 1.7 million. Social and economic conditions became stable.

(b) Transformation of Hong Kong into a modern city

- Since the 1950s, Hong Kong's economic strength continued to grow.
- The government paid attention to maintaining social stability and economic prosperity.
 - It carried out reforms in housing, education, livelihood and political institutions.
 - All these helped transform Hong Kong into a modern city.

2. Economic development

(a) Favourable factors for economic development

- (i) External factors: Favourable international circumstances bringing investment and opportunities

■ Relocation of production

- In the 1950s, Western countries shifted their _____ industries to other regions where the production cost was lower.
- Hong Kong's cheap labour and geographical advantage attracted foreign industrialists.

■ Opening of markets

- 1947: Many countries signed the _____, agreeing to reduce tariffs on industrial goods.

Guiding Questions

- How did internal and external factors facilitate the post-WWII development of Hong Kong?
- What were the developments in politics, economy, society and livelihood in post-WWII Hong Kong?

- It provided a great opportunity for Hong Kong products to enter the world market.

(ii) External factors: China bringing resources and opportunities

■ **Labour force and capital**

- The _____ (1946-1949) broke out after WWII. China also faced serious economic hardship and famines in the late 1950s.
- Many mainland Chinese fled to Hong Kong.
 - They brought with them capital, expertise, skills and _____.

Table of large textile and dyeing factories in Hong Kong during the period 1940s-1950s

Company	Year of establishment	Founder	Birthplace	Year of settling in Hong Kong
South Sea Textile Manufacturing	1948	Tang Bingyuan	Jiangsu	1947
Hong Kong Cotton Mills	1948	Wang Tongyuan	Shanghai	1949
China Dyeing	1949	Zha Jimin	Shanghai	1949
Taiping Knitting & Spinning	1954	Cao Gunagbiao	Zhejiang	1949
Nan Fung Mill	1954	Chen Tinghua	Zhejiang	1950

■ **Reform and Opening-up**

- In the late 1970s, Hong Kong's industrial development faced the challenges of increasing costs and keen market competition.
- 1978: China adopted the policy of '_____'. It introduced various measures to attract foreign investment.
 - Hong Kong industrialists then moved their _____ to the mainland and invested there.
- The mainland's opening-up also helped revive Hong Kong's entrepot trade.

- Mainland enterprises chose to invest in Hong Kong. This favoured the development of the local financial industry and helped transform Hong Kong into an international financial centre in the 1980s.

(iii) Internal factors: Hong Kong's own strengths

■ **Favourable geographical location**

- Hong Kong is located on the southeast coast of China, bordering the mainland.
 - Foreign investors used it as a springboard for investing in the mainland.
- Hong Kong is located at the centre of the _____ region, making it the regional transport and trade hub.
- Hong Kong's time zone facilitated international stock trading.

■ **Stable political environment**

- After 1945, _____ movements in Southeast Asian countries, the Korean War (1950-1953) and the Vietnam War (1957-1975) broke out.
- Compared to the political instability in those regions, Hong Kong was relatively stable and more attractive to foreign investment.

■ **Pre-WWII industrial foundation**

- Before the Second World War, Hong Kong's industry already experienced decades of development.
 - The factories were of a certain scale, had certain technology and a certain size of overseas markets.
- This enabled post-war Hong Kong's industry to recover quickly, and to develop into an industrial centre in the 1950s.

■ **Excellent trading network and infrastructure**

- By the 1950s, Hong Kong had been an international entrepot for over a century.
- It had a worldwide trade network. Facilities like piers, warehouses, railways and airports had been developed and were being improved.
 - They facilitated business dealings and cargo transportation.

■ **Favourable government policies**

- The Hong Kong government adopted a _____ policy.
 - This helped maintain Hong Kong's free economy.
- Hong Kong had a simple, low-rate tax system.

- The absence of foreign exchange control encouraged industrial and financial activities to take place.

(b) Overview of the economic development

(i) From an entrepot to an industrial centre (1950s-1970s)

■ **Background**

- China adopted a _____ policy since 1949.
 - Re-exports from Hong Kong to China sharply decreased.
- During the Korean War, the United Nations imposed a trade embargo on China.
 - Hong Kong's entrepot trade further declined.
 - It then accelerated the development of light industry to save its economy.

■ **Development of labour-intensive industry**

- In the 1950s-1960s, labour-intensive industries such as textile and plastics were the main industries.
 - They required less machinery and capital, and mainly relied on _____ in production.

■ **Development of technology-intensive industry**

- In the 1970s, _____ was introduced to increase production efficiency and promote diverse development.
- Hong Kong's industrial production changed from labour-intensive to technology-intensive.
 - Technology-intensive industries such as electronics, toys, and watches emerged.

(ii) From an industrial centre to an international financial centre (1970s to the present)

■ **Background**

- Since the 1970s, Hong Kong's manufacturing industry had gradually declined due to increasing costs and competition from neighbouring regions.
- Hong Kong had good policies and a good legal system, and it lies in a time zone between those of London and _____.
 - All these facilitated the development of Hong Kong's financial industry.

Transaction hours of the three major financial centres: New York, London and Hong Kong. They are located in different continents and time zones.



■ Development of the financial and other related industries

- In the 1980s, Hong Kong developed into an international financial centre comparable to New York, London and Tokyo.
 - The financial, insurance and real estate industries developed rapidly. They became the pillars of the economy.
- Hong Kong established a modern _____ system.
 - It attracted many international institutions to set up their headquarters and branches in Hong Kong.
- Hong Kong had a well-developed _____ and foreign exchange market. Both local and overseas companies actively applied for listing in Hong Kong.
- Hong Kong was among the world's top ranked in terms of foreign exchange market turnover.

3. Social development

- 1950-1999: Hong Kong's population sharply increased.
- The government thus carried out more housing and education policies.
- The rise in levels of education helped promote the development of Hong Kong.

(a) Development of housing

(i) Establishing the Hong Kong Housing Society (1948)

- 1948: The Hong Kong Housing Society was founded to provide public housing.
- 1953: The government revised the housing policy and built different types of public housing.

(ii) Government Low-cost Housing Programme (1961)

- 1961: The Government Low-cost Housing Programme was announced to provide low-cost housing for people on low incomes.
 - 15% of the flats would be allocated to low-income civil servants.

(iii) Ten-year Housing Programme (1972)

- 1972: Governor _____ announced the Ten-year Housing Programme,
 - It aimed to provide public housing flats for 1.8 million people.
 - 1973: The _____ was formed to out the programme and manage public housing estates.

(iv) Home Ownership Scheme (1978)

- 1978: The Housing Authority launched the Home Ownership Scheme.
 - It aimed to help people buy public housing flats at a discounted price.

(v) Home Purchase Loan Scheme (1988)

- 1988: the Home Purchase Loan Scheme was introduced.
 - It aimed to help lower- and middle-income families buy flats in the private market.
 - _____ could also apply for loans to purchase the Home Ownership Scheme flats.

(vi) Adjusting housing policy and strategy (1990s)

- 1994: The government set up a new Housing Branch.
 - It formulated policies about private and public housing.
- 1998: The government introduced the _____.
 - It allowed tenants in public estates to buy their flats and many became flat owners.

(b) Development of education

(i) Expanding primary education (1950s-1960s)

- In the 1950s, many children reached school age.
 - The government expanded primary education.
 - The government established more teacher-training colleges to ensure the qualifications of teachers.

(ii) Introducing compulsory education and providing technical training (1970s)

- 1971: The Hong Kong government introduced _____-year free and compulsory primary education.
- 1978: The period was extended to _____ years, making junior secondary education popular.
- Hong Kong's manufacturing industry changed to be technology-intensive from the early 1970s.
 - The government started to set up technical schools.
 - 1975: The _____ was set up to provide training courses for the clothing and textile industry.

(iii) Expanding post-secondary education (1980s-1990s)

- In the 1980s, Hong Kong's financial industries were flourishing.
 - This raised demands for a highly-educated new generation.
- The government expanded post-secondary education.
 - It established higher-education institutions, opened professional courses and increased the number of university places.

4. Development of governance and political institutions

- In the early 1960s, the Hong Kong government lacked communication with the locals.
- 1966-1967: Two riots broke out.
 - The government carried out reforms to maintain social stability.

(a) In the 1960s: strengthening communication

- Since the 1960s, the Hong Kong government strengthened local administration and consultation.
 - The aim was to promote direct communication between the government and the people.
- (i) Establishing the Office of the Unofficial Members of the Executive and Legislative Councils
 - 1963: The Office of the Unofficial Members of the Executive and Legislative Councils was set up.
 - It aimed to strengthen the communication between _____ of the two Councils and the public.
 - It strengthened the role of the unofficial members in monitoring the government.
- (ii) Establishing the City District Office and the Home Affairs Department
 - 1968: Ten _____ were set up.
 - They worked to explain government policies and gather public opinions.
 - 1981: The Home Affairs Department was established to lead the District Offices throughout Hong Kong.
 - It was responsible for the _____ and implementation of government policy.
- (iii) Establishing various advisory bodies
 - Since the 1960s, the government set up various advisory bodies to collect views from the public or members of related industries.
 - It allowed the government to formulate more suitable policies.
 - Many Chinese elites and the middle class could participate in public affairs through joining these advisory bodies.

(b) In the 1970s: combating corruption and localizing Civil Service

(i) Establishing the Independent Commission Against Corruption

- Between the 1960s-1970s, corruption became a major social problem in Hong Kong. It was particularly serious among the police force.
- 1971: The _____ passed.
 - Civil servant who possessed unexplained property was guilty.
- 1974: The _____ (ICAC) was set up to combat corruption.
 - It was directly responsible to the _____.

(ii) Strengthening Civil Service localization

- The Hong Kong government started to localize the Civil Service after the Second World War.
 - In the 1970s, it further opened Secretary posts to local Chinese.
 - In 1983, 49% of Directorate posts were filled by local Chinese.

(c) In the 1980s: developing representative government

- Representative government: a form of government where people take part in government affairs through their _____.
- Before 1997, the Hong Kong government consisted of three elected tiers.

■ **District Boards**

- 1982: The first direct election by election districts was held. People who were 21-year old (later 18-year old) or above and had lived in Hong Kong for seven years or more had the right to vote.
- 1994: The _____ were abolished.

■ **Urban Council and Regional Council**

- 1983: The first direct election by election districts took place.
- The qualifications for electors were the same as those of the District Boards.

■ **Legislative Council**

- 1985: Indirect election was introduced.
- 1991: _____ election took place. The number of elected seats exceeded that of the appointed seats.

5. Economic and cultural links between Hong Kong and the Americas, Europe and Asia

- Hong Kong's economic and cultural links with the world continued to grow.
 - They interacted with each other and developed bilateral relations.

(a) Economic aspect

(i) Hong Kong exported industrial products

- From the 1950s-1970s, Hong Kong's industrial products increased greatly and were mainly _____-oriented.
- Hong Kong exported cheap but good-quality products such as toys, clocks and watches, textile and plastic products.
 - They were very popular among overseas buyers.

(ii) Hong Kong linked with the global transportation network

- Hong Kong has excellent container terminals.
 - It is well connected to the mainland via roads and railways.
- Hong Kong has a modern airport with flights to and from cities around the world.
- As a transportation hub in the Asia-Pacific region, a lot of goods are re-exported to other countries via Hong Kong.
- In the 1990s, Hong Kong's _____ was one of the busiest cargo airports in the world.

(iii) Hong Kong set up overseas offices and joined overseas organizations

■ Set up overseas offices

- Between 1980 and 1990, Hong Kong founded the _____ overseas to promote local products and establish closer bilateral trade relations with related countries.

■ Joined regional and international organizations

- 1991: Hong Kong became a member of the Pacific Economic Cooperation Council and the Asia-Pacific Economic Cooperation.

- 1995: Hong Kong became one of the founding members of the _____.

(iv) Enterprises expanded their business in Hong Kong

■ **Listing and site for expansion**

- Many overseas enterprises set up branches and were listed in Hong Kong.
- Some multinational corporations even set up their headquarters in Hong Kong.
- By the end of the 1990s, Hong Kong had the largest number of overseas companies and headquarters of multinational corporations in the Asia-Pacific region.

■ **Held exhibitions to promote business**

- Since the late 1970s, many overseas companies came to Hong Kong and participated in the international exhibitions.
- 1988: The _____ was built. Overseas companies held exhibitions in the city more frequently to promote business.

(b) Cultural aspect

(i) Hong Kong held international cultural events

- Since the 1970s, Hong Kong regularly held international cultural events to strengthen cultural and arts exchanges with the international community.

■ **Hong Kong Arts Festival**

- 1973: Hong Kong Arts Festival was launched.
 - It invites local and international artists to perform in February and March each year.
 - It enables Hong Kong people to know more about foreign cultures.

■ **Hong Kong International Film Festival**

- 1977: Hong Kong International Film Festival was launched.
- It showcases _____ and international films, and holds seminars.
- This enhances cultural exchanges between the locals and foreigners.

(ii) Cultural organizations were founded in Hong Kong

- Many non-governmental cultural organizations in Hong Kong, such as the _____ (1948) and the Japan Society of Hong Kong (1962), organized language courses and various cultural events.
 - They strengthened the cultural exchanges between Hong Kong and related countries.

***Extended topic: Development of popular culture in post-WWII Hong Kong**

✧ **Introduction**

- 'Popular culture': Cultural activities or commercial products enjoyed by the majority of people in a society in a particular period of time.
- As an international city, Hong Kong had absorbed cultures from different places. Moreover, its economic development enabled people to have more time for entertainment.
 - As a result, Hong Kong culture became diverse.

✧ **Films**

- In the early stage of the post-war period: Film producers from the mainland brought their skills along to Hong Kong.
- In the 1950s-1970s, more film companies were set up.
 - They mainly made Cantonese films, and Kungfu movies and comedies were the most popular.
 - Their films covered a wide range of genres, and were sold in overseas markets.
- Since the 1980s, Hong Kong became an important production and distribution centre for Chinese films.

✧ **Television**

- 1957: Hong Kong's first television station, Rediffusion Television, was set up.
 - TV sets were expensive and people had to pay a monthly fee for the TV programmes at the same time.
- 1967: Television Broadcasts Limited (TVB) was set up to provide free TV broadcasting services.
- At the beginning: Only English programmes dubbed into Cantonese were broadcast on TV during prime time.
- Since the 1970s, local programmes including dramas and variety shows were broadcast.
- As TV sets became affordable, watching TV became increasingly popular in Hong Kong.

✧ **Pop songs**

- 'Pop song': Songs that are particularly popular in a period.
- In the 1950s and 1960s, mandarin songs were the mainstream.
- When Western pop songs were introduced, they went viral in the city.
 - Local music groups even imitated Western music bands.
- In the mid-1970s, Cantonese movie and TV theme songs became the mainstream. English, Japanese and Korean songs were also popular.
- From the 1980s, local musicians tended to adopt the music of popular foreign songs and add in Chinese lyrics.
 - This helped diversify Canto-pop music.

✧ **Comic books**

- For more than a decade after the war, Hong Kong comics were mainly influenced by Chinese comics.
- In the 1960s, Hong Kong nurtured a group of local comic book artists and comic strips became popular.
- In the 1970s, Hong Kong comic book artists developed a unique style. It successfully attracted a large number of adult readers.
 - Combining heroic themes of European and American comics, and characters of Japanese comics with the unique kungfu elements of Hong Kong.
- The development of Hong Kong's comics industry became more diversified since the 1990s.

D. Hong Kong's return to the Motherland

Guiding Questions

- What was the course of Hong Kong's return to the Motherland?

1. Background: origin of the question of Hong Kong's future

- In the 19th century, Britain gained control of Hong Kong from China.
- As the lease of the New Territories was to expire in 1997, Britain and China eventually negotiated on the future of Hong Kong.

2. Question of Hong Kong's future being put forward

- 1979: Hong Kong Governor MacLehose visited China and put forward the question of Hong Kong's future.
- Chinese leader Deng Xiaoping stressed that China was going to "recover Hong Kong" (including Hong Kong Island, Kowloon and the New Territories) at a suitable time.



Deng Xiaoping (left) and Thatcher (right)

3. Sino-British talks about the future of Hong Kong

- September 1982: British Prime Minister Thatcher visited China.
 - Deng Xiaoping informed her that China had decided to "recover Hong Kong" in 1997, and put forward the idea of "one country, two systems".
 - Sino-British talks about the future of Hong Kong began.
- 1983: Sino-British talks reached a deadlock.
 - The exchange rate of the Hong Kong dollar and stock prices dropped drastically.
- October 1983: The Hong Kong government implemented the linked exchange rate system to peg the Hong Kong dollar with the US dollar. It stabilized the Hong Kong dollar.



4. Signing of the *Sino-British Joint Declaration*

- After two years of negotiations, Britain and China reached an agreement over the future of Hong Kong.
- In December 1984, British and Chinese representatives signed the *Sino-British Joint Declaration*.
 - According to it, China would resume the exercise of sovereignty over Hong Kong on July 1, 1997, and Hong Kong would become a Special Administrative Region of China.

5. Drafting of the *Basic Law* and its promulgation

- The Basic Law Drafting Committee and the Basic Law Consultative Committee were established in 1985.
 - The former was responsible for drafting the *Basic Law* while the latter conducted public consultations.
- The *Basic Law*, written according to the principle of "one country, two systems", was proclaimed on April 4, 1990 and became effective on July 1, 1997.
 - It states that Hong Kong enjoys a high degree of autonomy. The capitalist system and way of life in Hong Kong shall remain unchanged for 50 years.



6. Establishment of the Hong Kong Special Administrative Region

- At midnight on July 1, 1997, the British government restored Hong Kong to China.
- After that, the ceremony establishing the Hong Kong Special Administrative Region (HKSAR) was held. Tung Chee Hwa was sworn-in as the first Chief Executive.



The handover ceremony of Hong Kong (left) and Tung Chee Hwa sworn in as the first Chief Executive of the HKSAR (right)



Time	Important event	Extended point
1841	British gained control of Hong Kong from China	
1900	Sincere Department Store opened	♦ Economic development before WWII: Development of department stores retailing
1911	Kwong Wah Hospital established	
1926	Heung Yee Kuk established	♦ A statutory advisory body between the government and local villagers
	Chow Shouson was appointed as the first Chinese unofficial member of the Executive Council	♦ Marked the start of Chinese participation in policy-making
1929	The Great Depression broke out	♦ Hong Kong's entrepot trade was hit badly
	Tung Wah East Hospital established	
1931	Tung Wah Group of Hospitals established	♦ To provides different kinds of services to local Chinese
1932	Signing of the <i>Ottawa Agreement</i>	♦ Favourable factors of industrial development: Tariff concessions
1937	Japan started full invasion of China	♦ Favourable factors of industrial development: Mainland industrialists brought capital and expertise to Hong Kong
1941	Japan invaded Hong Kong	♦ Japanese occupation of Hong Kong began
1942	Establishment of the occupation government	
1943	Hong Kong people could only use military notes as official currency	♦ The notes devalued quickly, leading to serious inflation
1945	Japan surrendered	♦ Japanese occupation of Hong Kong ended ♦ Britain restored its rule over Hong Kong
1947	The <i>General Agreement on Tariffs and Trade</i> signed	♦ Favourable external factors for economic development: Opening of markets
1948	Hong Kong Housing Society established	♦ To provide public housing
1953	The housing policy was revised	
1961	Low-cost Housing Programme introduced	♦ To provide low-cost housing for people on low incomes

1963	The Office of the Unofficial Members of the Executive and Legislative Councils established	<ul style="list-style-type: none"> ♦ To strengthen the communication between unofficial members of the two Councils and the public
1968	City District Office Scheme implemented	<ul style="list-style-type: none"> ♦ To explain government policies and gather public opinions
1971	Free and compulsory education implemented	
	The <i>Prevention of Bribery Ordinance</i> passed	<ul style="list-style-type: none"> ♦ To combat corruption
1972	Ten-year Housing Programme introduced	<ul style="list-style-type: none"> ♦ It aimed to provide public housing flats for 1.8 million people between 1972 to 1982
1973	Hong Kong Housing Authority established	<ul style="list-style-type: none"> ♦ To carry out the Ten-year Housing Programme and manage public housing estates.
	Hong Kong Arts Festival launched	<ul style="list-style-type: none"> ♦ Hong Kong held international cultural events
1974	The ICAC established	<ul style="list-style-type: none"> ♦ To combat corruption
1975	Clothing Industry Training Authority established	<ul style="list-style-type: none"> ♦ To provide training courses for the clothing and textile industry
1977	Hong Kong International Film Festival launched	<ul style="list-style-type: none"> ♦ Hong Kong held international cultural events
1978	China introduced the policy of “Reform and Opening-Up”	<ul style="list-style-type: none"> ♦ Favourable external factors for economic development: Reform and Opening-Up
	Home Ownership Scheme introduced	<ul style="list-style-type: none"> ♦ To help people buy public housing flats at a discounted price
	Free and compulsory education was extended to nine years	<ul style="list-style-type: none"> ♦ Made junior secondary education popular
1979	Hong Kong Governor MacLehose visited China	<ul style="list-style-type: none"> ♦ Put forward the question of Hong Kong's future ♦ Deng Xiaoping stressed that China was going to "recover Hong Kong"
1981	The District Office established	<ul style="list-style-type: none"> ♦ Responsible for the consultation and implementation of government policy
1982	First direct election by election districts of the District Boards held	<ul style="list-style-type: none"> ♦ Developing representative government
	British Prime Minister Thatcher visited China	<ul style="list-style-type: none"> ♦ Deng Xiaoping informed her that China had decided to "recover Hong Kong" in 1997, and put forward the idea of "one country, two systems"

1983	First direct election by election districts of the Urban Council held	♦ Developing representative government
	Sino-British talks reached a deadlock	♦ Caused the exchange rate of the Hong Kong dollar and stock prices dropped drastically
	Hong Kong government implemented the linked exchange rate system	♦ To stabilize the Hong Kong dollar
1984	The <i>Sino-British Joint Declaration</i> signed	♦ According to it, China would resume the exercise of sovereignty over Hong Kong on July 1, 1997
1985	Indirect election of the Legislative Council held	♦ Developing representative government
	The Basic Law Drafting Committee established	♦ Responsible for drafting the <i>Basic Law</i>
	The Basic Law Consultative Committee established	♦ Responsible for conducting public consultations
1988	Home Purchase Loan Scheme introduced	♦ To help lower- and middle-income families buy flats in the private market
	The Hong Kong Convention and Exhibition Centre was built	♦ Held exhibitions to promote business
1990	Promulgation of the <i>Basic Law</i>	♦ It became effective on July 1, 1997
1991	First direct election of the Legislative Council held	♦ Developing representative government
	Became a member of the PECC and the APEC	♦ Joined regional and international organizations
1994	Housing Branch established	♦ It formulated policies about private and public housing
1995	Became a founding member of the WTO	♦ Joined regional and international organizations
1997	Return of Hong Kong to the Motherland	♦ The HKSAR established
1998	Tenants Purchase Scheme introduced	♦ It allowed tenants in public estates to buy their flats



Hong Kong before the Second World War

1. The Ottawa Agreement (1932)

- According to the agreement, Hong Kong could export its products to the British Commonwealth countries at low price. It promoted the development of local industry.

2. Tung Wah Group of Hospitals (formed in 1931)

- Tung Wah Hospital, Kwong Wah Hospital and Tung Wah Eastern Hospital merged to form Tung Wah Group of Hospitals. It worked to provide different kinds of services to local Chinese and helped improve their living standards in various ways.

3. Heung Yee Kuk (established in 1926)

- A statutory advisory body formed by the village representatives of the New Territories.
- It handled ordinary civil cases in the New Territories. It also assisted the government in resolving and arbitrating village disputes.

Hong Kong during the Japanese occupation (1941-1945)

1. 'Using the Chinese to control the Chinese'

- The Japanese occupation government adopted the policy of 'using the Chinese to control the Chinese' to reduce the anti-Japanese feeling of local Chinese and facilitate governance.
- It appointed local Chinese elites as members of two Chinese consultative councils or as chiefs of district bureaux.

2. Military notes

- To get resources to support the war, the Japanese issued military notes after taking over Hong Kong.
- The notes devalued quickly, leading to serious inflation.

3. Japanization

- To strengthen its rule, the Japanese occupation government enforced Japanization in Hong Kong.
- Japanese replaced English as the official language.
- Western-style buildings were reconstructed in Japanese-style. Streets, districts and buildings were given Japanese names.
- Mass media had to spread pro-Japanese messages as well.

Transformation of Hong Kong after the Second World War

1. The General Agreement on Tariffs and Trade (1947)

- Many countries signed the agreement to reduce tariffs on industrial goods.
- It provided a great opportunity for Hong Kong products to enter the world market.

2. Positive non-intervention policy

- The Hong Kong government adopted this policy.
- This helped maintain Hong Kong's free economy, and encouraged industrial and financial activities to take place.

3. Labour-intensive industry

- From the 1950s to 1960s, labour-intensive industries such as textile and plastics were the main industries in Hong Kong.
- They required less machinery and capital, and mainly relied on labour in production.

4. Technology-intensive industry

- In the 1970s, Technology-intensive industries such as electronics, toys, and watches emerged in Hong Kong.
- Advanced technology was introduced to increase production efficiency and promote diverse development.

5. Ten-year Housing Programme (1972)

- The Hong Kong government introduced this programme to provide public housing flats for 1.8 million people between 1972 and 1982.

6. Independent Commission Against Corruption (established in 1974)

- It was set up to combat corruption.
- It was directly responsible to the Governor.

7. Representative government

- A form of government where people take part in government affairs through their elected representatives.
- Before 1997, the Hong Kong government consisted of three elected tiers: the District Boards, the Urban Council and Regional Council and the Legislative Council.

Hong Kong's return to the Motherland

1. The Sino-British Joint Declaration (1984)

- After two years of negotiations, Britain and China reached an agreement over the future of Hong Kong.
- According to the *Sino-British Joint Declaration*, China would resume the exercise of sovereignty over Hong Kong on July 1, 1997, and Hong Kong would become a Special Administrative Region of China.

2. The Basic Law (promulgated in 1990)

- It states that Hong Kong enjoys a high degree of autonomy after 1 July, 1997. The capitalist system and way of life in Hong Kong shall remain unchanged for 50 years.



HUNTING FOR HISTORICAL FIGURES

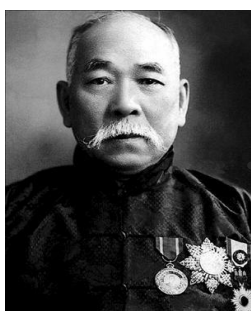


1. Ho Kai (1859-1914)

Hong Kong doctor, barrister, businessman and politician. He studied in Britain and was appointed as the unofficial member of the Legislative Council in 1890. In 1906, he became the senior unofficial member.

2. Wei Yuk (1849-1921)

Hong Kong businessman and politician. He participated in the establishment of Po Leung Kuk. He was appointed as the unofficial member of the Legislative Council in 1896. Between 1914 and 1917, he became the Senior Unofficial Member of the Legislative Council.



3. Chow Shouson (1861-1959)

Hong Kong businessman and politician. He studied in the United States. In 1926, he was appointed as the first Chinese unofficial member of the Executive Council. He then served as a bridge of communication between the government and the people.

4. Rensuke Isogai (1886-1967)

Governor of the Japanese occupation government in Hong Kong. Under his lead, the occupation government issued military notes and enforced Japanization in Hong Kong. After WWII, he was sentenced to life imprisonment, but allowed to return to Japan in 1952.



5. Mark Young (1886-1974)

21st Governor of Hong Kong. Japan invaded Hong Kong shortly after he took office, and he became a prisoner after surrendering to Japan. He returned as the Governor of Hong



6. Murray MacLehose (1917-2000)

25th Governor of Hong Kong. He promoted the housing, education and new town developments of Hong Kong. ICAC was also set up in 1974. In 1979, he visited mainland and put forward the question of Hong Kong's future.

7. Deng Xiaoping (1904-1997)

Leader of China. He joined CCP in the 1920s and participated in the War of Resistance Against Japanese Aggression and the Chinese Civil War. In 1978, he introduced the policy of "Reform and Opening-Up". As for the question of Hong Kong's future, he stressed that China was going to "recover Hong Kong" and put forward the idea of "one country, two systems" principle.



8. Margaret Thatcher (1925-2013)

British Prime Minister (1979-90). She was the longest-serving British prime minister of the 20th century, and was the first woman to hold that office. In 1982, she visited China. Sino-British talks about the future of Hong Kong began. In 1984, Britain and China signed the *Sino-British Joint*

9. Tung Chee Hwa (1937-)

1st and 2nd Chief Executive of HKSAR. In 1996, he won the election for the Chief Executive of HKSAR. On 1 July, 1997, he sworn-in as the Chief Executive.





★ Hong Kong before the Second World War (1939-45)

Pre-WWII economic development	Entrepot trade: it was the major pillar of Hong Kong's economy by 1941
	Industries
	<ul style="list-style-type: none"> ■ Favourable factors of industrial development • Population growth; Tariff concessions: the Ottawa Agreement; Japanese invasion of China: mainland industrialists and capitalists fled to Hong Kong, they brought capital and expertise to local industries ■ Features and overview: Growth of light industries; Rapid increase in number of factories; Rise of Chinese factories; Increased use of machinery in production ■ Types of industries foreign companies mainly engaged in: Shipbuilding industry and Manufacturing industry ■ Types of industries Chinese companies mainly engaged in: Textile industry, Food manufacturing industry and Garment industry
	Department stores retailing: provided people with a wide range of foreign and local goods
Rise of local Chinese and their roles in pre-WWII Hong Kong	Political aspect: serving as a bridge of communication
	<ul style="list-style-type: none"> ■ Senior Unofficial Members of the Legislative Council: Ho Kai and Wei Yuk ■ First Chinese unofficial member of the Executive Council: Chow Shouson (1926) • Marked the start of Chinese participation in policy-making ■ They reflected the views of local Chinese, helping the government formulate proper policies
	Economic aspect: providing banking services
	<ul style="list-style-type: none"> ■ Chinese banks grew rapidly: Absorbed the deposits of Chinese and provided services such as foreign currency transactions ■ Broke the monopoly of foreign banks in the banking industry
	Social aspect: promoting steady development
	<ul style="list-style-type: none"> ■ Tung Wah Group of Hospitals (1931): provide different kinds of services to local Chinese ■ Heung Yee Kuk (1926): A statutory advisory body formed by village representatives of the New Territories • It resolved the differences between government and the villagers over affairs concerning the New Territories, and helped promote harmony in the New Territories ■ Clansmen associations and kaifong associations

★ **Hong Kong during the Japanese occupation (1941-1945)**

Politics and administration	Establishment of a military government
	<ul style="list-style-type: none"> • Rensuke Isogai as Governor, all important offices were taken up by the Japanese
	Adoption of district administration
	<ul style="list-style-type: none"> • Hong Kong was divided into three administrative regions and further subdivided into 28 districts • Aim: to tighten control over Hong Kong and the Chinese
	Policy of 'using the Chinese to control the Chinese'
	<ul style="list-style-type: none"> • Appointed local Chinese elites as members of two Chinese consultative councils • Aim: to reduce the anti-Japanese feeling of local Chinese and facilitate governance
Economic conditions	Serious inflation
	<ul style="list-style-type: none"> • From June 1943, Hong Kong people could only use military notes as official currency
	Stagnant commerce and industry
	<ul style="list-style-type: none"> • The Japanese controlled trade and business • 1942: Chinese factories and shops re-opened, many soon closed down due to shortage of raw materials
Social and cultural conditions	Shortage of food
	<ul style="list-style-type: none"> • People had to get food buying tickets to buy a small amount of rice, salt, etc.
	Drastic decrease in population
	<ul style="list-style-type: none"> • The policy of forced repatriation: local Chinese were forced to return to the mainland • Hong Kong's population dropped from about 1.6 million in 1941 to about 0.6 million in 1945
	Japanized life and education
	<ul style="list-style-type: none"> • Japanese replaced English as the official language • Western-style buildings were reconstructed in Japanese-style • Streets, districts and buildings were given Japanese names • Mass media had to spread pro-Japanese messages • Teachers in schools were forced to take Japanese language examination and training • Students must study Japanese language and culture. They had to salute the Japanese flag and sing the Japanese national anthem

★ **Transformation of Hong Kong after the Second World War: economic development**

Favourable factors for economic development	
External factors: Favourable international circumstances bringing investment and opportunities	<ul style="list-style-type: none"> ■ Relocation of production <ul style="list-style-type: none"> • Hong Kong's cheap labour and geographical advantage attracted foreign industrialists ■ Opening of markets <ul style="list-style-type: none"> • The <i>General Agreement on Tariffs and Trade</i> (1947): A great opportunity for Hong Kong products to enter the world market
External factors: China bringing resources and opportunities	<ul style="list-style-type: none"> ■ Labour force and capital <ul style="list-style-type: none"> • Mainland Chinese brought capital, expertise, skills and manpower ■ Reform and Opening-up (1978) <ul style="list-style-type: none"> • Hong Kong industrialists moved their production line to the mainland and invested there • Helped revive Hong Kong's entrepot trade • Mainland enterprises chose to invest in Hong Kong: favoured the development of the local financial industry
Internal factors: Hong Kong's own strengths	<ul style="list-style-type: none"> ■ Favourable geographical location: the southeast coast of China; centre of the Asia-Pacific region; favourable time zone ■ Stable political environment ■ Pre-WWII industrial foundation ■ Excellent trading network and infrastructure ■ Favourable government policies: a positive non-intervention policy; simple and low-rate tax system; absence of foreign exchange control



Overview of the economic development	
Entrepot → Industrial centre (1950s-1970s)	<ul style="list-style-type: none"> ■ Background: China's close-door policy; the UN's trade embargo on China ■ 1950s-1960s: Development of labour-intensive industry <ul style="list-style-type: none"> • Relied on labour in production, required less machinery and capital • Examples: textile and plastics industries ■ 1970s: Development of technology-intensive industry <ul style="list-style-type: none"> • Advanced technology was introduced to increase production efficiency and promote diverse development • Examples: electronics, toys, and watches industries

<p>Industrial centre → International financial centre (1970s to the present)</p>	<ul style="list-style-type: none"> ■ Background: Manufacturing industry gradually declined; good policies and a good legal system; favourable time zone ■ Overview: <ul style="list-style-type: none"> • Developed into an international financial centre comparable to New York, London and Tokyo • Financial, insurance and real estate industries developed rapidly • Established a modern banking system • Had a well-developed stock market and foreign exchange market
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★ **Social development of Hong Kong**

Areas	Main point
<p>Development of housing</p>	<ul style="list-style-type: none"> ■ 1948: Establishing the Hong Kong Housing Society ■ 1953: The government revised the housing policy and built different types of public housing ■ 1961: Government Low-cost Housing Programme ■ 1972: Ten-year Housing Programme ■ 1978: Home Ownership Scheme ■ 1988: Home Purchase Loan Scheme ■ 1990s: Adjusting housing policy and strategy
<p>Development of education</p>	<ul style="list-style-type: none"> ■ 1950s-1960s: Expanding primary education <ul style="list-style-type: none"> • Expanded primary education • Established more teacher-training colleges ■ 1970s: Introducing compulsory education and providing technical training <ul style="list-style-type: none"> • Introduced free and compulsory primary education • Set up technical schools ■ 1980s-1990s: Expanding post-secondary education <ul style="list-style-type: none"> • Expanded post-secondary education and established higher-education institutions • Opened professional courses and increased the number of university places

★ **Development of governance and political institutions**

In the 1960s: strengthening communication	Establishing the Office of the Unofficial Members of the Executive and Legislative Councils (1963)
	<ul style="list-style-type: none"> ■ Strengthened the communication between unofficial members of the two Councils and the public ■ Strengthened the role of the unofficial members in monitoring the government
	Establishing the City District Office (1968) and the Home Affairs Department (1981)
	<ul style="list-style-type: none"> ■ City District Offices: Ten City District Offices were set up to explain government policies and gather public opinions ■ District Offices: Responsible for the consultation and implementation of government policy
	Establishing various advisory bodies <ul style="list-style-type: none"> • Allowed the government to formulate more suitable policies • Chinese elites and the middle class could participate in public affairs
In the 1970s: combating corruption and localizing Civil Service	Establishing the Independent Commission Against Corruption (1974)
	<ul style="list-style-type: none"> ■ 1971: The <i>Prevention of Bribery Ordinance</i> passed ■ 1974: ICAC established • Directly responsible to the Governor to combat corruption
	Strengthening Civil Service localization
	<ul style="list-style-type: none"> ■ 1970s: Further opened Secretary posts to local Chinese ■ 1983: 49% of Directorate posts were filled by local Chinese
In the 1980s: developing representative government	<ul style="list-style-type: none"> ■ Representative government: a form of government where people take part in government affairs through their elected representatives ■ Before 1997: District Boards, Urban Council and Regional Council and Legislative Council were the three elected tiers <ul style="list-style-type: none"> • 1982: First direct election by election districts of the District Boards • 1983: First direct election by election districts of the Urban Council • 1985: First indirect election of the Legislative Council • 1991: First direct election of the Legislative Council

★ **Economic and cultural links between Hong Kong and the Americas, Europe and Asia**

Economic aspect	Hong Kong exported industrial products
	<ul style="list-style-type: none"> ■ Hong Kong exported cheap but good-quality products such as toys, clocks and watches
	Hong Kong linked with the global transportation network
	<ul style="list-style-type: none"> ■ Transportation hub in the Asia-Pacific region: goods are re-exported to other countries via Hong Kong ■ 1990s: Hong Kong's Kai Tak International Airport was one of the busiest cargo airports in the world
	Hong Kong set up overseas offices and joined overseas organizations
	<ul style="list-style-type: none"> ■ Founded the Hong Kong Economic and Trade Offices overseas ■ Joined regional and international organizations <ul style="list-style-type: none"> • 1991: Became a member of the Pacific Economic Cooperation Council and the Asia-Pacific Economic Cooperation • 1995: Became one of the founding members of the World Trade Organization
	Enterprises expanded their business in Hong Kong
Cultural aspect	<ul style="list-style-type: none"> ■ Listing and site for expansion: By the end of the 1990s, Hong Kong had the largest number of overseas companies and headquarters of multinational corporations in the Asia-Pacific region ■ Held exhibitions to promote business <ul style="list-style-type: none"> • 1988: Hong Kong Convention and Exhibition Centre was built, overseas companies held exhibitions in the city more frequently to promote business
	Hong Kong held international cultural events
	<ul style="list-style-type: none"> ■ Hong Kong Arts Festival (launched in 1973) ■ Hong Kong International Film Festival (launched in 1977)
	Cultural organizations were founded in Hong Kong
	<ul style="list-style-type: none"> ■ The British Council (1948) and the Japan Society of Hong Kong (1962) • Strengthened the cultural exchanges between Hong Kong and related countries

★ **Hong Kong's return to the Motherland**

Background: origin of the question of Hong Kong's future

- In the 19th century, Britain gained control of Hong Kong from China
- As the lease of the New Territories was to expire in 1997, Britain and China eventually negotiated on the **future of Hong Kong**



Question of Hong Kong's future being put forward

- 1979: Hong Kong Governor **MacLehose** visited China and put forward the question of Hong Kong's future
- Chinese leader **Deng Xiaoping** stressed that China was going to "**recover Hong Kong**" at a suitable time



Sino-British talks about the future of Hong Kong

- September 1982: British Prime Minister **Thatcher** visited China
- **Deng Xiaoping** informed her that China had decided to "recover Hong Kong" in **1997**, and put forward the idea of "**one country, two systems**"
- Sino-British talks about the future of Hong Kong began
- 1983: Sino-British talks reached a **deadlock**, the exchange rate of the Hong Kong dollar and stock prices dropped drastically
- October 1983: The Hong Kong government implemented the **linked exchange rate system**



Signing of the *Sino-British Joint Declaration*

- December 1984: Britain and China reached an agreement and signed the *Sino-British Joint Declaration*
- China would **resume the exercise of sovereignty over Hong Kong on July 1, 1997**
- Hong Kong would become a **Special Administrative Region** of China



Drafting of the *Basic Law* and its promulgation

- April 1985: **The Basic Law Drafting Committee** established
- April 1990: Promulgation of the *Basic Law* (became effective on July 1, 1997)
- It states that Hong Kong enjoys a **high degree of autonomy**. The **capitalist system and way of life in Hong Kong shall remain unchanged for 50 years**



Establishment of the Hong Kong Special Administrative Region

- Midnight on July 1, 1997: The British government restored Hong Kong to China; HKSAR established; **Tung Chee Hwa** sworn-in as the first Chief Executive of the HKSAR



1. Which of the following is the correct chronological order?
 - A. Signing of the *Ottawa Agreement* → Japan started full invasion of China → Sincere Department Store opened → The Great Depression
 - B. Sincere Department Store opened → The Great Depression → Signing of the *Ottawa Agreement* → Japan started full invasion of China
 - C. Sincere Department Store opened → The Great Depression → Japan started full invasion of China → Signing of the *Ottawa Agreement*
 - D. The Great Depression → Japan started full invasion of China → Sincere Department Store opened → Signing of the *Ottawa Agreement* ☐

2. Which of the following is NOT the industry that Chinese companies in pre-war Hong Kong mainly engaged in?
 - A. Textile industry
 - B. Shipbuilding industry
 - C. Food manufacturing industry ☐
 - D. Garment industry

3. Which of the following statements about the Japanese occupation of Hong Kong is INCORRECT?
 - A. Rensuke Isogai became the Governor.
 - B. Local Chinese were forced to return to the mainland.
 - C. The Japanese issued military notes to get resources to support the war.
 - D. The occupation government divided Hong Kong into five administrative regions and further subdivided into 28 districts. ☐

4. What was the mode of industrial production in Hong Kong since the 1970s?
 - A. Labour-intensive industry
 - B. Resource-intensive industry
 - C. Capital-intensive industry ☐
 - D. Technology-intensive industry

5. Which of the following is NOT regarded as an external or internal favourable factor for Hong Kong's economic development?

- A. Hong Kong industries had sufficient labour and capital
- B. Hong Kong had a relatively stable political environment
- C. The government adopted a positive intervention policy
- D. Signing of the *General Agreement on Tariffs and Trade*

☐

6. When did the Hong Kong government introduce the Ten-year Housing Programme?

- A. 1953
- B. 1966
- C. 1972
- D. 1991

☐

7. Which of the following is the correct chronological order?

- A. Establishment of the City District Office → Passage of the *Prevention of Bribery Ordinance* → Establishment of ICAC → First indirect election of the Legislative Council
- B. Establishment of the City District Office → First indirect election of the Legislative Council → Passage of the *Prevention of Bribery Ordinance* → Establishment of ICAC
- C. Passage of the *Prevention of Bribery Ordinance* → Establishment of ICAC → Establishment of the City District Office → First indirect election of the Legislative Council
- D. Passage of the *Prevention of Bribery Ordinance* → Establishment of the City District Office → Establishment of ICAC → First indirect election of the Legislative Council

☐

8. Which of the following matching is correct?

- A. 1977: Hong Kong Arts Festival launched
- B. 1995: Hong Kong became a founding members of the Asia-Pacific Economic Cooperation
- C. 1988: Hong Kong's Kai Tak International Airport was built
- D. 1963: The Office of the Unofficial Members of the Executive and Legislative Councils was set up

☐

9. Who put forward the idea of the “one country, two systems”?

- A. MacLehose
- B. Deng Xiaoping
- C. Tung Chee Hwa
- D. Thatcher

☐

10. Which of the following statements about the *Basic Law* is INCORRECT?

- A. According to the *Basic Law*, Hong Kong would become a Special Administrative Region of China in 1997.
- B. According to the *Basic Law*, Hong Kong enjoys a high degree of autonomy.
- C. The *Basic Law* was proclaimed in 1985.
- D. The *Basic Law* was written according to the principle of “one country, two systems”.

☐



Study the Sources below and answer the questions that follow. (12 marks)

Source A: A description of Hong Kong's economic development

After the outbreak of the Korean War in 1950, Hong Kong followed the Western countries to impose a trade embargo on China, and entrepot trade plummeted. ... Hong Kong had to adjust its economic structure in time and vigorously develop its industry. At the same time, a large number of mainland Chinese moved to Hong Kong, providing abundant and cheap labour. ... Under extremely difficult living conditions, Hong Kong workers still work hard. They are the unsung heroes promoting Hong Kong's industrialization.

Source B: A table of wages and property prices (in HK dollars) in Hong Kong and Shenzhen in the early 1990s

Region	Monthly salary of a manufacturing labour	Monthly land rent of a multi-storey factory (per m ²)	Land price of a multi-storey factory (per m ²)
Shenzhen	800	15-29	1,475
Hong Kong	5,520	93	12,000

1. Why did the author of Source A suggest that “Hong Kong workers are the unsung heroes of Hong Kong's industrialization”? (2 marks)
2. For Hong Kong industrialists in the early 1990s, what were the advantages of moving their production lines to the mainland? Explain your answer with reference to Source B. (3 marks)
3. How did the mainland factor influence the development of Hong Kong's manufacturing industry in the 1950s-1990s? Explain your answer with reference to Sources A and B, and using your own knowledge. (7 marks)

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Answer the following question in paragraph form and complete sentences. (10 marks)

How did Chinese organizations in Hong Kong promote social stability before WWII? Take the following three organizations as examples to explain.

- Tung Wah Group of Hospitals
- Heung Yee Kuk
- Kaifong associations