

## Government Reform Faces Obstacles

# Hong Kong's Business Future

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HONG KONG — The road to political reform in Hong Kong has been distressingly slow. Yet the lull in political activity since the riots of 1967 has sparked a business boom that has doubled and redoubled the price of land.

The labor disputes of May, 1967 spread throughout the British Colony and almost precipitated a communist-style revolution. However, effective police control prevented large scale violence and tamed the tense situation.

Since then, the most radical step taken in Hong Kong's politics has been a plea for a limited form of participatory democracy. Presently, Hong Kong is run by a governor, appointed from the ranks of the British foreign service.

The governor appoints the executive

and legislative councils which run the colony.

Requests for reforms have come generally from British expatriates rather than from the large Chinese population.

Many of the Englishmen have spent decades in the colony, and have begun to identify with it. The Chinese seem to take little interest in any political activities. The one elected body in Hong Kong, the urban council, was elected by only 20,000 of the 4 million residents here.

The obstacles to reform were recently articulated by David Lai, the City District Commissioner. Because of Hong Kong's unique position on Red China's border, Lai reasoned that elections would be a mistake.

Lai has indicated that Red China might

become upset if free elections were held in such close proximity to mainland China.

British Prime Minister Edward Heath supports Lai's convictions. To the despair of the local press, Heath seems to have no intention of granting any meaningful governmental reforms to Hong Kong.

There is no indication that China wants to interfere in Hong Kong politics. China derives considerable benefits from the fact that economically and politically Hong Kong is not a part of China.

Ironically, therefore, the most radical country in the world and a British colony are living in harmony, benefitting from one another's existence.

When Britain's 99-year lease from China terminates 27 years from now, no one is sure what will happen. However, international businessmen see

quick profit in the future, so that various types of even point in

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# are Bright but Poor Suffer

quick profits and a stable short-term future, so they are investing money in various types of industries. The break-even point is generally five years.

Hotels are springing up everywhere. Prospects are for air fare reductions to the Far East and hence new waves of tourists are expected. The American-owned Loew Corporation is in town this week discussing plans for a new "high-class" hotel complex.

Because of high prices in Japan, many international companies have moved their regional offices from Tokyo to Hong Kong, adding to the competition for space.

Although there are more than 400 square miles in the Honk Kong colony, only a very limited amount is prime space, and as a result the price of land has skyrocketed.

Recently, a portion of land reclaimed from the sea was sold at between \$700 and \$800 per square foot — almost double the price usually asked on Manhattan Island.

Rents are now doubling and tripling. While new apartments are being built, many residents are being forced to sign long-term leases at exorbitant rates.

Increased costs may result in driving some businesses back to Tokyo or on to Singapore. However, the present trend is toward larger financial commitments rather than any cut-backs.

A bright future for business contrasts sharply with the dismal future of Hong Kong's poor. Dwellings made of clapboard, metal scraps and bed sheets stand on wooden pillars over the harbor. The waste of daily life piles up un-

derneath their tightly packed houses.

Most of these people are refugees from Red China, and can look forward only to a continuation of their dreary, tedious daily lives with no prospect of change in sight. What money they do manage to earn is made selling their homemade goods on the open market.

The government is attempting to alleviate the dismal plight of the poor by building massive low-rent housing projects, but there has been little in the way of social security or compulsory education.

Although the people will not get government reform in the near future, the stable political situation has led to rapidly increasing economic growth which may or may not aid the poor in times to come.