

Thoughts en route from
Hong Kong to Singapore
April 13, 1967

Dear Homer:

Leaving Tokyo, Pan American Flight No. 1 was bulletined for "Hong Kong, Bangkok, and A.T.W." -- "Around the World." Maybe the next generation can read that with ennui. But, having ridden in a horse and buggy as a boy, I am still excited by those words, "and Around the World."

Our magic carpet came in through a typhoon-created fog, onto the airstrip built out into the beautiful harbor of Hong Kong. I have previously written from there and will not repeat, but there have been significant changes since 1963. The great building boom collapsed in 1965 and several of the Chinese banks, heavily invested in new apartment buildings and other real estate, failed or had to be taken over by British banks. Business is good, but the air of enthusiasm is not nearly as strong as it was four years ago. What is happening in China has great influence on what is happening in Hong Kong.

And what is happening in China? I have read a folder full of material that Mrs. Freeman has collected (perhaps the best of these is an article by Hugo Portish^{*}).

* "China: Behind the Upheaval," Saturday Review, December, 1966.

Messrs. Thomas, Lindstedt and I have talked to our Consul General, to our good friend Welles Hangen (the N. B. C. Correspondent in Hong Kong), to TIME's Karsten Prager, and, of course, to the bankers, a few British, mostly Chinese. None felt confident that he understood more than a fragment of the whole. Fully realizing my incompetence, I will try to put together some of the pieces that seem to fit.

Mao, the ruthless revolutionist, but also idealist ("Think not of yourself but of your neighbor"), has an almost religious faith in the power of determination. His was the plan for "the great leap forward" that was to advance the country twenty years in one, a plan that many of his associates felt was far more idealistic than practical. When it became obvious that "the leap" was a failure in 1960 and a disaster in 1961, Mao felt that those associates, never having had any confidence in it, had not really tried to make it work. His associates, still loyal, felt the plan had been poorly conceived, and, although Mao remained the uncontested leader in foreign relations, they took much of his economic power away from him. Apparently he withdrew for a period of contemplation and, during this period, his associates, to stimulate food production, allowed the peasants some "private" land. Although this amounted to only 5 per cent of the total, the great spur of personal incentive resulted in its producing 15 to 20 per cent of the foodstuffs and 80 per cent of the pigs. Using the same spur, the government provided bonuses for factory workers who exceeded their production quotas. This, too, proved effective.

When Mao returned to a more active role last year, he was distressed by this "revisionism." He feared that a continuation of this trend would corrupt the true spirit of communism. It appeared to him the diabolical work of self-important bureaucrats, inimical to the interests of the common man who had been and should remain the basis of the revolution. It had to be stopped. The children of the bureaucrats should not be given preference in education. This, too, should be given to the peasants. At this stage, there was not so much a personal fight as an ideological conflict.

But the criticism was not all in one direction. The government administrators were critical of Mao's foreign policy which was not going well at all. The Summit Meeting of the Afro-Asian countries scheduled for 1965, at which Mao had hoped to take the leadership role away from Russia, had to be called off. The Chinese-supported rebels in the Congo were defeated. On the very day that President Nkrumah of Ghana arrived in Peking to pay his respects, he was ousted by a military coup. The same happened in Kenya. More important, Mao had attacked India and then induced Pakistan to carry on the battle, but the Indians and Pakistanis had finally reached a peace, and, worst of all, this was achieved under the aegis of the hated Russians.

Indonesia, with the third strongest communist party in the world, had pulled out of the U.N. at Mao's urging and was moving toward

a communist takeover when this was not only thwarted, but resulted in a coup by the conservative General Suharto and the demotion of Sukarno.*

Mao's attempt to embroil Malaysia in a conflict with Indonesia also failed.

Worst of all, the growing commitment of the United States in Vietnam created the possibility of a confrontation between the United States and China -- with the Russians delighted to stand by and pick up the pieces. When his associates urged caution in view of the superior military power of the United States, Mao's reply was that China's manpower, space and patience could overcome America's technology. Most of the others in the top command did not agree. They undoubtedly pointed out that it was Russian arms and support which had supported them in Korea and these were not available in Vietnam. Thus, China, which had repeatedly made promises to Hanoi, had to back down -- it was, in fact, a "paper tiger." If China had had a parliamentary government, it would have fallen in the face of this criticism. But, not only was Mao dictator, he was the founder of the State and remained in power.

But he saw the risk of subsequent defeat and began an attack on those of his associates who took the contrary view which he first launched through a Shanghai newspaper and later through the communications system

* We met Sukarno's wife in Tokyo to which she had returned to deliver a baby. She had been a nightclub hostess there before her marriage and remains a most attractive, poised young lady reduced to writing home for money -- without much luck.

of the army. He gradually stepped up this criticism, now no longer merely ideological, but both personal and acrimonious. Uncertain of the support of the army commanders (many of whom are party chairmen in their own districts), some indebted and loyal to other political leaders who are now his antagonists, Mao began to agitate among the students and organized the Red Guard cadres. He then closed the schools and brought the Red Guard to Peking to harass his opponents.

Last August the Central Committee held a full meeting. For the first time Mao opened the meeting to the public -- and packed the galleries with Red Guards, thus inhibiting any opposition, for it was unthinkable that any leader would publicly attack Mao, the national hero. Thus, his policies, as set out in the sixteen-point "Decisions of the Central Committee of the Chinese Communist Party concerning the Great Proletarian Cultural Revision," received the apparently unanimous approval of the Committee.

Included in Chapter 5 of the "Decisions" was a description of "the main targets of the present movement" as "the authorities within the party who are taking the capitalist road." These included "the reactionary bourgeois scholar despots" (virtually all of the academic community^{*}) and "those in authority who have wormed their way into the party

* As the Portish article points out, of the 58 professors at Teachers' College in Peking, every one had been teaching at that same college before the communist takeover.

and are taking the capitalist road" (meaning practically all those in power other than Mao). In short, Mao was condemning all of the teachers and all of the administrators in the country.

With what appeared to be universal support, Mao pressed his advantage by encouraging the Red Guard to become more aggressive -- to denounce and even to humiliate national leaders.

"Cast out fear. Do not be afraid of disorder. Chairman Mao has often told us that revolution cannot be so very refined, so gentle, so temperate, kind, courteous, restrained and magnanimous." *

Some of those attacked retaliated. Back in the provinces where they had their political support, they organized their own groups, and there were frequent clashes to control the local post office, the telegraph office, the railway station or the newspaper. At Mao's urging, not only the local officials, but even the school teachers were marched through the streets wearing gun caps. Mao called on the army for support, but many commanders, uncertain of the outcome of the conflict, hesitated to take sides.

For the moment this appears to have quieted down. **

Large agricultural and industrial production has been lost, transportation and communication offset, and, back in the villages, not

* Point 4 of the Decisions.

** Today's STRAITS TIMES reports that in Canton the Red Guards have announced that Liu Shao-Chi has been removed as President of China -- as the "top party person in authority taking the Capitalist Road" and replaced by Prime Minister Chou En-Lai.

only local leaders, but also school teachers -- humiliated in front of their students and constituents -- have quit their jobs and gone back to the farms "where I can get the same bowl of rice and avoid the insults." The country has divided.

Can revolutionary slogans or political exhortations long take the place of economic planning and government administration? Will a people with the personal acquisitiveness of the Chinese give up their precious little private plots, the bonuses for extra production, without output declining? Many observers think not. They feel that Mao may have won this battle, but that he will inevitably lose the war, for a bureaucracy is a necessity in a socialist state and, as those powerful elite begin to enjoy their power and prestige, they will lose their fervor for the doctrine of "from each in accordance with his ability, to each in accordance with his need." They feel obviously superior to the peasant and believe themselves entitled to live better -- reward should be related to contribution, not just to need.

What does this mean to the United States? Perhaps not much at the moment. Those who disagree with Mao are no less dedicated to nationalism or socialism. They would only take a different course -- and perhaps a more effective one. They do not love us any more, but they may be more likely to emulate our methods. They are not as likely to become embroiled in a war with us while unprepared, but they may be more likely to become prepared through the development of nuclear weapons and

sophisticated delivery systems (although the latter may be some years away).

But the effect on Hong Kong may be more immediate. The domestic Chinese in other Asian areas, heretofore fairly quiet, are becoming more aggressive. In Macao, a Portuguese colony just 45 miles from Hong Kong, the local Chinese asked for another school. The government demurred, the people demonstrated, a policeman reacted with excess zeal, and there was an incident. The local Chinese, now backed up by the government of China, demanded the school and an apology -- and got both. A Dutch sea captain, feeling an incipient mutiny among his Chinese crew, shot one or two. As the ship neared Hong Kong, the British spirited the captain off the ship, but the communist-inspired Chinese seamen and stevedores demonstrated to the point where the Dutch ship-line officials had to apologize (a matter of great significance in a land where "face" is so important). Presently, the leftist union (there are both a leftist, communist-inspired, and a rightist union in many fields) has struck against the cab companies. The leftist union of tailors is also on strike. More important, the leftist union of the textile workers is demanding that the employers recognize them only -- not the rightist group.

I do not believe the Chinese government wants seriously to disarrange Hong Kong. They could destroy it quickly by stopping the flow of water which is piped from China -- at a price -- or by stopping the

movement of China-grown food, on which the Colony lives. China does not want to do this, for this water and food is earning China enough hard currency to pay for the needed wheat which they import from Canada -- and they are not about to give that up. Still, it gives a Chinese additional face to create problems for Hong Kong and other free communities, and they may feel the need to do deeds of this kind in order to offset the jibes of the Russians who continuously point out that, while they, the Russians, are supplying arms to Hanoi, the Chinese are feeding and providing the water for the U. S. military and naval forces in Hong Kong.

These pressures embarrass the Colony, and wage rates have risen to the point where manufacturing costs are higher than in Taiwan or Korea -- and are rising rapidly. Some United States and British firms already in Hong Kong are expanding, but not many new investors are moving in.

The new territories which make up most of the Colony are not owned by the Crown, but are merely leased from China, and that lease runs out in 1997. It is not likely that the communists would renew this lease on a part of their sovereign territory to the hated British "imperialists." Thirty years is still a long time, but in another decade that deadline may seem much shorter. Further investment is likely to decline. Hong Kong may remain the most pleasant of all Red Chinese ports in which a foreigner might live -- but it is unlikely that as many will elect to do so under the

Chinese government as under the excellent administration of
Great Britain.

These problems are more seriously considered today
than they were four years ago.

Perhaps they are not the exclusive concern of the small
Colony of Hong Kong.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sale".