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1. Introduction: Border Porosity and Contrived Laissez-faire

In the neoclassical theoretical framework, labour is one of the economic factors supposed to have right of laissez-faire mobility with the objective of maximising revenue. Workers make attempts to migrate from lower-income to higher-income regions in search of higher wages, much as multinational corporations and speculative financial capital seek regions with cheaper labour or lower tax rates. The “global convergence” tenet, originally put forward by neoclassical economists, is substantiated only through the laissez-faire approach to the spatial mobility of capital and labour, and in particular, to the acceptance on the part of the capitalist class of the unrestricted spatial migration of workers from lower- to higher-wage territories and countries. This is the prerequisite for the posited global convergence.

However, such unrestricted mobility of labour erodes the very condition of the existence of capitalism: the class superiority of capital vis-à-vis labour. This is because, if low-wage workers enjoyed unrestricted labour migration to high-wage regions, lower-wage labour would eventually disappear in the former lower-wage regions and capital attempting to exploit low-wage labour would no longer find it available.

In contrast, if labour markets in higher-wage regions are spatially bounded by tight control of border porosity, the supply of labour becomes limited and capitalists cannot find labour to exploit at home. Primitive accumulation may not take place, or higher wage rates and fierce class struggle may ensue. Thus, in the period of primitive accumulation or in boom times, allowing higher porosity of borders towards higher-income regions is in the positive interests of capital.

Nevertheless, this inflow of labour cannot be left laissez-faire. The unrestricted inflow of low-wage workers aggravates unemployment issues and increases social expenditures, which will erode the vested interests of the existing population and capitalists and will eventually lead to the breakdown of social integration.

Thus, the porosity of borders must be regulated and the spatial migration of labour across international boundaries must always be controlled to an optimal level by the state, which generally embodies the intent of capital. The laissez-faire condition thus needs to be contrived.

Countries with higher wages are under unremitting pressure from the influx of labour at their...
boundaries from low-wage countries, just as those countries with higher-profit investment opportunities face the influx of capital, like a spigot under pressure. Taking advantage of these conditions, state power attempts to optimise the system of capital accumulation through more purposeful control of border porosity. In other words, a higher-wage and higher-profit country regulates economic conditions by deploying state power to control border porosity and thus the inflow of labour and capital.

The action space² of the economy having widened and both labour and capital having become more mobile, capitalist regulation by means of controlling the porosity of space has become a more important policy variable.

Manipulating the porosity of national borders through the authority of the state so that capital can enjoy higher porosity than labour creates spatial configurations in which labour is contained in certain areas and wage level disparities persist in each sovereign state.

Workers, who are micro-level economic entities, contest this state power to transform the pristine space into a mosaic of differentiated wage rates by resorting to spatial “guerrilla warfare” by physically breaking through national borders. This warfare is sometimes called “illegal immigration,” in which *laissez-faire* migration from low-wage to high-wage regions continues, in spite of attempts by state power to control the porosity at the border. These migrants thereby overcome the spatial constraints of sovereign states and win the global space for their own, just as capital does.

However, since this “illegal” immigration is an attempt to evade state power, these workers are also exempt from any kind of protection of their human rights by the state. They are exposed to the most primitive and barbaric relations between labour and capital as the price they pay for ignoring state power. Many of them work in sweatshop factories or at the bottom of the social strata, and social discrimination is norm rather than the exception. States and capital feign ignorance of the human rights of such “illegal” immigrants, while they continue to take advantage of the influx of workers for the accumulation of capital by deploying them in the production process. In this, we can recognise a renewed strengthening of class divisions intermediated by the manipulation of border porosity.

Workers in a higher-wage country feel threatened by “illegal” immigrants who do not mind working under slave labour conditions. Even political groups that supposedly represent workers view these immigrants as instigators of unemployment and discriminate against them, and may demand that borders be made impermeable to “illegal” immigrants. Governments that allow the free inflow of immigrant labour across borders will be frowned upon by their people. The global unity and solidarity that should exist among the working class will be skilfully shredded to bits within each country, while state power attempts to maintain social integration by at least pretending that they have carefully created an impermeable border to fend immigrants away from the country. Thus, based on the power to regulate border porosity, a new, close class alliance between labour and state will even appear in high-income countries, seeking further reductions in porosity.

The hypocritical nature of the assertion of globalism by neoliberalism is most plainly seen in the spatial control of worker migration. In actuality, the euphoria brought about by the global equality made possible through the equalization of wage levels predicated on the unconstrained
international migration of labour will never happen under a capitalism predicated on class re-
lations. Despite this, the neoclassicist theory of “global convergence” spreads the lie that this
equalization will happen. A simplified understanding of economic or social action space that
grows to encompass a region, or indeed the world, while appearing to be perfectly reasonable, is
nothing more than a fig leaf obscuring the true essence of globalization, and does not correctly
recognize the restructuring of global class relations on the basis of the discriminatory manipu-
lation of border porosity.

Labour migration in today’s globalism must be understood as the spatial restructuring of class
systems across various spatial scales—global, regional, and national—wherein the capitalist
state apparatuses unilaterally attempt to alienate workers from the global as well as regional
space and adjust the porosity of their territories for the purpose of maintaining and strengthening
the vested interest of capitalists and state power.

2. Early History of Immigration in China and Southeast Asia

a) British Colonialism and Immigration

The colonization of Hong Kong maintained this territory under a separate state domination
from the rest of China. A state boundary was set up and the control of its porosity was vested in
the British colonial government.

Since Hong Kong was originally “a barren island with hardly a house upon it,” except
for small fishing villages on the southern shore of the island, an influx of immigrants, mainly
Chinese from the natural cause of its geographical position, was essential for the British to
maintain the economic and political functions of the colony. From the early period of Britain’s
colonization of Hong Kong, the Chinese in poor farming villages of Central and South China
were the primary sources of immigrants to Hong Kong.

As the colony developed, chain migration ensued. Migration routes were created based on
information that spread on a relatively local scale in China. Each of these routes was used by a
Chinese group with a clearly distinct point of origin and language. The coastal cities that were
the former destinations of rural-urban migration for these hinterland villages now acted as relay
points; and ethnic Chinese moved to Hong Kong to settle down, or moved further, travelling by
boats that used Hong Kong as a hub port to reach other colonial cities and villages of Southeast
Asia. For example, Chinese from agricultural regions primarily around Guangdong Province’s
Pearl Delta migrated to Kuala Lumpur in the former British colony of Malaya. In this action
space, Hong Kong functioned as one of the coastal nodes, connecting the Chinese inland with
British overseas colonies and other areas under British influence. Hong Kong thus became one
of the preferred destinations for Chinese migrants.

The pre-World War II region from China to Southeast Asia was spatially reorganised out of
colonial and quasi-colonial territories, but with relatively weak boundaries, primarily in those
areas placed under the rule of the British Empire; and relatively wide scale successive migra-
tions primarily of groups of Chinese and Indians occurred. The colonial British took advantage
of this wide expanse of migration action space, supported by the high porosity of colonial
boundaries, in deploying Chinese and Indian labour as colonial compradors or middlemen in creating the colonial social structure based on the principle of indirect rule.

b) The Evolution of National Border Porosity in Post-war Asia

The pre-war action space of migration that spread across a relatively wide swath of Asia was radically transformed with the independence of one Southeast Asian country after another through the 1960s and the communist revolution in China in 1949.

The People’s Republic of China (PRC) vanquished the British domination that had existed in Shanghai, the cities along the Yangtze River, and Guangzhou. The PRC aimed for “self-reliance” through socialism in one country. In achieving this, the PRC government drastically reduced the porosity of its borders and drew into itself, not allowing its citizens to move outside the country. The Southeast Asian colonies that had gained independence also became sovereign states, controlling their own borders and also pursuing self-reliance and closed borders. Further, post-World War II Asia had extraordinarily low porosity in its borders due to the “Bamboo Curtain,” the Cold War corollary to Europe’s “Iron Curtain,” falling from north to south and placed between communist and capitalist countries such as North and South Korea, and the socialist PRC and British-ruled capitalist Hong Kong.

This transformation fragmented and destroyed the action space of the chain migration and labour migrations now shifted essentially within sovereign states and neighbouring territories. The porosity of borders for capital increased, especially for multinational companies headquartered in the US, EU, and Japan, while at the same time leaving porosity for labour at a low level. The network of the new international division of labour (NIDL) in Southeast Asia that developed after the US loss in the Vietnam War effectively followed the specific geographic mosaic of locations of low-wage labour; and Hong Kong was indeed the major actor in this “East Asian miracle.”

3. Migrations from Mainland China to Hong Kong

a) Introduction

The reality of Hong Kong’s colonial government, which Friedman4 claimed “the modern exemplar of free markets and limited government”, was vastly different from what Friedman assumed under neoclassical economic theory. Migration was no exception.

If Hong Kong had been returned to China immediately after World War II, the migrations to Hong Kong would have been nothing more than the normal domestic migrations from lower-income villages to a higher-income city as discussed in neoclassical regional economic theory.

The area covering Hong Kong and the Pearl River Delta (PRD) is essentially the living space of the Cantonese-speaking Chinese. There have been strong kinship networks among the indigenous Chinese for centuries. Their language, customary laws, and lifestyle were identical. The Sino-British border was therefore a typical case of a superimposed boundary created as the consequence of the colonization of the New Territories by the British.

If there had been no border, there would have been no way for the government to control its porosity. However, in reality, the international boundary separated China and Hong Kong, and
after the Chinese revolution, it became the border where two economic systems met: socialism and capitalism.

In the early 1960s, the colonial government constructed a stout fence of steel wire with lights on its side of the border, which reminds us of the former border between the two Germanys. The fence, ca. 4.5m high—higher than the 3.6m-high Berlin wall, and lit with bright searchlights all through the night—could be called the “Hong Kong Wall” (Plate 1). Despite its height, an unyielding stream of PRC Chinese crossed this boundary, as evidenced by the clothes and cardboard left behind along the fence⁵, and entered into Hong Kong in secrecy.

The history of migration from mainland China to Hong Kong can generally be divided into four stages:

1. **The first stage**: the period from the British reoccupation of Hong Kong to the introduction of immigration control in 1950. Chinese people were allowed free entry into Hong Kong. There was no restriction on the Chinese side from leaving the country, either. It was these immigrants who achieved the primitive accumulation of post-war Hong Kong capitalism.

2. **The second stage**: the period until 1974, when the colonial government started to restrict immigrants, yet under a lenient and haphazard policy. The colonial government essentially repatriated the “illegal immigrants” caught in the border area, yet tolerated immigrants who escaped from the search and managed to reach the urban areas of Hong Kong. The PRC government also started to impose restrictions on exiting the country in 1951, and Chinese living in Bao An county, sharing a border with Hong Kong, were also generally subject to similar restriction after 1956⁶. These Chinese supplied low-skilled labour power to the
growing Hong Kong economy.

3. **The third stage**: The years between 1974 and 1980, when the “Touch-Base Policy,” to be discussed in Chapter 5 of this paper, was in effect.

4. **The Fourth Stage**: The period after 1980, when all the Chinese from the PRC without proper travel documents were repatriated with few exceptions. The opening-up of the pool of cheap labour in Shenzhen and the intention of the colonial government to shift Hong Kong economy into more knowledge-intensive made the inflow of the cheap labour from the PRC no longer necessary.

In the following sections, these four stages are dealt with in turn.

**b) The First Stage: Free movement of Mainland Chinese into Hong Kong until 1950**

The first comprehensive census taken by the colonial government in 1911 showed the population of Hong Kong to be 456,739. According to the last census before WWII, taken in 1931, the population of Hong Kong was 840,473. Immediately prior to its occupation by Japan in 1941, Hong Kong’s population was estimated to be approximately 1.6 million.

Before the war, when a free population flow between the Republic of China and Hong Kong was allowed, it was noted that “[t]here is little difference between the rights and obligations of Chinese born in Hong Kong and Chinese immigrants.” Many of them had not regarded Hong Kong as a place of settlement. Because cross-border movement had been unrestricted, they simply returned to China as circumstances changed, and when conditions were right, they could even migrate to Southeast Asia.

At the time of the post-war reoccupation by the UK, the population was reduced to approximately 600 thousand, due to forcible “repatriation” by the occupying Japanese government of Hong Kong of some Chinese to the mainland. Immediately after the reoccupation, Hong Kong’s population surged dramatically. By the end of 1947, the population had risen again to 1.8 million, surpassing pre-war levels. The overwhelming majority of incoming people being naturally Chinese, the total combined size of the non-Chinese population has been estimated at around 13,000, including 7,000 to 8,000 British and 2,200 Indians, as well as some Portuguese.

In the initial period of the reoccupation, the colonial government did not require incoming Chinese to have an entry permit until 1950. The huge influx of Chinese from the mainland began from 1948 as the civil war between the Kuomintang and the communists intensified in central and south China. Chinese from neighbouring Guangdong Province began settling down in Hong Kong with virtually no possessions. Then, from around the time Shanghai fell under Communist control in May 1949, Chinese industrialists and engineers—mainly from the textile and cotton-spinning sector, as well as influential British colonials such as the Kadoorie family—moved to Hong Kong, bringing vast quantities of capital and extensive skills along with them. The number of immigrants from mainland China who settled in Hong Kong before September 1949 was 815,780, or 26.7% of the total Hong Kong population in 1961, according to the census taken in 1961.

Upon foundation of the PRC, border control was established in April 1950. By this time, the estimated population of Hong Kong reached 2.36 million. For the two-year period of 1948–1949, 584,000 persons migrated into Hong Kong; 64% of these were motivated by political
reasons\textsuperscript{12}, which includes those of a more capitalist or business-minded inclination. These incoming immigrants triggered primitive accumulation in post-war industrialised Hong Kong.

Of particular note in this respect was the massive exodus of textile entrepreneurs from Shanghai. As the communists pushed the front of the civil war against the Kuomintang southward, Shanghai’s textile entrepreneurs began to prepare an exodus. If Shanghai was taken over by the communists, their capital assets would be confiscated and they would be subject to arrest and prosecution as the evil capitalists who once exploited labour. There were several options for their exodus. Prospective destinations included Hong Kong, Thailand, and Taiwan\textsuperscript{13}. However, there was excessive bureaucracy Thailand and Taiwan, such as the required participation of local capital or restrictions on the amount of production to prevent overproduction\textsuperscript{14}. Some ex-Shanghai entrepreneurs did relocate their plants to these countries, yet their operations were generally not successful due to these stiff government restrictions.

Thus, from 1947 to 1959, a total of 20 spinning mills were established by the Chinese from Shanghai\textsuperscript{15}. Their scale of investment was exceptionally large in Hong Kong, where small and medium scale enterprises dominated. These spinning mills employed on average 500 people, and stood at the acme of the inter-industrial linkages\textsuperscript{16}.

These relocations did not entail the Shanghai entrepreneurs dismantling their existing equipment, shipping it in parts, and reassembling it in Hong Kong. The machines and plant buildings were mostly brand new, shipped directly from the UK or US to Hong Kong\textsuperscript{17}. The fresh and modern equipment meant that the spinning industry in Hong Kong was efficient and had a strong competitive edge. It soon became a stable foundation for the entire industrial infrastructure of Hong Kong by supplying cotton yarn domestically to local garment manufacturers. Some of these manufacturers later deployed the capital thus accumulated for property speculation, thereby contributed to foundations of the Chinese property sector in Hong Kong.

However, this was not the outcome of policy foresight in which the colonial British took steps to invite investment from China. Right after reoccupation, the colonial British still counted on the possibility of carrying on the pre-war entrepôt trade. In the meantime, however, unlike their Thai or Taiwanese counterparts, the colonial British did not impose any restrictions on the migration of Chinese into Hong Kong or to their setting up of manufacturing plants. Through this immigration policy, the ex-Shanghai Chinese spinners “turned out to be an industrial asset for Hong Kong.”\textsuperscript{18}

In 1949, when the communist takeover of the mainland China had become inevitable, however, the Financial Secretary of the colonial government finally became proactive and proposed to the Legislative Council of 16 March 1949 to establish the Department of Commerce and Industry, with a new post of Assistant Director (Industry), which “will have on its staff an officer who can devote his full time to the encouragement of new industries and the expansion of existing ones” and “to advise potential industrialists on factory sites and allied questions.”\textsuperscript{19}

Right after the establishment of the PRC, the new PRC government allowed, albeit passively, the Kuomintang Chinese and the capitalists who were potentially hostile to the communist regime to leave the country. Many of them crossed the border towards Hong Kong. In late 1949, Lo Wu Bridge, connecting the PRC with Hong Kong, was flooded with more than a hundred thousand people every day at the peak period\textsuperscript{20}. 
There came also a multitude of penniless people from the adjacent Guangdong Province into Hong Kong as unskilled labour. The coupling of capital and labour thus accomplished the primitive accumulation of capital for Hong Kong’s post-war export-oriented economy.

This influx of mainland Chinese was instigated more by political rather than economic causes and thus was beyond the control of the colonial British. They sat back and took a passive policy in terms of the migration flow. The spontaneous inflow of entrepreneurs was merely an outcome of the huge political transformation in China.

After this round of exodus had passed, the PRC government from 15 February 1951 began to impose restrictions on leaving the country. This kind of exit restriction was common in many socialist countries, including the Soviet Union and Eastern European countries.

4. The Second Stage

a) In-migration of the PRC Chinese in the 1950s

The colonial British government began to control the PRC Chinese in 1950. However, the restriction on the immigration from the PRC to Hong Kong did not apply to the natives of Guangdong Province.

To comply with this rule, the Hong Kong immigration officers carried out a simple language test at the border checkpoint. The officer asked a would-be immigrant in Cantonese, “Hoey bin dou (where do you go)?”; and if he or she responded properly in Cantonese, “Hai Heung Gong (to Hong Kong),” then the immigrant was allowed in, otherwise, he or she was refused entry and sent back.

Thus, in the early 1950s, most of the PRC Chinese of Cantonese origin were still virtually free to settle in Hong Kong.

In the meantime, as early as the first part of the 1950s, the colonial government of Hong Kong started making claims about social problems related to immigrants, such as social expenditures to deal with squatters, the waste of urban space, increased costs for schooling, aggravated crime, and other issues. Yet, a tacit and real contentious issue was the need to subsume these “illegal” immigrants into the system of colonial capitalist regulation in a way that would not undermine the ethnic integration and capital accumulation in Hong Kong.

The colonial government worried that incoming Chinese from the communist PRC would undermine this stability, especially in political terms, as they were regarded as maintaining loyalty with the PRC rather than with the colonial British, just as the Russians in the UK maintained loyalty to the Soviet Union. The colonial British had a sense of unease that the Chinese would never be in accord with the British. A confidential government report pointed out as follows:

From a long term point of view it is thought that the Chinese in Hong Kong are Chinese by race and thought and the vast majority will remain so rather than become true British Colonial persons with a personal interest in Hong Kong as a colony. … Their only interest is economic (money and a living) and little else. It is possible, therefore, that as with the ex-Russians in the United Kingdom, their secret loyalty may lie with their mother country. In any case it creates an uncertainty for the country housing them.
On the PRC side, the PRC government required its nationals to obtain the “exit permit” to leave the country. Chinese migrants did keep coming from Guangdong Province in spite of this exit restriction, often without permits. The PRC government did not demand the repatriation of arrested “illegal” Chinese immigrants.

b) The “Hong Kong Wall” in Cold War geopolitics

In 1950, the colonial government began to build a physical barrier right inside of the northern rim of the New Territories, along the Shenzhen River separating Hong Kong from the PRC. A series of surveillance posts was set up along the border called the MacIntosh Forts, planned by D. W. MacIntosh, the Commissioner of Police in 1949, and built during the period ending 1953 (Plate 2). Behind the Forts, higher on the ridge, there was another surveillance post and a base.

The government also issued a Government Gazette Notice in June 1951 designating the areas along the border as the Frontier Closed Area (FCA). The FCA was then extended in May 1962 to form a total area of about 28 square kilometres.

The PRC had 22,117 km of international boundary and shared borders with 13 countries before the break-up of the Soviet Union. Yet most of these borders were either with socialist countries or in remote areas at high altitude. The borders shared with the United Kingdom (Hong Kong) and Portugal (Macau) were thus the only lines in populous flatland areas that separated different modes of production: socialism and capitalism. The South China Branch of the Chinese Communist Party (CCP) also strengthened control along this “bamboo curtain” in three stages.

First, in 1951, those who were not natives of Shenzhen or not loyal to the communist regime were expelled inland. Second, around 1956, the border area was designated as the “Shenzhen–Hong Kong frontier defence area” and three parallel defence lines along the international boundary were set up: from the inland towards the border, there was a frontier defence line, a prohibited area line, and a warning line.

Although those without proper permits to cross these lines were prohibited entry, there is no evidence that any fences were erected along these designated lines. Thus, border policy was more lenient on the PRC side when compared with its Hong Kong counterpart.

It is intriguing to compare this “bamboo curtain” with the “iron curtain” in post-WWII Germany. The same ethnic group lives on both sides of the latter border: Germans. It was socialist East Germany (DDR) that built the wall right inside the borders of its own territory. West Germany (BRD), to the contrary, erected no such physical barrier or fence, but accepted all migrants who fled from the DDR without requiring any documents. However, in Hong Kong, although the same ethnic group of Cantonese-speaking Chinese lives on both sides of the border, it was the capitalist UK (Hong Kong) that built the physical fence, which the author calls “the Hong Kong Wall,” within its territory. Although the socialist PRC designated the frontier a defence area, not much in the way of a physical “wall” existed.

Why were there such clear differences in bounding the territories between the inter-German and the Sino-British borders?

Behind this seemingly clear contrast between iron and bamboo curtains, there is a common
geopolitical background. Across both borders, the capitalist zones accepted immigrants as long as they were useful as labour power in promoting capital accumulation. The post-war West German economy profited greatly thanks to immigrants from East Germany. However, there was a clear political difference: Hong Kong was not a country dominated by the same ethnic group, as was the case with Germany. The colonial British did not need to care as greatly about the indigenous ethnic group as did the West German government, but could remain indifferent to the reintegration of the Chinese or to the ties of families that had been divided by the colonial border. The colonial British had much cooler heads rather than warm hearts in decision-making as to whether to accept immigrants from the PRC.

c) “Illegal” Immigrants and Repatriation by the Colonial British

Toward the end of the 1950s, both the British colonial and PRC governments intensified border security year after year. The PRC Chinese who overcame this barrier and managed to enter Hong Kong without proper immigration formalities had “illegal immigrant (II)” status in the colonial legislature and were subject to arrest and repatriation.

The method of repatriation, called “hole in the fence,” was initially very haphazard, yet its repeated application turned it into a kind of informal formality. P. Thompson\(^{30}\), a former British officer of the Royal Hong Kong Police (RHKP), explained this method as follows:

>[T]he Chinese authorities took to shouting out the number of those caught so that the Hong Kong police could tell them whether this corresponds with the numbers pushed through the fence. It was a summary method of returning illegal immigrants with no checks being made on the credentials of those arrested before their expulsion\(^{31}\).

Yet, a considerable number of PRC Chinese evaded this process of repatriation and did settle in Hong Kong. In the 1950s, they took up farming in the New Territories, since they were “skilled vegetable growers” in their former villages in Guangdong Province and vegetable farming as a sharecropper needed less initial capital outlay than rice farming, which the indigenous
New Territories farmers practiced, because the latter “regarded vegetable an inferior crop”\textsuperscript{32}. Interestingly, however, the demand for locally produced fresh vegetables increased, while rice production lost its competitive edge against imported rice, and rice production in Hong Kong disappeared by the end of 1970s. The immigrant farmers thus became much better off in later years, as did the indigenous New Territories landowners who could obtain more farm rent from the sharecroppers\textsuperscript{33}.

In 1961, when the first census was taken after the British reoccupation, the total population was 3,129.6 thousand, out of which 1,643 thousand, or 52\% of the population, were post-war immigrants. About half of the population of Hong Kong of the age of 30 or older (i.e., older than 20 at the time of in-migration) were migrants who came to Hong Kong before 1949; and almost a half of those between the age of 20 and 24 came from the PRC after 1949. In total, 1,643 thousand persons out of 3,129.6 thousand, or 52.5\% of the population of Hong Kong, were immigrants in 1961\textsuperscript{34}. Thus, the exodus from mainland China made Hong Kong “a society of immigrants”\textsuperscript{35} indeed.

d) “62 Da Tao Gang”: The Huge Influx of Immigrants in April–May 1962

A huge influx of PRC immigrants into Hong Kong called “Liu Er Da Tao Gang (六二大逃港, 62 Great Exodus to Hong Kong)” took place in April and May 1962. It started on 13 April, when a massive number of PRC Chinese congregated at the foot of Wutong Mountain (梧桐山, elevation 944m) in Shenzhen and attempted to enter Hong Kong.

In the PRC, many people starved due to the failure of the Great Leap Forward policy. In people’s communes, rice was rationed, and starving people had to look for wild grass or roots of ferns to fill their empty stomachs. The word of mouth enticing to leave the country for a better life in Hong Kong spread rapidly across the province. In Bao An county, the entire members of a people’s commune in Bao An (寶安) county, 174 in all, fled to Hong Kong\textsuperscript{36}. Even the leaders disillusioned with communism left the people’s commune and headed for Hong Kong; and the number of people who left the communes amounted to 11,547 in Bao An, and 27,197 from Dongguan (東莞) counties up until 31 May 1962. The origins of the immigrants spread to Guangzhou city as well as Huiyang (惠陽) and Haifeng (海豐) counties. Guangzhou Railway Station was filled with people clad in tattered clothes wanting to buy tickets to Pinghu (平湖), the southernmost Kowloon–Canton railway station for which one did not need to produce the frontier permit. In Shenzhen and Bao An, crowds of several thousand people constantly congregated to find an opportunity to cross the border. Most of them were 17 to 40 years old, male and female\textsuperscript{37}.

They “marched along the C[hinese] T[erritory] border under escort, often roped together”\textsuperscript{38}. Each of them had a wooden stick at his/her hand to fight back in case of attack. They waited for sunset at the foot of Wutong Mountain. At dusk, they crossed the border at Pak Kung Au (伯公坳), the highest col along the Sino-British border at ca. 160m above sea level, forming the watershed of Sham Chun (Shenzhen) and Sha Tau Kok (Shatoujiao, 沙頭角) Rivers. The advantage of the Pak Kung Au route was that there is no river to wade across there. The physical barrier built by the British at the border was still physically primitive, equipped only with chain-link fencing. The immigrants crossed the border fence in the dark by covering the top of
the barbed wire with the coats they had worn, and upon a light signal they moved on amidst the bushes along the mountain ridge leading to Robin’s Nest (紅花嶺, 492m). Along the rough mountain trail, adults were supporting their older parents, mothers holding their children in malnutrition. They were thirsty and hungry after a long journey, some fainted and fell on the ground. They eventually reached Wa Shan (華山, 139m) near the rural town centre of Sheung Shui (上水). Another reason for taking this route along the mountain ridge was the prospect of the least surveillance of the British border police as compared with the flatland.

Wa Shan, at the tail of the mountain ridge, became a kind of midway station for these immigrants. Beyond Wa Shan, the route was on the flatland and the immigrants often had to reach urban Hong Kong using illegal taxis that charged an exorbitant HK$100 (US$17.2 at the 1962 exchange rate) per person. The immigrants hid themselves in the tropical bush and waited for contact from their friends and relatives who had already settled in Hong Kong. The number of immigrants from the PRC that “accumulated around the Wa Shan area was about 30,000.” Some of them had eaten nothing for three days. The sheer number of congregated Chinese immigrants, however, created power in itself: “they were able to help each other”; and “it could be a tough job to arrest any” for the Hong Kong Police.

For the week ending 21 April alone, 2,182 immigrants without the travel documents the colonial British required crossed the Sino-British border, according to the colonial government estimate.

A local newspaper in Chinese called Sing Tao Daily published regular information on the names of incoming Chinese immigrants and the addresses of their friends and relatives in Hong Kong. Many Hong Kong Chinese felt obliged to visit Wa Shan to rescue their relatives and friends, carrying food and drink for them.

A strong sense of sympathy developed not only among Hong Kong Chinese in the border area, but in the whole of Hong Kong. They donated relief goods to the headquarters of a local Chinese newspaper Ming Pao, which cried, “Rush! Save life! (Huosu! Jiuming! 火速！救命！)” in an editorial and reported that the small office of the newspaper company became “a humanitarian relief centre.”

The local Hong Kong Chinese residents were quite sympathetic to the immigrants; no wonder, they are of the same ethnic group, speak the same Cantonese language, and sometimes have strong kinship ties.

Chen Bing An provides a narrative of the scene in Wa Shan as follows:
Eventually, two hours later, with orders to use force from the superior officers, policemen took action again, and people had to watch their friends and relatives being dragged away from them.

Another wave of shouts and cries raised at Wa Shan…

Groups of refugees were dragged to the vehicles arranged by the government. In the meantime, hundreds of cars formed a long queue, waiting downhill.

“Brother——” / “Mum——” / “My younger son——”…

When the gate of the shelter opened and the deportation motorcade began moving, the escort policemen were surprised.

People flooded towards the motorcade.

Thousands of people concentrated along the road between shelter and the border, some of them came before dawn to bid farewell to their relatives.

Most of them were holding bags of foods in their hands—for their relatives and friends.

Names were shouted again when the motorcade left the shelter.

“You need to leave, you need to go back to suffer again!” When people found their relatives sitting in the vehicles, they threw at them the food in their hands—even though you have to leave, bring the food with you, bring the food back home, to our parents, to the villages where people are still suffering from starvation!...

Dear driver, please drive slower to allow us another look at our relatives! Drivers of the motorcade seemed to understand how people felt, they drove so slow. The motorcade wriggled like a lazy worm…

However, no matter how slow it went, the motorcade was bringing the refugees away from Hong Kong bit by bit…

Another action that surprised Hong Kong Police happened.

A person broke the blockade, jumped onto the road, and lay on the ground to stop the vehicles. What happened next—one, two, ten, a hundred—hundreds of people followed and lay in the middle of the road.

The motorcade, consisting of dozens of vehicles, stopped.

“Jump off the vehicle——” / “Jump——”

People along the blockade started to shout.

Detainees on the vehicles started to jump off the vehicles.

There was cheering when people jumped off the vehicles. The scene became chaotic.

Intriguingly, this interaction between the Chinese and colonial British was filled with the elements of spatial struggle. Those with power (the colonial police) bounded blatantly the Chinese from PRC away from those from Hong Kong, by dividing one from the other with the barricade of policemen; whereas all the Chinese, belonging to the same ethnicity (Cantonese-speaking Chinese), attempted to convert Wa Shan into spatially contiguous “commons” by communication with tears in shouting and by offering bags filled with foodstuffs and clothes reciprocally. The colonial police then destroyed the “commons” for good by deploying another spatial power of removing the PRC Chinese away by the motorcade, against which hundreds of the grass-root Chinese protested physically by lying on the road.

On 26 April, a massive immigration flow took place from Macau. In late June, there were 3 to 4 thousand Chinese in Macau “waiting for a chance to enter Hong Kong.” Many “illegal” immigrants from Macau arrested in Hong Kong were in possession of Macau identity cards issued in May and June 1962.
In fact, up until the late 1950s, the Macau route had been the principal passage for immigrants from the PRC. In the Port of Macau, several travel agencies carried out a “lucrative business” of handling “illegal immigrants” from the PRC. The number of such agencies increased towards 1962 to 22. These migrants crossed the Sino-Portuguese border at Gongbei (拱北) aided by the opposite numbers of these Macau agencies in the PRC; they then stayed in Macau for a while. Ultimately, about 200 Chinese per day departed at night in darkness from the port of Macau, thanks to the blind eye of the Macau police (probably in exchange for bribes), sailing by junk to the fishing settlement of Tai O (大澳), situated on the western tip of Lantau Island (大嶼山島). Here they were met by agents in Hong Kong and took a pak pai (illegal taxi、白牌) to the ferry port of Mui Wo (梅窩) for Hong Kong Island. The colonial government, much concerned about this immigration route, even proposed to tap the telephone network of Macau in secrecy, in order to get information on the departure of junks for Lantau Island in time to intercept vessels loaded with immigrants.

In the middle of May, the entry points of immigrants from Shenzhen shifted to the flatlands in the Ta Ku Ling (打鼓嶺)– Lo Wu (羅湖) area, where the Kowloon–Canton Railway crosses the border. Here, the immigrants had to wade through the Shenzhen River. When a tropical rainstorm hit the area on 21 May, the river grew wider and deeper, and thus many would-be immigrants attempting to swim across failed and drowned.

Echoing this compassionate action and feeling of the local Chinese in Hong Kong, the immigrants began to take a firmer attitude. On 19 May, a large group of immigrants crossed the border and remained in the area between the two fences and belligerently demanded assurances that “amongst other things that they would not be sent back to China.” Some of these immigrants managed to escape from the space enclosed by the line of policemen, throwing stones and swinging bamboo poles, and climbed to the hilltops, awaiting contact from friends and relatives in Hong Kong. Some immigrants expected that their friends and relatives would apply for admittance to the Hong Kong British authority on their behalf.

RHKP played this sympathy down, claiming “considerable agitation in the local press concerning the policy of returning illegal immigrants arrested to China.”

[p]olice realised they must take tough action if a deportation was needed, otherwise they may lose control of the scene. / Following, a large group of armed riot policemen were deployed to disperse people who were blocking the motorcade. / The motorcade proceeded back on its journey towards the other side of Shenzhen River amid all the crying and shouting.

The intercepted Chinese were brought to the Lo Wu (Luohu) border post, “checked against the group list and escorted in groups on to the bridge.” The list was then handed over to the China Travel Service (a PRC representative) or the PRC police, which checked the Chinese against the list and then brought them into the PRC.

With the increasing inflow of immigrants, the Hong Kong British started to call for military assistance from 5 May. On 22 May, the Local Emergency Committee, comprising “Assistant Commissioner of Police NT & M[arine], the District Commissioner New Territories, and the Commissioner 48th Gurkha Brigade” was established. The armed forces were then deployed in the border area from Sheung Shui to Ling Ma Hang (蓮麻坑). The numbers of the immigrant
influx reached its peak on 23 May, when 5,620 Chinese were arrested.

The ethnic cleavage of the Cantonese-speaking Chinese and the British, with the former set themselves against the latter to protect their ethnic “commons”, was clear. The Hong Kong Chinese passively and tacitly waged a struggle against the British in their creation and management of the superimposed boundary, which blatantly tore apart the ties of families, relatives, and friends with its colonial power. Hong Kong Chinese used many more tactics, “offering transport, hiding the refugees in local people’s homes, etc., to protect the immigrants in Wa Shan”63. Chinese policemen of the RHKP sometimes resorted “deliberate disobedience.” The Cantonese-speaking Chinese allied together, albeit passively, virtually to break the artificial bounds that British colonialism had imposed upon them. Thanks to these sympathies, it was estimated that about a half of the incoming PRC Chinese made their way to the urban areas of Hong Kong64.

On 23 May, the CCP unilaterally announced the sealing off of the PRC side of the Sino-British border to block the flow of prospective immigrants into Hong Kong65. Then, the Beijing government officially announced to the UK that it would hold back the immigrants trying to enter into Hong Kong66. Thereafter, the inflow of immigrants waned rapidly, and the border area returned to normal by 29 May67.

The colonial British did not forget to penalise the wholehearted compassion shown by the Chinese in order to confirm the legitimacy of the border using its judicial system. For example, a farmer living in Ta Ku Ling was prosecuted under the charge of bribing a policeman to turn a blind eye and let a young immigrant go. He was found guilty and fined68.

Spatially, the colonial government expanded the “Frontier Closed Area,” which was placed under constant military and police surveillance. Ordinary Hong Kong citizens were prohibited entry, with violators in the area to the north of Robin’s Nest being subject to prosecution69 (Map 1). Contact between Hong Kong and incoming PRC Chinese was thus banned by the colonial power.

In the year 1962, while 142,000 persons were arrested (Figure 1), 69,581 “illegal” Chinese

![Figure 1:NUMBER OF 'ILLEGAL' IMMIGRANTS ARRESTED](Source) Thompson P., op. cit., Annex B
Map 1: The Spatial Flows of “Illegal” Immigrants from the PRC
immigrants succeeded in settling in Hong Kong, having obtained their Hong Kong ID cards. Hong Kong’s economy thrived during these years, with annual GDP growth rates of 14.2% in 1962 and 15.7% in 1963.

From these facts, we can infer the causes of the “62 Great Exodus to Hong Kong” as follows:

First, on the PRC side, the restriction against leaving the country was lifted and surveillance on those entering the frontier area was eased, so that the Chinese could freely approach the Sino-British border. In most cases, the PRC police did not stop these Chinese attempting to leave the PRC without proper travel documents. The Chinese authority did not intervene, not even arresting some of them on suspicion of “smuggling” out of the country; and far from being impeded, this immigration flow was quite organised. The Beijing government must have wanted to test its political claim that Hong Kong was occupied by the British through a series of wars of aggression and subsequent unequal treaties with the Qing Dynasty, thus the PRC should have residual sovereignty in Hong Kong. This political position was manifested later in an independent left-wing Chinese journal published in Hong Kong quoting the words of a senior official of Guangdong Province, who proclaimed the need to “crash the imperialistic blockade (衝破帝國主義封鎖)” imposed by the British colonial government and claimed that, as Hong Kong was an indispensable part of Guangdong Province, any Chinese should therefore be free to enter Hong Kong. In responding to the PRC claim of “residual sovereignty,” the British Hong Kong government mobilised the police force to assert the legitimacy of its territorial sovereignty by removing the Chinese through labelling them as “illegal.” However, being aware of the tacit source of this international disputation, the British authority in Hong Kong ordered the RHKP not to use firearms to avoid incidents that might develop into a dispute questioning the legitimacy of colonial rule over Hong Kong.

Second, there was indeed cause among grassroots PRC Chinese to leave the country for Hong Kong. The Great Leap Forward policy by Chairman Mao created impoverishment, starvation, and accidents arising from irrational policy of rural industrialisation, e.g. to set up a blast furnace in every commune; these conditions provided more than enough reason to force peasants in the communes to seek a better life in Hong Kong. The words of an elder in Shenzhen, which sound just like the Tiebout hypothesis, depicts this mentality: “Capitalism or socialism, I voted with my foot!” This cause was quite similar to that for population flow from East to West Germany.

Third, as had always been the case, the Hong Kong British took a passive attitude to the inflow of immigrant Chinese, yet actively curbed it if it was excessive, as it might have put a burden on the squatter clearance and resettlement programme rather than supplying fresh labour power to the growing export-oriented industrialization process. Nevertheless, the community spirit and reciprocity shown by the ethnic Cantonese-speaking Chinese in Wa Shan must have created astonishment and serious worry, as it was a manifestation of the Chinese setting themselves against the British. To wedge apart this community of Cantonese-speaking Chinese at the Sino-British border and cultivate the identity of “Hongkongers (Heung Gong Yahn 香港人)” rather than Chinese, in the intersubjectivity of the locals to establish Hong Kong as a territorial entity thus became the task of the colonial British thereafter.
e) Narrow Scope of Colonial British Towards “62 Da Tao Gang” in Cold-War Geopolitics

The population of Hong Kong increased from 1946 to 1962 by 2 million to 3.5 million. In the face of the huge influx of immigrants, the colonial British decided to erect much tougher fence with dannert wire behind the then-existing chain-link fence. The border thus became armed with two parallel fences.

Yet with this “Hong Kong Wall” having been erected out of the narrow interests of the colonial British, it created problems on a global scale when inserted into Cold War politics. In fact, the immigrants during the “62 Da Tao Gang” included two to three thousand Chinese, whose demeanor was “tinged with truculence,” showing up and determined to enter into Hong Kong. The police allowed them to enter “quietly,” arrested and transported them to the Police Training Contingent for repatriation. The RHKP suspected that they were of urban origin, as compared with the starving peasants.

The intention of the “wall” was thus suspected to block dissident PRC Chinese who wanted to seek political asylum in the capitalist world by way of Hong Kong. Hong Kong had consulates of various western countries, which occasionally accept genuine political asylum seekers. Yet, in order for these dissident Chinese to be reviewed by these consulates for qualification for political asylum, they somehow had to pass through the “Hong Kong wall” in their own capacity without being intercepted by the Hong Kong police, to reach Hong Kong Island where the consulates clustered. The United States, for example, maintained a huge consulate building in the Central District of Hong Kong Island partly as a base for intelligence targeted against the PRC. In many cases, however, these asylum seekers were regrettably caught at the border and invariably repatriated to the PRC together with would-be immigrants who wanted to stay in Hong Kong for economic reasons.

However, this issue was not seriously taken up by the colonial British, and thus no major changes of policy took place as a consequence. The British colonial government obviously did not want to dabble in Cold War global politics head on, as it did not want to arouse the unwanted anger of the PRC government, which could have taken over Hong Kong by military force with ease. Protection of Hong Kong as a territorial entity under British sovereignty on Chinese soil was thus achieved through the sacrifice of the human rights of the Chinese.

This narrow-minded colonial geopolitics aroused the concern of a Member of Parliament in London in the British Parliament on 15 May 1964, this being the Conservative MP Sir William Teeling. Sir William pointed out, “The Foreign Office is absolutely terrified of Peking and it would not do anything to offend Peking unless it looked as if it might offend the United States a bit more.”

Demands not to repatriate immigrants back to the PRC, but to forward them to Taiwan, were also dispatched from various bodies in Taiwan to the Governor as well as from descendants of the Kuomintang in Rennie’s Mill, Hong Kong to the Prime Minister of the UK, but not much respect was given, either.
f) Immigrants Fill the Labour Demands for Capital Accumulation in the Late 1960s

From the year 1961 to 1970, 57,524 natives of Guangdong Province migrated legally into Hong Kong. The exact figure of “illegal” immigrants who succeeded in settling themselves in Hong Kong, estimated through the number of Hong Kong identity cards issued, was 178,324\(^8\). The Chinese living in the people’s communes near the Hong Kong border earned incomes ranging from one-seventh to one-tenth of those of citizens in Hong Kong. This created a permanent pressure for potential labour migration from the PRC into Hong Kong.

An RHKP officer named Singleton identified a kind of chain migration, mediated by market agents called se tau ("sneakhead," 蛇頭) who played a considerable role. They recruited prospective immigrants for a fee by spreading glamorous rumours of life in Hong Kong. Singleton described the property of the immigrants coming from the PRC as follows\(^8\):

The average illegal immigrants is male, aged between 15-19 years, is single, poorly educated and comes from a rural agricultural background. He is disenchanted with life in his home province/county/village where even if he has a job he is very poorly paid (200 RMB, HK$300 a month if he is lucky) by Hong Kong standards.

Hong Kong’s economy flourished, on export-oriented industrial capitalism, growing at 213.2% per decade from 1961\(^8\). It picked up in 1968, enjoying annual GDP growth rates of 3.3% in 1968 and 11.3% in 1969. For the from period August 1967 to May 1968, the Hong Kong government sometimes suspended and at other times resumed the repatriations on a seemingly ad hoc basis\(^8\). The Governor of Hong Kong then directed that repatriation be ceased, and further confirmed in March 1969 that “there should be no question of using force to repatriate illegal immigrants”\(^8\). The immigrants from the PRC thereby could enter Hong Kong freely if they were determined to do so. The fundamental policy in the late 1960s was that they were “released in Hong Kong if it was confirmed that they would resist repatriation”\(^8\).

Furthermore, even immigrants from the PRC

who did not qualify for release within Hong Kong under the Director of Immigration’s policy were presented for repatriation at Lo Wu. If the illegal immigrants resisted repatriation they were presented at the Border line on two further and separate occasions. If repatriation was not successful after a total of three attempts, the immigrants were set free in Hong Kong\(^8\).

Some immigrants crossed the border into the PRC, but changed their mind and came back again to Hong Kong.

In this period, the amount of immigration from the PRC was highly controlled by the PRC government, rather than that of Hong Kong. The PRC took quite a restrictive policy toward out-migration in the period between 1966 and 1976. “[A]ny person who applied to leave China was regarded as being dissatisfied with the Chinese socialist system and suspected of having colluded with a foreign country to carry out illicit activities against China.”\(^8\) Migrants therefore risked their lives for attempting to leave the PRC. The number of immigrants into Hong Kong in the late 1960s inevitably became much smaller than in the first half of the 1960s. In spite of the establishment of the “Anti-Illegal Immigration Bureau” in September 1962\(^8\), the colonial government did not need to block the number of incoming immigrants.
Immigrants thus came at their own risk to Hong Kong, where they received a rousing reception. They were expected to fill the lowest segment of the labour market, since no prerequisites for qualifications were set by the government as to, for example, the extent of funds or skills that they possessed.

In many cases, the incoming PRC Chinese did not have any ties of family and friends in Hong Kong. Upon their release from Yuen Long (the New Territories) Police Station, there were in many cases no one receiving them with a working knowledge of the geography of Hong Kong. They thus quite often became victims of illegal taxi sharks who charged exorbitant fares for transporting them to the city centres of Kowloon and Hong Kong Island. The police were then generous enough to give them free bus tickets. Lui was quite apt in pointing out, “[i]llegal immigration from China during this period [1960s] was by no means a major problem… Especially in the early 1970s, there was in Hong Kong a labour shortage which was actually alleviated by migrants from China.”

Another reason for this policy was to achieve social integration within the colony. The colonial British was naturally aware of the struggle in Wa Shan in 1962. Governor thus commented that it was “not of sufficient importance to risk the considerable public outcry” for maltreatment of the incoming Chinese.

Thus, this apparently lenient policy of in-migration worked to kill two birds with one stone.

5. The Third Stage: The “Touch-Base Policy” and Contrived Laissez-Faireism in the Labour Market

a) Need for a More Systematic Control of Border Porosity

In this straightforward admission of immigrants from the PRC, the Hong Kong Government did not effectively deploy its major weapon: the manipulation of border porosity as a policy variable in 1960s.

In the latter half of the 1960s, the ideological impact of China’s Cultural Revolution began to be felt severely in Hong Kong. Labour struggles with strong ethnic undertones resistant to British colonial rule took place on Hong Kong’s factory floors, with workers reading the Analects of Mao Zedong. This trend continued into the 1970s, with 40-60 thousand lost labour days per year. These labour struggles were not official actions, such as walkouts by organised labour unions exercising their right to strike, but included such things as lost labour due to guerrilla-type struggles and wildcat strikes, breakages of company equipment, or harsh arguments between management and disgruntled workers. In fact, the power of organised labour was rather weak in Hong Kong. The labour market and concomitant eruption of class struggle was thereby much dependent upon laissez-faire market situation.

The economic boom of Hong Kong based on export-oriented light industrialization continued up to 1973, thanks to the competitive advantage of Hong Kong in labour cost thus created; yet the rapid GDP growth rate of 12.4% in 1973 plunged to 2.3% per annum in 1974. The colonial government then began to claim that the excessive inflow of immigrants from the PRC would increase social expenditures by the Government Office in housing, education, policing, and other areas, and presented a huge dilemma for the government.
Seen from this light, the ad hoc immigration policy of the colonial government in the 1960s to the early 1970s needed to be restructured into a more systematic one. As the labour supply from the PRC had been totally dependent upon the will or aspiration of the Chinese people to flow into Hong Kong, instigated by the income difference between both sides of the border, there had been little way for the British to control it to hit the balance between the need for a labour supply and the social expenditure that the government had to pay for the immigrants.

With the economy stagnating, it became necessary for the colonial government to proactively scrap the past haphazard reiteration of suspending and resuming the repatriation of the PRC Chinese, and instead to introduce more systematic labour market regulation through the manipulation of border porosity.

b) The “Touch-Base Policy”

The policy that thus reached fruition was the “Touch Base (or “Reached Base”) Policy.” It was introduced on 30 November 1974, together with the resumption of the forced repatriation of intercepted “illegal” Chinese immigrants; and the policy lasted until the day before 23 October 1980, when the colonial Government adopted the new policy of repatriating all the “illegal” immigrants to the PRC.

Industrial production was clustered beyond the hilly New Territories in the urbanised areas, which were more than 20 kilometres away in Kowloon and on Hong Kong Island. In this new policy, only the immigrants who somehow managed to cross this area to reach the urbanised areas without being intercepted could get a Hong Kong ID card, a job, and a place to live. Skeldon commented that the “Touch Base Policy” seemed “a very British, ‘sporting’ approach to a unique international problem.” Taking the configuration of space of Hong Kong to be a ballpark, it indeed worked something like baseball game: incoming immigrants from the PRC spotted and arrested in the hilly terrain of the New Territories were regarded as “out” and forcibly repatriated to the PRC irrespective of their will to remain in Hong Kong; while migrants who succeeded in making their way to reach bases in the urbanised areas of Kowloon or Hong Kong Island were considered “safe” and allowed to remain, and were issued with Hong Kong identity cards that gave them the right to work in Hong Kong.

While the flow of immigrants might seem like “sport” to the colonial British, it was for PRC Chinese a serious act indeed of risking one’s life to join this “sport” game to come to Hong Kong for a higher income and better life. Just like stoical athletes, they kept trying “until they make it.” Some prospective immigrants were captured on nine occasions. Naturally, not everyone won in this game. Other would-be immigrants from the PRC attempted to swim across Deep Bay and Mirs Bay, which separate the PRC from Hong Kong. In 1979, 451 dead bodies of prospective Chinese immigrants were found in Hong Kong, and in 1980, the final year of the Touch-Base Policy, 224 dead bodies were found, among whom 188 were caught in fishing nets in Hong Kong’s territorial waters. The bays separating the PRC and Hong Kong are notorious for their strong currents, sharks, and cold water temperature that causes “cold shock” quickly. Some fragile boats that left PRC fully loaded with Chinese disintegrated and sunk before they reached the shores of Hong Kong.

Another way for immigrants to cross the border was to hide themselves in a freight car or
in the freezers of Hong-Kong bound freight trains. After the train crossed the border and approached the terminus, they jumped off in Beacon Hill Tunnel or at the railway yards.

c) Demographic Property of the Immigrants from the PRC

The demographic property of the migrants coming from the PRC to Hong Kong during this period are shown in Figure 2.

The places of origin of “illegal” immigrants were 99.7% from Guangdong Province, whereas in case of legal immigrants, the places of origin spread to wider provinces of the PRC, with Guangdong Province consisting of only 55.1% and neighbouring Fujian Province 24.9%. One of the main reasons for this difference was the language barrier. In order to enter into job market immediately upon arrival, one needed to be able to speak Cantonese, the unofficial native language of Hong Kong, as well as the dialect in most parts of Guangdong Province. Speakers of Putonghua or Mandarin Chinese, the national language of the PRC, cannot make conversation in Cantonese without learning. Immigrants from elsewhere in the PRC therefore took more time to assimilate into the local language environment, which only legal immigrants could afford.

In terms of age and gender, as shown in Figure 2, legal immigrants between the ages of 25 and 44 comprised 36.6% of the total, and were the largest group; while among “illegal” immigrants, those between the ages of 15 and 24 were more than 70% of the total. Among all age groups, the ratio of male to female shows slightly less male at 97.6 for legal immigrants (female = 100), while for “illegal” immigrants the figure was overwhelmingly male dominated, at 311. From this, we can see that the migration of “illegal” immigrants was essentially a labour migration from low-income farming villages to urban areas in search of higher wages by immediately entering the unskilled segment of the labour market.

In this regard, the 1981 Hong Kong census shows the unemployment rate for the overall Chinese immigrant population between the ages of 15 and 39 who arrived in Hong Kong in the period between 1976 and 1980 at between 2.0% and 3.4%. This low figure suggests that

Figure 2: Age Distribution of Immigrants from the PRC

Source: Immigration Statistics, Census and Statistics Dept., Hong Kong

qualifications and personal traits of immigrants from the PRC were clearly extremely well adapted to the demands of Hong Kong’s labour market.

The segments of the labour market that immigrants entered are shown in Figure 3. Almost 75% of “illegal” immigrants engaged in jobs as unskilled labour, including factories, driving, and other physical labour. The most sought-after labour in Hong Kong at the time was for industrial production and construction, and we can see that immigrants supplied labour to these sectors and thereby contributed substantially to the growth of the Hong Kong economy.

The wage rates of the immigrants (“illegal” and legal combined) were lower than those of the local, non-immigrant Hong Kong residents (Figure 4). The median wage rates when the “Touch Base Policy” was in effect were approximately 80% those of Hong Kong residents.
census taken in 1981 also show that the median income of the immigrants rose as their year of arrival got earlier (Figure 5). This suggests frequent job hopping of labour, seeking and moving to higher wage positions whenever possible. In sum, these data show that the immigrants who managed to enter into Hong Kong worked hard in spite of lower wages, yet they acted individually as microeconomic agents to strive for higher incomes. Their “market-fundamentalist” behaviour was fairly successful.

d) The Effect of the Policy on the Regulation of Capitalism in Colonial Hong Kong

Based on the above statistical observations as to the nature of immigrants in relation to the nature of the labour market in Hong Kong, let us consider the effects of the “Touch Base Policy” on the Hong Kong economy as well as on social integration.

When the policy was implemented in 1974, the labour disputes of the late 1960s had already begun to ebb, and the total inflow of both legal and “illegal” immigrants from the PRC (the solid black line) began to show a remarkable parallel trend with lost labour days associated with labour disputes (the broken line). Further overlaying the solid grey line of the unemployment rate from 1975, we obtain Figure 6.

The unemployment rate in 1975 was high, despite a moderate increase in disputes compared with previous years, mainly due to economic stagnation generated by the oil crisis that was carried over from the previous year\(^{100}\). The general government unemployment statistics before 1975 are absent, yet in the plastics industry, then one of the leading economic sectors in Hong Kong, the unemployment rate was 26% for the period from April to December 1974, as opposed to 11% in the previous year\(^{101}\). Chinese labour was obviously becoming superfluous, which must have the reason that triggered the colonial government to introduce the “Touch-Base Policy.”

Thereafter, the unemployment rate dropped precipitously, heading toward almost full employment towards the end of 1975, due to low inventory in the North American market and
a concomitant increase in orders. At the end of March 1976, the President of the Chinese Manufacturers’ Association warned “that local industry will soon be faced with a serious shortage of labour.”

In June 1976, an electronics plant was forced to shut down temporarily due to labour shortages, which led to a dramatic increase of labour disputes in 1976. The capitalists in Hong Kong were well aware of the relation between the class struggle and the condition of the labour market. For example, a major printing firm commented, “workers are taking advantage of the [labour] shortage … with excessive wage demands”; thus “printing house are being forced to pay more wages to prevent strikes.”

An electronics factory was also forced to raise the wage rate by 25% to attract enough labour for continuing operations.

The capitalist class in Hong Kong became more vocal in solving the tension in class relations by regulating the labour market. When the labour supply became depleted again in 1978, five organizations among the garment factory owners asked the government to “relax immigration laws to enable companies to import labour for the industry.” They realised that control of border porosity was the key to regulate labour markets, although mention of the immigrants from the PRC was carefully avoided. There was accepted antipathy towards them among Hong Kong Chinese, who had been brainwashed to call the immigrants from the PRC “Tai Huen Chai” (big circle boys, 大圈仔), and discriminated against them, even though the ethnicities are the same on both sides of the border.

The chairman of the Hongkong Christian Industrial Committee was, however, more explicit about this. He stated, “We have an influx of 50 to 60 people every day from China”; thus, “why do we want to import labourers from elsewhere?” A Chinese journal explicitly stated in 1979:
“From [19]57 to 69, the industrial workforce increased by more than 370 thousand, whereas during the same time period, including the tide of incoming immigrants, more than 200 thousand people entered from the mainland to Hong Kong, having well replenished the great portion of the labour force needed for rapid growth of industry.” The journal therefore pointed out that “Everyone is equally Chinese, from a geographical area of their own to another area that also belongs to him/her [Hong Kong]; this is the natural cause of things, and there is no reason to refuse the Chinese from this side [mainland].”

Indeed, it was not the border between Hong Kong and such neighbouring countries as the Philippines or Taiwan that mattered, but the one right to the north of the colony. Statistics reveal that the colonial government tacitly regulated the labour market of Hong Kong by adjusting the immigrant inflow from the PRC, deploying the “Touch-Base Policy.”

The relationship is striking (Figure 6). The labour market of Hong Kong industry was kept optimum through tacit regulation of the volume of “illegal” immigrants entering into the urban areas of Hong Kong. The immigrants were controlled in the New Territories much like turning a spigot on and off, and in doing so, the labour supply from the PRC into Hong Kong increased and decreased at the will of the British Hong Kong Government, such that class struggle within Hong Kong would never boil over. Through this effort, the colonial government regulated both capital-labour and ethnic relations; and thereby it regulated the stable accumulation of capital and achieved social integration among the Chinese in Hong Kong, which might turn into anti-British ethnic struggles, like those that happened twice in the late 1960s.

The Hong Kong mass media repeatedly lambasted the government’s lack of effective measures to prevent PRC immigrants from flowing into Hong Kong while the “Touch Base Policy” was in effect. The authorities also continued to ignore completely the indispensable contribution of these PRC Chinese to the Hong Kong economy. For example, the Far Eastern Economic Review, the leading English-language magazine in Hong Kong close to the government, published an article “Much talk, but little action,” noting that, over the previous three years, the dream of better, less crowded housing, schools, and hospitals envisioned by Hong Kong Chinese did not materialise, thus essentially putting the blame for the lack of public services on the 400 thousand immigrants from the PRC, rather than on the colonial government, where the responsibility actually lay.

Cantonese-speaking immigrants from Guangdong Province, once given stable labour and housing, were quick to assimilate into Hong Kong society. There were almost no violent conflicts between Hong Kong Chinese and the Chinese from the PRC, except for those engaged in the organised triad societies. In the end, while the Hong Kong Chinese were subjects of the British dependent territory, most of their grandparents hailed from mainland China a couple of generations previously. They are in the same ethnic group after all, as they manifested in Wa Shan in 1962.
6. The Forth Stage: The End of the “Touch-Base Policy” and Forced Repatriation

a) Termination of the “Touch-Base Policy”

After the death of Mao Zedong, Deng Xiao Ping declared in the third plenary session of the 11th CPC Central Committee, held at the end of 1978, the economic reform toward a market economy and opened the door to foreign direct investment. While containing labour behind the “Bamboo Curtain” and under single-party communist control, the PRC government volunteered herself into the system of the NIDL. With the competitive advantage of an inexhaustible supply of low wage labour, the PRC burst onto the global economy, earning the sobriquet of “factory of the world.”

In 1980, there were problems of soaring local interest rates and the concomitant trend of the relocation of manufacturing plants outside of Hong Kong. The unemployment rate again increased, and labour disputes dropped sharply.

In this shifting economic and political situation, the “Touch-Base Policy” was scrapped for good on 23 October 1980. Until the midnight on 26 October, when the grace period for the “illegal” immigrants from the PRC expired, a huge queue of 6,952 Chinese was formed in front of the Victoria Barracks in Hong Kong Island to apply for Hong Kong identity cards. Thereafter, not only the immigrants, but also those employers hiring workers without the proper identity card were to be prosecuted.

The termination of “Touch-Base Policy” was due not only to the short-term economic fluctuation, but also to the consequence of longer-term and structural reforms of the Hong Kong economy and the designation of the once desolate farming village of Shenzhen right opposite the Sino-British border as a special economic zone in March 1980. In response to these developments, the Hong Kong government’s Financial Secretary of the Colonial Government Office, Philip Haddon-Cave, was named as Chief Secretary of the Legislative Council in 1979.

Haddon-Cave laid out a policy of industry diversification and indicated a move in the direction of a more sophisticated industrial structure and knowledge centralization. In the 1980s, Hong Kong gradually shifted from light industrial manufacturing to being a management center, processing contracts on commission using a new pool of unskilled, low-wage labour located in Shenzhen. Thanks to this spatial shift to the East Asian NIDL, Hong Kong no longer needed an influx of PRC immigrant labour that placed demands on the colonial government in bearing the burden of its social cost. The PRC Chinese workers were kept on the other side of the border, the porosity of which had been reduced to a minimum for labourers, while the only increase in porosity was that of investment by the capitalists in Hong Kong and overseas. Thus after the scrapping of the Touch-Base Policy, all PRC Chinese were subject to forceful repatriation.

b) Continued Inflow of Migrants from the PRC after October 1980

There were two exceptions to this repatriation by the colonial power:

First, the colonial government kept accepting legal immigrants even after the scrap of the Touch-Base Policy. The quota of legal immigrants from the PRC was 150 per day, which was
distributed across the provinces by the PRC authority. Provinces far away from Hong Kong, such as Heilongjiang or Yunnan, had unfilled quotas, which was exploited by PRC Chinese living closer to Hong Kong, who legally moved to these remote provinces. The number of legal immigrants amounted to 55,473 in 1980.

Second, the Immigration Department of Hong Kong in the beginning gave humanitarian treatment to allow minor immigrants to remain in Hong Kong, provided that both parents lived legally in Hong Kong and the minor was handed over directly to them. This policy measure however instigated the “smuggling” of children and gave rise to immigration syndicates in the PRC that offered “safe passage” of children from the PRC to Hong Kong for HK$20,000, so that the children could travel alone. Children were smuggled into Hong Kong with the parents hoping that once the child was able to get legal right of abode in Hong Kong, they as parents could also legally settle in Hong Kong. In one month from 1 October 1981 alone, 1,148 children under the age of 12 arrived in Hong Kong. Upon arrival, they enrolled in schools and applied for registration to remain legally in Hong Kong, obviously with the assistance of the immigration syndicates. The parents in the PRC then applied to enter into Hong Kong for sake of “family reunification.” In addition, some pregnant PRC women “illegally” entered into Hong Kong to give birth to an infant, who could legally remain in Hong Kong by \textit{jus soli}.

In order to curb this practice of using children as a tool to evade the immigration restrictions, a new immigration law passed on 9 December 1981 stipulated that the children smuggled into Hong Kong without parents should be placed under “protective custody” in a boys’ or girls’ home and then eventually repatriated. Further, on 27 April 1987, the Immigration Department introduced a stricter regulation, requiring parents who had already settled in Hong Kong legally to register their children within 26 hours of their arrival from the PRC.

In the meantime, control over the residents of Hong Kong was also strengthened. Every resident was asked to carry some form of identity, which was, for most of the residents, the Hong Kong identity card. The RHKP and the Immigration Department were given power to check this form of identity at any time. The RHKP did actually check the identity cards of ca. 750 thousand Hong Kong residents. Hong Kong thus became more of a surveillance society, using “illegal” immigrants as pretext.

Adult immigrants did keep coming from the PRC to Hong Kong overland or by means of boats (a speedboat or a regular boat with a secret compartment) across the bays separating Hong Kong with the PRC, although the number diminished considerably. Whereas 400-500 “illegal immigrants” had been captured per day before the scrapping of the “Touch-Base Policy”, by late 1980 the number had dwindled only to 2 to 20 per day; and whereas 9,248 “illegal” immigrants were captured in November 1979, the number went down to 625 a year later.

There were immigration syndicates for adults that undertook “illegal immigration” for a package deal of HK$ 25 to 30 thousand, which included assisted passage to Hong Kong and a forged Hong Kong identity card, essential to get a job once the immigrants arrived. These immigrants were enticed by groundless rumors such as “jobs available on construction sites, factories and restaurants,” HK “$4,000 to $6,000 a month can easily earned,” “[a]ll I[llegal] I[mmigrants] will be issued with ID cards soon,” etc.

According to RHKP observations, these would-be immigrants came from poorer eastern
counties of Guangdong Province, while those from more prosperous areas such as the Guangzhou metropolis or the Pearl River Delta were rare. There were eight counties from whence most of the immigrants originated\textsuperscript{125}, suggesting the existence of a chain-migration process. The reality of this process being encouraged through word of mouth was evidenced by the fact that the “aiders and abettors,” mostly from the same county of origin, were of assistance in crossing the border into Hong Kong “at a particular place” well known to their predecessors\textsuperscript{126}. However, with the share of those “coming from the provinces other than Guangdong” amounting only to about 10\%\textsuperscript{127}, the rural–urban migration pressure from the poorer rural areas in the PRC to enter more prosperous Hong Kong never ceased.

Some of these migrants were unable to find jobs because of fear among the Hong Kong Chinese, whom the colonial Government came to penalise stiffly if they hired Chinese without the proper Hong Kong ID card. Those who couldn’t find jobs turned to beggars and slept in the streets; and ultimately they sometimes gave themselves up to a police station for repatriation to the PRC\textsuperscript{128}, committed suicide\textsuperscript{129}, or engaged in such crime as armed burglary\textsuperscript{130}. Yet, some determined immigrants did gain employment on construction sites, restaurants, factories, farms, etc., with a forged Hong Kong identity card produced and provided by professional syndicates operating in the PRC\textsuperscript{131}. They earned ca. HK$100/day to HK$5,000 to 6,000/month, and remitted a part of their wages to their home in the PRC\textsuperscript{132}. Among them, construction sites were most popular, as there was a labour shortage in this sector\textsuperscript{133}. Occasionally the police raided these sites, and for two years from the beginning of 1990 to the end of 1991, 2,367 “illegal” immigrants were arrested\textsuperscript{134}. Nevertheless, their stay was often temporary, even if they could evade the police raids; they were singletons living in small cubicles and after they earned the desired amount in Hong Kong, they tended to return to their homes in the PRC\textsuperscript{135}. Although some of the immigrants engaged in such criminal activities as armed robbery and were specially recruited in the PRC for this purpose, even the RHKP admitted that “their involvement in crime is low.”\textsuperscript{136} Thus, these immigrants did contribute to the Hong Kong economy by reducing construction costs, thus promoting the international competitiveness of Hong Kong.

7. Conclusion

The colonial government contrived the laissez-faire migration of labour from low-wage to high-wage regions by manipulating border porosity. This contrived laissez-faire approach with respect to immigration policy, rather than the real laissez-faire flow of the people across the Sino-British border, regulated capital accumulation and the social integration of Hong Kong, allowing more stable governance of the colony.

Under the constant pressure of laissez-faire in-migration of Chinese from mainland China, the colonial British remained passive in accepting such immigrants. Yet it was colonial British, not the Chinese, who had the power to control the porosity of the Sino-British boundary. In protecting the colonial entity of Hong Kong and regulating its capitalism, the colonial British had no respect for the ties of the family, friends, and relatives, and even the lives of the Cantonese-speaking Chinese, the natives of the area. The colonial government instead took pains to refine ways of manipulating border porosity to regulate capitalism in Hong Kong, in terms of class and
ethnic integration as well as in the sustenance and promotion of the colonial entity. At its acme stood the intriguing Touch-Base Policy. The colonial British deployed the power to control the porosity of the boundary skilfully, so that capital accumulation was best promoted while class struggle was well contained.

In achieving this, the colonial British were much skilful in deploying various spatial strategies. They split the ethnic integrity of Cantonese-speaking Chinese with the international boundary, using propaganda directed against Tai Huen Chai. They further confined the PRC Chinese off the Sino-British border, who remained there to create huge pool of cheap labour to be exploited by the capitalists of Hong Kong after 1980. This was indeed the secret key that pulled Hong Kong up into the ranks of the Asian newly industrialised economies, and eventually to become the administrative centre of manufacturing in East Asia.

Endnotes

4) Milton Friedman, Free to Choose, Pelican, 1979, p.55.
5) South China Morning Post (SCMP), 20 December 1979.
7) W. J. Carrie, Report on the Census of the Colony of Hong Kong Taken on the Night of March 7 1931, HK Government, p. 4.
8) Report on the Census ... 1931, op. cit., p. 32.
10) Lui Ting, Terry, Undocumented Migration in Hong Kong (Specific Measures Taken to Reduce the Flow of Undocumented Migrants), paper presented at the Intergovernmental Committee for Migration, Geneva, 1983, p. 3.
12) Hambro, op. cit., Table XIV.
14) Wong Siu-Lin, Ibid.
19) *Hong Kong Hansard*, 16 March 1949, p. 73.
22) Lui Ting, Terry, *op. cit.*, p. 3.
27) Lui Ting, Terry, *op. cit.*, p. 3.
28) Security Bureau, HKSAR, LC Paper No. CB(2)1713/01-02(06), April 2002.
31) Thompson, P. *op. cit.*, para. 8.
38) Thompson, *op.cit.*, Para. 11.
39) See Chen Bing An, *op. cit.*, p. 239.
42) Chen Bing An, *op. cit.*, p. 239.
44) <CR 1/2/2091/57>
45) Chen Bing An, *op. cit.*, p. 239-244.
48) Chen Bing An, *op. cit.*, pp. 241-244, translation into English by courtesy of Mr. Chi Lap Lee, Jacky [edited].
49) 47 in <CR 5/2091/621>.
50) 46 in <CR 5/2091/621>.
51) 41 in <CR 5/2091/621>.
53) Minutes of the 4th and 5th Illegal Immigration Working Parties, held on 28 March and 11 April 1962, <CR 1/2/2091/57>.
54) Thompson, P., op. cit., para. 43.
56) Thompson, P., op. cit., para. 45.
57) Thompson, P., op. cit., para. 46.
58) Thompson, P., op. cit., para. 12.
59) Chen Bing An, op. cit., p. 245.
60) Thompson, P., op. cit., para. 49.
61) Thompson, P. op. cit., para. 50.
62) Thompson, P. op. cit., para. 55.
63) Chen Bing An, op. cit., p. 240.
64) Chen Bing An, op. cit., p. 240.
67) Thompson, P., op. cit., para. 50.
72) Thompson, P., op. cit., para. 65.
74) Thompson, P., op. cit., para. 51.
75) Chen Bing An., op. cit., p.413.
76) Lui Ting, op. cit., p. 4.
77) Thompson, P., op. cit., para. 39.
78) For example, a letter by Chinese World, San Francisco, CA, dated 24 May 1962 addressed to British MP Reginald Maudling, stated, “The Chinese world respectfully suggests that it would be in the interest of the unity of the free world if the barbed wire were torn down, and if Governor Black of Hong Kong received orders from you to allow these thousands of Chinese refugees to pass through the tiny colony in transit to the heavens of democracy abroad.’ <57 in CR 15/2091/62>.
80) The letter, signed by 68 bodies in Hong Kong, among which at least 14 were in Rennies’ Mill, was dispatched to the UK Prime Minister on 25 May 1962, and a letter signed by 176 civil organisations addressed to the Governor of Hong Kong was dispatched on 23 May 1962
<27 and 26 in CR 15/2091/62>.


83) *Estimates of Gross Domestic Product, op. cit.*

84) Thompson, P., *op. cit.*, Annex D.

85) Thompson, P., *op. cit.*, para. 68.

86) Thompson, P., *op. cit.*, para. 60.

87) Thompson, P., *op. cit.*, para. 64.


89) Lui Ting, Terry, *op. cit.*, p. 4.

90) Thompson, P. *op. cit.*, para. 77.

91) Lui Ting, Terry, *op. cit.*, p. 5.

92) Thompson, P. *op. cit.*, para. 67.

93) Similar phenomena were reported in the Pearl River Delta. When a Japanese company attempted to reduce labour costs by reducing the quality of meals for its Chinese employees amidst the tight labour market conditions, the disgruntled employees brought the factory to a halt by destroying cafeteria facilities (*Nihon Keizai Shimbun*, 9 November 2004).


95) *Bradford Telegraph & Argus*, 21 August 1979

96) *Hong Kong Standard*, 26 January 1981

97) *Hong Kong Standard*, 19 June 1979


100) *SCMP*, 2 June 1974.


103) *SCMP*, 31 March 1976


106) *SCMP*, 1 April 1978.


111) *Hong Kong Standard*, 30 December 1980.


113) C P. Haddon-Cave (Chairman), *Report of the Advisory Committee on Diversification 1979*, Government Secretariat, Hong Kong.

114) *SCMP*, 22 August 1981
116) Singleton, *op. cit.*, para. 32.
117) SCMP, 30 November 1981.
118) SCMP, 25 November 1981.
119) SCMP, 12 December 1981.
122) SCMP, 5 January 1981.
123) *Hong Kong Standard*, 4 April 1981.
124) Singleton, *op. cit.*, para. 36.
126) Singleton, *op. cit.*, paras. 46 and 49.
130) SCMP, 1 May 1981.
132) Singleton, *op. cit.*, paras. 73-75.
133) Singleton, *op. cit.*, para. 76.
134) Singleton, *op. cit.*, para. 79.
135) Singleton, *op. cit.*, para. 73.
136) Singleton, *op. cit.*, paras. 79 and 102.