

over trade, cultural, political and economic affairs. It affirms China's control over defence and foreign affairs, including the deployment of military forces from the mainland to Hong Kong.

The Government of China established a Preparatory Committee in 1996 to manage the transition. It consists of prominent Hong Kong business persons and professionals and Chinese officials. The Preparatory Committee makes recommendations to the National People's Congress of China. At the end of 1996, the Committee had:

- ✓ selected 400 "electors" to form the Selection Committee who selected Mr. C.H. Tung as the Chief Executive Designate to replace the Governor after July 1, 1997; and
- ✓ appointed a "provisional" legislature.

## THE CANADIAN CONNECTION

Canada and Canadians have had a long and mutually beneficial relationship with Hong Kong. It is estimated that 500 000 Canadians come from Hong Kong. In recent years, approximately 20 per cent of all immigrants to Canada have originated there. Each year 15 000 students from Hong Kong — the largest student group from outside Canada — attend Canadian universities. The Commission for Canada in Hong Kong estimates that over 100 000 Canadians live in the territory. Thousands of others visit every year.

Canadian exports to Hong Kong are worth well over \$1 billion a year and Canadian direct investment