A Modern History of Hong Kong

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Contents

Preface and Acknowledgements ix
Maps xii

Part I: The Foundations of Modern Hong Kong

1 War and Peace 3
   Tea, Opium and Trade 5
   Diplomacy and Conflicts 7
   The First Anglo-Chinese War 9
   The Treaty of Nanking 14

2 The Foundation of a Crown Colony 16
   British Occupation 16
   Crown Colony 18
   Raison d'être 20
   Governance 23
   The Question of Representation 26

3 Imperial Expansion 29
   The Second Anglo-Chinese War and the Acquisition of Kowloon 29
   The New Territories 36
   An Appointment with China 39

Part II: The Heyday of Imperial Rule 44

4 Law and Justice 45
   Native Laws and Customs 46
   Administration of Justice 47
   Rule of Law 52
5 Economy and Society
   Forces for Economic Development 56
   A 'Colonial Society' 62
   Segregation 65
   Governance of the Local Chinese 67

6 Agent for Change in China 73
   Inspiration for Chinese Reformers 73
   Hong Kong's Role in the Chinese Republican Revolution 76
   A Safe Haven for Dissidents and Political Refugees 80

7 The Great War and Chinese Nationalism 84
   The Impact of the Great War 86
   Labour Unrest 87
   The Rise of Chinese Nationalism 90
   The Canton-Hong Kong Strike and Boycott 92

8 Imperial Grandeur 102
   The Politics of Stability 102
   Economic and Social Developments 106
   The Calm Before the Storm 114

Part III: A Colonial Paradox

9 Japanese Invasion and Occupation 119
   The Battle of Hong Kong 119
   The Destruction of Imperial Invincibility 124
   Occupation and Resistance 126
   Wartime Planning in London 130

10 Return to Empire 133
   The Race for Hong Kong 134
   Military Administration 138
   Status Quo Ante? 141

11 A Fine Balance 145
   Rehabilitation and Constructive Partnership 145
   The Question of Hong Kong's Future 149
   The Impact of the Korean War 157
   Strategy for Survival 158
CONTENTS

12 Economic Take-off
   From Entrepôt to Industrial Colony
   The Immigrant Mentality
   Take-off
   Economic Maturity and the China Nexus

13 The Rise of the Hong Kongers
   A Settled People
   The Test of the 'Confrontation'
   The Emergence of a Local Identity

14 The Making of a Colonial Paradox
   The Nature of British Colonial Rule
   Corruption, Credibility and Beneficent Paternalism
   The Best Possible Government in the Chinese Political Tradition

Part IV: Securing the Future

15 Fateful Decisions
   Prelude to Negotiations
   The Sino-British Negotiations (1982–4)
   The Joint Declaration

16 The Beginning of the End
   Realignment of Power
   Flirtation with Democracy
   Convergence
   China's Hong Kong Policy
   The Basic Law

17 The Final Chapter
   The Impact of the Tiananmen Incident
   The Last Governor
   The End of Cooperation
   'Building a New Kitchen'

Conclusion: Full Circle
   Handover
   British Legacies


Notes 279
Bibliography 318
Index 334
Chapter 1

War and Peace

The Crown Colony of Hong Kong was a product of the First Anglo-Chinese War (1839–42), popularly known as the ‘Opium War’. This was, in fact, much more than a war over the opium trade, though the economic benefit of the trade for the British and the costs to the Chinese were certainly important considerations for policymakers on both sides. Basic changes in the modern world were in any event pushing Britain and China to a major confrontation as the 1830s drew to a close. Two forces stood out in this regard.

The most fundamental change, which brought confrontation closer than ever, was the Industrial Revolution. Great advancements in communication and other technologies as well as in organisational capacities in Europe had enabled the leading industrial nation, Britain, to project power in a substantial way across more than 10,000 miles of ocean. This was greatly assisted by the availability to the British of India and other imperial outposts as key staging posts for economic and imperial activities in the East. The continued process of the Industrial Revolution in Britain was also fuelled by capturing overseas markets, which meant Britain had, since the start of the Industrial Revolution, adopted an aggressive foreign policy backed by war and imperial expansion.¹

These changes gave rise to the second factor. For the first time in human history, Britain – the premier power in Europe after the defeat of Napoleon, master of the oceans, workshop of the world and an expansionist imperial power – came face to face with the Celestial Chinese Empire.²

Although China would soon be revealed to be a ‘paper tiger’ in its confrontation with Britain, it deemed itself the greatest empire on earth. It saw itself as the centre of the universe with its emperor enjoying the mandate of heaven. This apparently extravagant claim of grandeur is not without basis.

China was clearly the world leader in scientific developments, communication, production technologies and administrative organisation until around the sixteenth century. At the height of its power in the early fifteenth century, China was the only country that had the capability to deploy a naval taskforce of an estimated 317 ships and 27,000 men across
great distances, as its navy sailed as far as Malindi on the east coast of Africa, just north of Mombasa.\(^3\) To put this in perspective, Vasco de Gama did not make the first successful sea journey from Europe to India and back until 1498, over half a century later. Likewise, the Spanish Armada that sailed for England in 1588—the destruction of which marked the rise of British naval supremacy—boasted a fleet of a mere 132 vessels. Similarly, the vast Chinese empire on land was held together by superior organisation and logistics in the pre-modern world. This enabled the Emperor to supervise urgent and important matters through a chain of relay riders that could deliver a despatch to a distance of 357 miles in 24 hours.\(^4\)

The great advantage that China had over Europe was subsequently lost partly because of the dramatic advancements in Europe following the Industrial Revolution. It was also because the Chinese had fallen into the 'high-level equilibrium trap'. By the time of late imperial China, 'both in technological and investment terms, agricultural productivity per acre had nearly reached the limits of what was possible without industrial-scientific inputs, and the increase of population had therefore steadily reduced the surplus product above what was needed for subsistence'.\(^5\) Nevertheless, the Chinese economy continued to expand as its population rose exponentially. From the time when China first took a population count in 2AD to the end of the fourteenth century or the beginning of the Ming dynasty, its population fluctuated between 37 and 60 million.\(^6\) It reached an estimated 100 million in the 1650s, just after the Manchu or Qing dynasty superseded the Ming, rising to between 400 and 450 million in the 1850s. This dramatic increase demonstrated how efficient the Chinese economy had become in the pre-modern mode of production and management but it also had a negative effect on technological advancement.

Achieving this 'high-level equilibrium' allowed China to enjoy a degree of unity and stability over a vast empire unmatched for centuries in the pre-modern world but it also removed the incentive to innovate.\(^7\) Consequently, when the modernity unleashed by the Enlightenment and the Industrial Revolution enabled Europe to overcome great distance and knock on the gate of the Chinese Empire, the latter responded mostly by basking in its old glory and failing to recognise the real significance of this new development. Late imperial China had continued to operate without a central treasury, or reliable vital statistics, or civil laws that linked government operations with the rising economic trends, and had remained a gigantic 'conglomeration of village communities'.\(^8\) It was the greatest and most advanced empire, to use a Western analogy, essentially still of the late medieval or at least pre-industrial kind when it found itself forced to deal with Queen Victoria's emerging modern and rapidly industrialising British Empire.

Sharing little in outlook or core values in the handling of international relations, and increasingly tangled in expanding commercial and other relations that gave rise to conflicts and misunderstandings, the British and the Chinese empires behaved like all empires had previously done. They sized each other up, with the more powerful one moving towards a
contest for supremacy when the furtherance of its perceived interests made this desirable. The scene for a major confrontation was set.

**Tea, Opium and Trade**

Late imperial China exercised strict controls over its external trade. It was in part because the vast expanse of the empire across various climatic zones had given it a very high degree of self-sufficiency. This condition underlined the arrogant claim that Emperor Qianlong made to King George III of Britain during Lord Macartney's first embassy to China (1792–4). According to Qianlong, 'our Celestial Empire possesses all things in prolific abundance and lacks no product within its own borders' and 'there was therefore no need to import the manufactures of outside barbarians in exchange of our own produce'. This attitude towards foreign imports and trade was further reinforced by the central government's determination to avoid stability in the empire being disturbed by foreign influences, particularly the spread of religious beliefs. This Chinese attitude notwithstanding, trade between the two countries expanded, but from the middle of the eighteenth century it was mainly confined to the southern city of Canton (Guangzhou), far away from the imperial capital of Beijing (Peking). In the conduct of trade, the Chinese government relied on merchants, known as _cohongs_, as agents to deal with the British, who were required to send communications to senior officials through their Chinese merchant contacts and were subjected to numerous restrictions.

On the British side, prior to 1834 the China trade was handled by the East India Company (EIC) under a monopoly. The EIC was founded in 1600 by a royal charter granted by Queen Elizabeth I, which gave it great scope to take any measures necessary to support trade in the perilous waters and often hostile environment in the East in order to compete against its bigger European rivals, particularly its Dutch counterpart. This included the privilege of raising armed forces and taking over the administration of territories deemed essential for trade under the charter. The costs of administration, maintaining order and security in the Company's dominion in India were so high that by the late eighteenth century the EIC was almost constantly under great financial pressure. In order to augment its revenue and to counter the smuggling or illegal private trade that was going on between India and China, the EIC granted licences to private traders who engaged themselves in this increasingly lucrative country trade.

In spite of the distance and the insular attitude of the Chinese Empire, the China trade was a significant one for Britain and the EIC. For much of the middle of the nineteenth century, China was the fourth most important source of imports for Britain and enjoyed a very favourable balance of direct bilateral trade. The most important British import from China was tea, followed by raw silk. The tea trade was important not only because tea had become practically a daily necessity in Britain by the 1830s, but also because the import duty London extracted from it was so high that it had also become a significant source of government
income. It amounted to about 16 per cent of customs revenue in Britain in the five years preceding the First Anglo-Chinese War, and was sufficient to pay for about 83 per cent of the costs for maintaining the Royal Navy.\(^{13}\)

The unfavourable balance of trade for Britain was redressed by a triangular trade involving British India, which at that time produced the only highly sought-after commodity in the otherwise largely self-sufficient China. This was opium, prohibited in China but imported through normal channels to Britain where it was openly available. Mainly taken orally for medicinal purposes and not (as was widely done in China) smoked, using opium was not at that time illegal or considered dangerous and immoral in Britain.\(^{14}\)

The combined British and Indian trade with China produced a picture opposite to that of direct British trade with China. Once the export of opium from British India to China is included in the trade, the British side enjoyed a healthy balance of payments. In other words, the British export of opium from India would more than pay for the British import of tea and silk from China.\(^{15}\)

For India or the EIC, revenue from the opium trade accounted for over 8 per cent of the overall revenue of British India for the five years preceding the First Anglo-Chinese War.\(^{16}\) By the end of the eighteenth century, the profits that the EIC generated from India were absorbed by the huge costs of governing India, and its profit came mainly from the China trade.\(^{17}\) Much was therefore at stake in the China trade for Britain and British India, for which important economic interests required the continuation of the lucrative opium trade.

This triangular trade was significant to the Chinese in a very different and almost opposite way. The long-established view that the Chinese economy suffered from the net physical outflow of silver – the key monetary medium in this period – as a result of the unfavourable balance of this trade has now been challenged.\(^{18}\) The actual flow of silver in and out of China was in fact distorted by the use of remittance by draft for settlement of international trade, for which London served as the financial hub.\(^{19}\) Whatever the reality, with the flow of silver there was a shortage in China.\(^{20}\) As a result, opinions within the Chinese officialdom increasingly depicted an exaggerated outflow of silver, which by 1837 had seriously alarmed Emperor Daoguang.\(^{21}\)

Key policymakers and leaders of powerful cliques in the bureaucracy and the literati, such as Viceroy Lin Zexu, also believed the shortage of silver was a result of the opium trade.\(^{22}\) Furthermore, they were worried that opium smoking had become so widespread and entrenched that it had sapped the strength of the country. When military debilitation became evident in 1832 following the inability of the garrison to suppress a rebellion by the Yao minority in the Guangdong-Hunan border, even Emperor Daoguang became seriously concerned.\(^{23}\) Thus, this triangular trade had also become a matter of major significance for the Chinese Empire.

The 1830s therefore saw major debates among Chinese policymakers on the subjects of opium suppression and the control of this undesirable
trade. Different options, ranging from cutting off the import by a trade embargo, to suppression to legalisation, were explored, examined and debated. Such policy deliberations and wider discussions were conducted in the context of the bureaucratic constraints imposed by the structure and vested interests of the empire, official jostling for imperial favour, a limited understanding of the military strength of the British and therefore the potential costs of a trade embargo. Suppression of the trade did not become policy until the eve of the First Anglo-Chinese War.

**Diplomacy and Conflicts**

If Sino-British trade caused friction in bilateral ties, the conduct of formal relations between the two empires was even more problematic and acrimonious. The great tension over ceremonial and protocol matters, particularly over the performance of the kow tow that wrecked Macartney’s first British embassy to China at the end of the eighteenth century, grew more problematic in the 1830s. The Chinese Empire did not see or treat Britain as an equal.

Until the end of its monopoly, the EIC almost exclusively handled what the British saw as the indignities involved in dealing with Chinese officials. They were deemed unpleasant and offensive but were tolerated by what was, above all, a profit-driven commercial organisation.

The taking over of the EIC’s roles in dealing with the Chinese authorities by a representative of the British government implied a basic change. The prestige, dignity and honour of the British Empire were now at stake, but this important development received no recognition from the Chinese. The basic differences in the correct manner of conducting relations between the two empires caused regular disputes. Since no compromise solution could be devised to satisfy both sides, in the long term either the British Empire – a rising power in the world scene – would have to continue to defer to the condescending Chinese approach, or the Chinese would be forced to accept the European norm in diplomatic relations.

Until 1860, when the Chinese finally accepted a resident Minister Plenipotentiary to represent Britain, relations between the two countries were in fact conducted without diplomatic relations in the modern sense. Indeed, China did not send a resident diplomatic representative to Britain, its first to any Western power, until as late as 1877.

Differences over the proper way to conduct bilateral relations came up as soon as Lord Napier set about discharging his responsibilities as the first ever British Chief Superintendent of the China trade in 1834, following the end of the EIC’s monopoly. In addition to taking over the management of British trade that the EIC used to supervise, Napier was also instructed by the British government to explore the possibility of extending trade beyond Canton and establishing diplomatic relations. The Chinese form for contacting the Viceroy in Canton was that communications should be styled as ‘petitions’ and conveyed through the cohongs. Acting to defend the ‘dignity’ of the British Empire, Napier
broke with the Chinese rule and sailed up to Canton in a naval ship; he then insisted on announcing his arrival formally by presenting a letter to the Viceroy. This, from the Chinese point of view, unconventional approach caused considerable resentment and was firmly rejected by Viceroy Lu Kun. An impasse ensured for two months. It ended only when illness left Napier with no choice but to beat a less than dignified retreat to the Portuguese enclave of Macao where he soon died.

Napier was replaced as Chief Superintendent by two former EIC men in rapid succession, and both reverted to avoiding confrontation with the Chinese authorities. Even Napier’s third successor, Captain Charles Elliot, a Royal Navy rather than a Company man, at first attempted to take a conciliatory approach after he took up office in 1836. His preparedness to use the ‘undignified’ form of contacting the Viceroy or the provincial governor did not gain him much headway. His tolerance of this indignity was not endorsed by Lord Palmerston, the British Foreign Secretary, who instructed him to stop this practice. Not much happened in fact, since London did not as yet have a coherent policy towards China, and Palmerston generally ‘made do with no opinion with China beyond the vague feeling that... China was like any other power and should be treated as such’. This did not mean London was not concerned with the issue of national dignity; there was simply at this stage insufficient cause to focus attention on it.

The differences between the two empires in their attitudes towards the conduct of international relations had a parallel in their approaches to the administration of law and justice. By the nineteenth century, the British had already developed and adopted, however imperfectly, the concept of the rule of law based on the due process, the presumption of innocence, trial by jury and the testing of evidences through adversarial discourse in a court of law. Justice, in the British view, was deemed to have been done when the law had been allowed to run its course, and the punishment to be meted out was to be directed against the convicted personally and to be proportionate to the severity of the crime.

The Chinese, in contrast, had a rather different approach. Although the Chinese legal system was not simply primitive, arbitrary and barbaric, as it was generally seen by the British at the time, but was in fact highly developed and rationally based, it worked on principles fundamentally different from the British system.

To the Chinese, justice was deemed to have been done not when the law had run its course but when the right decision was reached and implemented, whether this was achieved by strict adherence to the law or not. For the magistrate, to do the right thing did not mean to be arbitrary or simply to enforce the law; it was supposed to be based on careful deliberation of the results of his investigations, including, where appropriate, the use of torture to secure a confession from the suspect. The degree of punishment was usually linked to the social norm and prevailing morality so that, for example, the killing of a father by an unfilial son would attract an extremely severe punishment, while the killing
of an unfilial son by a father would receive a much lighter sentence. It was also meant to uphold public morality and through its demonstrative effect maintain social order. Collective responsibility, in contrast to individual responsibility in British law, was the norm. While the Chinese legal system was sophisticated in its own way, the actual administration of justice was greatly influenced or undermined by endemic corruption and the non-separation of judicial from other powers.

In light of the basic differences between the Chinese and the British approaches to law and justice, it was not surprising that cases involving Britons or Westerners – who were seen as barbarians by the Chinese – almost invariably proved thorny for both sides and were often causes of dispute. There is no need to rehearse here various incidents of the early nineteenth century in which the British and the Chinese were engaged in disputes over the administration of law and justice on British subjects who might have broken Chinese laws. Suffice it to say that, although they were important irritants in bilateral relations, they were not sufficiently serious to provoke the two sides to go to war. However, the mutual resentment over this issue was longstanding, and it provided added incentive on the part of the British to seek redress to what they saw as an unsatisfactory basis for the conduct of bilateral relations, particularly when this infringed seriously upon British economic interests.

The First Anglo-Chinese War

When Elliot took office as Chief Superintendent of Trade in 1836, the Chinese government was engaged in a major policy review of the opium trade and control of the apparent outflow of silver. Emperor Daoguang was initially more inclined towards legalisation that would provide better control over the trade and the flow of silver. However, he was persuaded by one of the influential and ambitious groupings of officials and literati, known as the Spring Purificationists (zhanchunj), which produced damning allegations against the pro-legalisation clique to reverse his decision. He now favoured the suppression of opium.

Further deliberations on how to achieve this objective without provoking a war went on for some time and led to an important official and ally of the Spring Purificationists, the Viceroy of Hunan and Jiangxi Lin Zexu, volunteering to take on this difficult task. The Spring Purificationists and Lin picked Guangdong to start the anti-opium campaign as they realised that a countrywide one could not be implemented. They reckoned the most effective way was to cut off the supply where it entered the country. To do so, they planned to cause a temporary collapse of trade in Canton in order to produce a commercial panic among the British so that the latter would sacrifice the opium trade for the profits of other commerce. Lin volunteered, as he hoped a spectacular success would enable him to gain sufficient credibility and stature to introduce a crucial and yet sensitive reform, that of the tribute-grain system.

In March 1839, Lin took up office as Special Imperial Commissioner in Canton and set about his anti-opium crusade. Although generally seen
as a progressive and broadminded mandarin for his time, Lin did not have a real understanding of his British opponents or the great gap that the Industrial Revolution had produced between the might of the modern British Empire and the essentially still medieval Chinese Empire. While neither he nor the Spring Purificationists expected a war they, for domestic considerations, were unwittingly steering the Chinese Empire on a collision course with the British Empire by an attempt to cut off the most profitable element of Britain and British India’s China trade.

Eight days after he had arrived in Canton, Lin ordered the foreigners to surrender all opium in their possession and to undertake to bring in no more. The British merchants were at first hesitant not least because they thought Lin could be bribed or was probably not really serious. However, Lin was as determined as he was incorruptible. He put great pressure on the British in Canton, confining them to the factory or warehouse compound and cutting off their supplies.

On his return to Canton, Elliot, who was in Macao as Lin issued his demand, decided that Lin's demand would be met in order to secure safe passage for Britons out of Canton, with the costs involved and other injuries the Chinese inflicted on them to be resolved between the two governments. With Elliot promising that the British government would in due course pay for their opium stock, the merchants surrendered their entire stock of 20,283 chests. The opium became technically the property of the British government, before Elliot handed it over to the Chinese. Once he had received the opium, Lin destroyed it in public.

With the value of the opium estimated at £2 million, it caught the attention of the British and the Indian governments when the news finally reached them (in August in the case of London). Although not a formidable sum, neither the British government under Prime Minister Lord Melbourne, which already had a budgetary deficit of £1 million for the year, nor the EIC, which had just fought an expensive campaign in the First Afghan War, found it politically tolerable. When the issue was discussed in the British Cabinet in September 1839, it was quickly agreed that the Chinese should be made to pay for this destruction of British property by the threat or actual use of force if required.38

The British and Indian governments then proceeded to put together an expeditionary force. It was to be entrusted to Elliot and his cousin, Rear Admiral Sir George Elliot, until then Commander-in-Chief of the Cape Station of the Royal Navy, as joint plenipotentiaries at the beginning of 1840. The expedition was to be a 'punitive exercise... to bring an obtuse Peking government to the conference table'.39 Britain had decided on war, not to impose British manufactures on China, nor to bring the Chinese to salvation by spreading the gospel, though there were groups in Britain who desired one or the other and used the results of this war for their purposes. To Foreign Secretary Palmerston, it was not even to force opium on the Chinese, despite the fact that British opium traders seized on the war to further their trade and profits. As he emphatically stressed to the Chinese government, the British government did not
question China's right to prohibit the imports, it merely objected to the way this was handled. 40 From Palmerston's point of view, since the prohibition order had not been imposed for years, its sudden strict enforcement amounted to laying a trap for the foreign traders, and the confinement of British traders in Canton with supplies cut off was tantamount to an attempt to starve them to death or into submission. 41

What the war was meant to do was to 'erasure an unjust and humiliating act, to recover the value of certain property plus expenses... and almost by and by to put England's relations with the Middle Kingdom on a new and proper footing'. 42 To achieve these purposes, Palmerston gave the Elliot cousins fairly clear instructions: to occupy one of the Zhoushan islands off Zhejiang province in East China, to present a letter from himself to a senior Chinese official for transmission to the Emperor, then to proceed to the Gulf of Bohai in the north to sign a treaty with the Chinese, and should the Chinese prove intransigent, blockade the key ports and both the Yangtze (Yangzi) and Yellow rivers to force the Chinese hand. 43 Palmerston was so clear in what he wanted that he sent to Charles Elliot a draft treaty for peace, stressing all its provisions were to be met. The resources put at the disposal of the plenipotentiaries were 4,000 troops, supported by a fleet of 16 warships and 28 transports. These included three third-rate, 74-gun ships of the line and four newly designed armed steamers or gunboats, with a total of 540 guns on board the ships. 44

The Chinese, including Lin, were caught by surprise, as they had expected the British to seek to resolve the matter in Canton. When the British demonstrated their naval prowess in Bohai, which was just over a hundred miles from the imperial capital of Beijing, the Court was shocked and a senior official, Qi Shan (or Keshen as he was known to the British), was tasked to persuade the British to retire to the southern city of Canton and negotiate there. With Qi replacing Lin as Special Commissioner in Canton, negotiations dragged on through the autumn of 1840. The British again forced Qi to come to an agreement after a further display of naval superiority. Qi had no choice and reached a tentative agreement with Charles Elliot, known as the Chuenpi Convention. By this agreement, the island of Hong Kong was to be ceded to the British; an indemnity of six million silver dollars was to be paid over six years; official relations between the two empires was to be direct and on equal footing and trade was to be reopened immediately. 45 As a result, the British took possession of Hong Kong and British rule began on 26 January 1841.

Elliot had chosen Hong Kong rather than Zhoushan as instructed by Palmerston, because he had reservations about opening more ports in China. In his judgement, more ports would only create more opportunities for the scattered British communities to be taken hostage, whereas the excellent harbour of Hong Kong had proved itself a valuable base to support the British trading community in Canton. 46

The Chuenpi Convention proved unacceptable to both the Chinese and the British governments, and the two protagonists were replaced by their respective governments. Qi's biggest problem was the territorial
cession, which angered not only the Emperor but also officialsdom in general. As far as the British were concerned, they were unhappy with Elliot’s performance and his failure to implement Palmerston’s specific instructions. London thus appointed Sir Henry Pottinger, a Major General of the EIC’s Bombay army known for his toughness and daring in the recent Afghan war, to take over as Chief Superintendent and Plenipotentiary. Pottinger was given reinforcements that enlarged the fleet to 25 men-of-war (including ten steamers) and the expeditionary force to about 12,000 men.

London was determined to get what it wanted by war. The thinking was that if British forces could occupy strategic points that would allow them ‘to control the internal commerce of the Chinese empire’ they could exert ‘pressure upon the Court of Pekin irresistible’. Once the forces were in place and ready in Hong Kong in September 1841, Pottinger started a series of campaigns in the lower Yangtze region, eventually fighting their way up this mighty river to threaten the city of Nanjing (Nanking) almost a year later. By then the British had already taken control of the key points in the lower reaches of the Yangtze, the most important waterway for commerce and communications in the richest part of China. They had also cut off the Grand Canal, historically the designated channel for the transport of tribute-grain from the south and the east to the imperial capital.

With repeated demonstrations of British naval and military superiority, as well as great mobility, the Court in Beijing had to take into account the implied threat that the British forces could swiftly redeploy to threaten the Beijing-Tianjin area once they had stormed Nanjing. This left the Chinese with little choice but to make peace, a task that fell on Yilibu (Elepoo to the British) and Qi Ying, two new Special Commissioners. The result of the negotiations was the Treaty of Nanking, which was signed by the plenipotentiaries of both sides on board the 72-gun HMS Cornwalls in Nanjing on 29 August 1842. Ratification was exchanged in Hong Kong on 26 June 1843, an act that formally allowed Hong Kong to be created a Crown Colony.

The real priorities for the British were reflected in the way the war was handled. The advancement of British economic interests, which meant maximising trade and seeking Chinese compensation for costs incurred, was clearly paramount. Although Canton was, for example, on more than one occasion threatened and could have been taken, no such attempt was made in order not to disrupt trade, particularly the tea trade which was also highly profitable. The right for Britain to export Indian opium to China was not itself a matter of major concern to the British in this period, but the opportunity for British traders to continue to profit from it was. Hence, neither in the draft peace treaty Palmerston gave Elliot in February 1840 nor in the Treaty of Nanking itself did the British demand the legalisation of the opium trade.

The main British concern was to secure the right to trade in China and make as much profit as possible. In general, the British government did not see the opium trade in moral terms and merely treated it as a most
profitable commerce that would continue as long as the Chinese general public desired it and the Chinese officialdom remained too corrupt to enforce its own prohibition order on a sustainable basis. The distinction between securing by force the right to trade for which opium was a major commodity and to wage a war to impose opium on China might seem spurious but it was not, at least not to the British government. The difference was between waging an imperialist war for economic benefits and doing so to impose a contraband drug that the imperial power itself deemed immoral. The war was not so much a case of a state using its superior power to impose an illicit drug trade on a weaker state as a classic case of the flag following and protecting trade in an era when imperialism carried a positive connotation in Europe.

The inability of the vast Chinese Empire to defend itself against a relatively small British expeditionary force requires explanation. A couple of the individual engagements, particularly the battle of Zhenjiang (July 1842), demonstrated that when led effectively the regular Chinese army, a Banner garrison in this case, could put up a valiant and stubborn fight against vastly superior numbers and overwhelming odds. Where the Chinese Empire fell short lay as much in its near medieval defence, logistical organisation and communication systems as in its antiquated military and naval technologies. It is true that Chinese military and naval technologies were such that the British did not lose a single warship to the Chinese in combat. However, it is not true that the British forces always won against much larger Chinese forces on land or at sea. In many of the land battles, the British either fought against a comparably sized opponent or enjoyed a numeric superiority thanks to superior logistics, organisation and mobility provided by the fleet.

The inherent weakness of the Chinese defence lay in the military system. The Chinese national army, to use a modern term, consisted of the Banner force, comprising Manchurian, Mongolian and Han Chinese Banners. It was entrusted with the task of protecting national security by defending the imperial capital and garrisoning the main strategic points. The mobilisation, concentration and deployment of this main field force, which totalled less than a quarter of a million, required time and efficient transportation. Neither was available to the Chinese since the seaborne British expeditionary force enjoyed elusive mobility. In addition to the Banner force, there was the territorial army, known as the Green Standard Army, consisting of fewer than half a million Han Chinese soldiers. The two armies came under completely separate command and control systems, with the Banner force being strategically deployed to provide a check against the loyalty of the Green Standard Army. The latter was, in any event, more a gendarmerie than an army, since its main responsibility was internal security. It was neither trained, equipped, organised nor deployed for effective defence against an external enemy, least of all against a modern European army that had already consigned most of the weapons used by the Chinese to museum display. In short, the Chinese army did not have an integrated command and control system
and Chinese commanders did not have the means to gather intelligence
to assess the intention of the seaborne invader, nor to deploy troops for
the effective defence of vulnerable points susceptible to an invasion.
Likewise, the Chinese navy had no headquarters or central command
structure and was basically subdivided and commanded by 15 admirals
stationed in key ports along the coast. The fleets were trained and
equipped mainly as parallel anti-piracy coastguard units rather than as
elements of a modern navy.\textsuperscript{56}

Furthermore, the Board of War in Beijing served neither as a modern
ministry of defence nor as a chiefs of staff committee. The Chinese
defence failed because its essentially medieval character could not meet
the challenges of a modern army backed up by the most advanced navy
and industrial country of the time.

The Treaty of Nanking

Strictly speaking, the grievances of the British Empire that Palmerston
outlined in his February 1840 letter to the Chinese Emperor at the
beginning of the war, including the perceived insult and harm done to
the British, were redressed by the Treaty of Nanking. Palmerston’s original
demands were met, with only one significant exception. This involved
the territorial cession. Instead of securing one of the islands in the
Zhoushan group, the British accepted Hong Kong, Elliot’s choice, which
was initially dismissed by Palmerston as ‘a barren island with hardly a
house upon it’.\textsuperscript{57} This was partly because since British occupation Hong
Kong had proved its worth. It was also because Palmerston had by then
been replaced as Foreign Secretary by Lord Aberdeen, after Melbourne’s
Whig government was succeeded by Robert Peel’s Tory ministry in 1841.
The other main provisions of the treaty settled the war by Britain
extracting from a reluctant China an indemnity of 21 million silver dollars
to cover the value of the destroyed merchandise as well as all British
expenses; the opening of five seaports including Canton to foreign trade
with official British trade and consular representation sanctioned; the
ending of the old cohong system for trade; and equality between British
and Chinese officials.\textsuperscript{58}

The treaty did not in fact go far enough to create the conditions for
bilateral relations to be conducted in a mutually satisfactory manner, as
the basic problems that had led to the war were not removed. This was
partly because the inherent problems of two pompous and distant empires
becoming involved with each other as a result of changing technologies
were not addressed. To the British, the treaty was meant to open up China
to further trade, to the economic advantage of British citizens. Hong
Kong was taken primarily for these purposes. The British expected the
treaty to enable trade to be expanded and profits to be enhanced though
no serious thought had gone into how these would be achieved. To the
Chinese, the treaty was but a necessary evil to get the belligerent British
barbarians to end the war. They had no intention of expanding economic
or any other ties with the British.
Indeed, the treaty did not even deal with the issue, which provided the impetus for the Chinese actions that became the immediate cause for the war, namely the export of opium to China by British traders being barred under Chinese law. Since opium was not even mentioned in the treaty, it continued to be imported into China by British smugglers working with the cooperation of their Chinese partners and corrupt Chinese officials.\textsuperscript{59} Its illicit nature meant that it remained a source of tension.

More fundamentally, nothing was done to deal with the thorny question of establishing diplomatic representation, and even the treaty’s provision for Britain to send consular and trade representatives to the five designated Chinese ports was not fully respected by the Chinese. After the ratification of the treaty, there remained no effective channel with which Britain could settle fresh disputes directly with the government in Beijing. The British Plenipotentiary, by then based in Hong Kong where he was also Governor, had to continue to deal with the Viceroy in Canton.

The First Anglo-Chinese War and the Treaty of Nanking did not cause a fundamental change in the way the Chinese looked at the British, beyond a limited recognition of the latter’s military and naval superiority and of the inadvisability of attempting strict enforcement of the opium trade prohibition lest it should provoke a renewal of hostilities. Once the war ended, the Chinese Empire merely tried to restore normality as it had prevailed previously. Neither the war nor the peace treaty shocked China into seeking a basic reform as American Commodore Matthew Perry’s squadron of ‘black ships’ did in Japan a decade later. Senior officials in China, even someone like Viceroy Qi Ying – who was known for his ability to understand the British and who managed to maintain relatively good relations with them in the aftermath of the war – merely tried to update and improve upon the old method of managing the barbarians by attempting to understand the British customs and practices and avoiding confrontations.\textsuperscript{60} Among ordinary people, the Cantonese were the most directly exposed to the British. It was in Canton that the ordinary people, inspired and led by the local gentry, proved most hostile to the British and threatened the security of the British if the Viceroy were to fulfil the terms of the Nanking Treaty and open Canton city proper to the British.\textsuperscript{61}

Although the Treaty of Nanking did not put Anglo-Chinese relations on a satisfactory footing or remove the underlying conflicts, leading to a new war within two decades, it did mark the beginning of a new era in China’s relations with the West. It also gave rise to the British colony of Hong Kong.
Chapter 16
The Beginning of the End

When the Joint Declaration came into effect in 1985, it opened a new chapter in Hong Kong’s history. This was the beginning of the transition leading to the retrocession in 1997 of this rich, successful British colony, deeply embedded in Western capitalism, to the PRC, one of the most powerful Communist states in the world.

There were two inherent contradictions in the arrangements for this transition agreed in the Joint Declaration. The first was its stipulation that Hong Kong’s existing non-elective Crown Colony system would be replaced by a government with its ‘legislature… constituted by elections’ by 1997, though the Joint Declaration was intended to keep Hong Kong’s system unchanged for fifty years. The second was that Britain would ‘be responsible for the administration of Hong Kong with the object of maintaining and preserving its economic prosperity and social stability’, to which ‘China [would] give its cooperation’.

What this meant in practice was that democratic Britain was charged with reforming Hong Kong’s legislature, but only in a way that the Leninist regime in China could support. In light of their opposing political persuasions, the agreement in effect put the two on a collision course but forbade them from crashing into each other. The situation was further complicated by the fact that introducing elections to the legislature would involve handing over certain political power to the local people in Hong Kong. The politics of transition therefore involved a realignment of power between Britain, China and the people of Hong Kong.

Realignment of Power

As far as the Chinese government was concerned, the transitional period served only one purpose, which was to prepare Hong Kong to rejoin mother China undamaged. It was willing to exercise as much flexibility as possible and made considerable concessions in the agreement of 1984, because it was in its own interest to do so. It believed the proper role for the British government was to serve as its custodian in Hong Kong, which implied not attempting anything disapproved of by itself. The reality that the transition was to enable it to take over Hong Kong gave it
increasing weight in the local political scene. This steady tipping of the balance of power in the PRC's favour was not foreseen, but it was welcomed by Chinese leaders, including Deng Xiaoping himself.4

Once the Chinese realised the realignment of power underway would in effect give them a pocket veto over political developments in Hong Kong, they used it to force the British to converge to their position. Nevertheless, the PRC's need and desire for a successful takeover, which could not be achieved without the cooperation of Britain, imposed a limit to its ascendance in the power alignment. The same also applied to the local people, whose feelings the Chinese could not completely ignore. Most Hong Kong people were concerned that 'their freedom, way of life and standard of living' would not be preserved and that the Chinese would not refrain from interfering in the territory's domestic activities.5 The Chinese had to reassure the local people or win their hearts and minds in order to ensure a smooth transition. Since this was needed in order to further their own interests, it provided a powerful incentive to exercise self-restraint. This allowed scope for the people of Hong Kong to play a role in local politics, and for the British to direct political developments in Hong Kong.

When it signed the Joint Declaration, Britain did see its role as that of a custodian, but of its own and Hong Kong's rather than Beijing's interests.6 It recognised the need to secure the blessings of Beijing for its policies in Hong Kong during the transition but resisted being reduced to being the latter's hatchet man. From London's point of view, the agreement was intended to safeguard British interests and enable Britain to withdraw from Hong Kong with honour.7 As the sovereign power until 1997, Britain at first felt it had considerable latitude to run the territory as it saw fit through the colonial government. To the British, the transition was to ensure that the pieces would remain in place for the Chinese takeover. As far as they were concerned, the governor would not abdicate his authority, though he would have to be sensitive to the wishes and needs of China, the prospective new sovereign.

Indeed, the British government and parliament and the Hong Kong government engaged themselves in serious wishful thinking for a short time. In Hong Kong, a major political reform was being examined during the last stage of the negotiations. When the British parliament debated the draft agreement, a majority supported it on the understanding that democratisation would be introduced in Hong Kong as part of the deal.8 The British establishment proceeded on the basis that Britain would be able to reform the political system of Hong Kong within the framework defined by the Joint Declaration.9 It deluded itself by refusing to recognise that by signing the Joint Declaration the old alignment of power between Britain and China over Hong Kong had been changed fundamentally.

This remarkable display of British confidence did not last, however. Once the PRC had publicly challenged the British over the proposed Hong Kong reforms in late 1985, the Chinese had to be accommodated lest a public confrontation shatter the fragile public confidence. The reality
was that Britain demonstrated it lacked the will and power to stay in Hong Kong when it signed the Joint Declaration. Despite the public rhetoric, backed up by an exercise ostensibly to assess public acceptability of the agreement, the British also admitted that there was ‘no possibility of an amended agreement’ because the Chinese would not reopen negotiations. This implied that, while Britain had tried to secure the best deal it could, it had conceded British pre-eminence in the politics of Hong Kong was coming to an end when Prime Minister Thatcher put her name on the Joint Declaration. That it took the British a year to accept it did not mean the alignment of power had not shifted.

However, there was a limit to Britain’s decline as a political force in Hong Kong. This was mainly based on the fact that it was responsible for the administration until 1997 and was very good at it. The record of the colonial government had earned Britain admiration from the local people, though many of them also resented it for different reasons. The Chinese accepted the continuation of British rule because it was beneficial to them, since a premature end to British rule would gravely damage Hong Kong’s stability, good order and, above all, prosperity.

In fact, the Sino-British negotiations of 1982–4 epitomised the political impotence of the people of Hong Kong. Their future was decided without their direct input. This generated much frustration that gave rise to a new desire to have a say over their own future, though they were divided as to the best way forward. To some, democratisation was the obvious answer. Others preferred to cultivate the new prospective sovereign and seek to be co-opted into the power structure by the Chinese. Some of the establishment figures also tried to fight a rear guard operation to protect their vested interests. In this new changed political situation, the people of Hong Kong wanted to assert themselves as a force in local politics.

Their desire to take their fate in their own hands notwithstanding, the people of Hong Kong merely played a peripheral role in determining the direction of political development in the 1980s. This was not out of step with the fact that Britain was willing to open the local political arena to public participation, and ‘the colonial government had displayed tremendous capacity to adapt its methods of government to social changes’. The reality was that the PRC, the rapidly rising political force in Hong Kong, would not tolerate any development that might allow Hong Kong to move towards independence. In Beijing’s conception, the ‘high degree of autonomy’ it promised Hong Kong did not mean democratic self-government. However, it was willing to make some concessions if it would not feel threatened as a result. The absolute limit of China’s tolerance was not tested because Hong Kong did not have an indigenous leadership pushing for it. In the 1980s, Hong Kong had conspicuously failed to produce ‘a group of popular and organised indigenous [italics original] leaders as the guardian of its interests, as confidence-boosters and as guarantors of the success of the vaunted “one country, two systems” approach to Hong Kong’s political future’. These two factors accounted for the limited role played by local people in the politics of the transition.
The increasing importance of the PRC and the decline of Britain in Hong Kong politics were inherent in the logic of the transition. A triangular power alignment among Britain, the PRC and the politically active people of Hong Kong existed in practice. It was not a static relationship. This new alignment of power provided the context in which the British attempted to democratise the colonial administration.

**Flirtation with democracy**

The British embarked on democratisation in Hong Kong during the Sino-British negotiations, before they recognised a realignment of power would follow the reaching of an agreement. This was meant partly to build as strong a safeguard for Hong Kong's way of life as possible when it eventually came under the jurisdiction of a Leninist regime.\(^9\) It was also because the nature of British politics was such that any agreement to hand over two to three million British subjects, albeit of Chinese origins, to a Communist state would be more acceptable to parliament if it included giving these people some kind of democratic future.\(^2\) The democratic experiment of the 1980s was, like the attempt of the 1940s, the result of an initiative from above, even though it coincided with the emergence of a modest public demand for democratisation locally.\(^2\)

In July 1984, two months before the Joint Declaration was initialled, the Hong Kong government published a consultative document, a green paper on political reform.\(^2\) It made the boldest statement since Governor Young's similar attempt 38 years earlier. It stated that the government aimed "to develop progressively a system of government the authority for which is firmly rooted in Hong Kong, which is able to represent authoritatively the views of the people of Hong Kong, and which is more directly accountable to the people of Hong Kong".\(^2\) The timing allowed the PRC an opportunity to see what the Hong Kong government was thinking before the negotiations for the Joint Declaration were completed.

This was meant to be a genuine review of 'how the central institutions of government in Hong Kong might be made more representative in a way which will make the Government more directly accountable to the people'.\(^2\) This document not only provided for the introduction of a substantial, albeit indirectly, elective element to the legislature, but also for the introduction of a quasi-ministerial system. Nevertheless, it kept to Hong Kong's political tradition by proposing to move forward cautiously. The imperative of maintaining stability and prosperity was fully accepted.

The green paper set off lively debates on both the scope and pace of democratisation. There was broad public support for its main objective. On the basis of the consultation, the government published a policy document or white paper on the subject in November – again, a month before the formal signing of the Joint Declaration. This document set out provisions for admitting 24 indirectly elected members to the 56-seat Legislative Council in 1985. It also committed the government to review, in 1987, the introduction of directly elected members in the
following year, but sidetracked the idea of a ministerial system. The British tried to strike a balance between the desire for reform and the need to remain in control of the pace and scope of change. This was not least because of the need to dovetail the Basic Law for the SAR to be enacted by the PRC in due course.

Though the British presented their ideas about democratisation as openly as possible, Chinese cadres found it very difficult to grasp what they were attempting. Consequently, the PRC reserved its position on the subject and stressed that 'it was a matter for the British, for which it was not responsible'. By the Joint Declaration, and by their acts in the summer and autumn of 1984, the PRC government appeared to have passively endorsed Hong Kong's democratisation scheme. This was provided it did not subvert the objectives and principles laid down in the Joint Declaration. However reasonable such an interpretation, it was emphatically not what the Chinese intended or understood.

In 1985, the Chinese came to see the democratisation attempt as an underhand British plot to regain what they had lost in the negotiations. From the PRC's point of view, the British were trying to create a situation that would allow them to continue to run Hong Kong after 1997. Firmly convinced that this was the British objective, the PRC organised a counter-attack.

This came in November when Xu Jiutun, Beijing's de facto representative in Hong Kong who enjoyed ministerial rank, held his first-ever press conference. On this occasion, he pointedly accused the British of violating the Joint Declaration. In effect, he demanded that they follow the still-undrafted Basic Law as the basis for political reform. Xu and his colleagues could not believe that the British had primarily intended democratisation to protect the existing way of life in Hong Kong and to secure parliamentary support for the Joint Declaration. They never explained how the British could hope to retain control by stealth after 1997 through introducing genuine democracy.

The Chinese also failed to see that much would have to change to preserve Hong Kong's dynamic capitalist system and way of life. This was because its 'political, social, and economic arrangements depend for their efficacy both on strict legal rights and on legitimate expectations habitually upheld by the authorities in accordance with well-established and credible rules of self-restraint'.

With the end of democratic Britain's supervision in sight, introducing democratisation was the most effective way to ensure that the local government upheld the existing rules of self-restraint. This was too alien a concept to be comprehensible to the Chinese cadres. They took the accuracy of their own interpretation of Britain's motive for granted. Once Xu's initiative received Deng's backing, the PRC was set on a new course. This was to oppose liberal democracy publicly and to restrict the scope and pace of democratisation in Hong Kong.
Convergence

China's rejection of democratisation gave the word convergence a new meaning for Hong Kong.33 Previously, the British position had been that, while they planned for political developments, they would 'keep in mind the fact that the Chinese Government will be considering the future Basic Law for Hong Kong, and the provisions of the Sino-British agreement, which provides for an elected legislature by 1997 and an executive accountable to it'. They would therefore do 'nothing... inconsistent with those aims'.34 In other words, convergence meant both sides would start on the basis of the Joint Declaration and meet each other halfway.

From the British point of view, their reform of Hong Kong's authoritarian system would dovetail with China's plan for the SAR as both would be guided by the Joint Declaration. It was like laying down new railway tracks from opposite ends and joining them up in the middle as they met. The Chinese demand of late 1985 was that the British should stop, or slow down drastically, their building work. They could recommence when the Chinese had rethought the plan for laying the track and had completed the groundwork on their own section.35

This Chinese view of convergence put the British in an awkward position. They had publicly stated that the Hong Kong government would review the progress of reform in 1987, particularly over introducing directly elected members to the Legislative Council in the following year. They could not break this promise without gravely undermining the Hong Kong government's credibility. The British also recognised that convergence would only happen if their reform plans were acceptable to the Chinese.36

Once the Chinese government had formally reaffirmed Xu's public position in January 1986, the British felt they had no choice but to accept the Chinese definition of convergence.37 They wanted to ensure that whatever was in place by 1997 would survive the handover. It was not, however, a complete capitulation. The British reached an understanding with the Chinese that there would be no major reform until the Basic Law was promulgated in 1990, and that nothing the British introduced would breach the Basic Law. The British also expected to have an input into drafting the Basic Law by offering their views as part of the Chinese consultation process. In return, they expected the Chinese to let the Hong Kong government, including its Legislative Council, be formed in line with the Basic Law in 1995, to continue to function after the handover in 1997. This became popularly known as the 'through train' arrangement.

It was against such a background that the Hong Kong government proceeded with its political reform review in 1987. In contrast with 1984, when it boldly stated its objective was to develop a government that could authoritatively represent the local people, in 1987 it tried to obscure the issue and mentioned no objective in the green paper.38 As Foreign Secretary Geoffrey Howe admitted, the exercise was conducted to keep the government's promise to have a review.39 It was not to explore the way forward for developing a representative government.
To satisfy members of the general public that their opinions were given due consideration in the review, for a period of four months the Hong Kong government set up the Survey Office to collect and collate public responses. The most important question was whether direct elections for the Legislative Council should be introduced in 1988 – an option the PRC had rejected. The Survey Office eventually produced a report of over 1,500 full pages, but it misrepresented the thrust of the public view.

According to the report, there were 125,833 individual submissions on the question of whether to introduce direct elections in 1988. Of these, 84,202 (or 67 per cent) opposed them, even though most of them supported direct elections in principle. Included among these were 69,557 form letters, most of which were originally handed out to employees by the managements of PRC-owned banks and enterprises in Hong Kong. What the Survey Office did not count as submissions were the results of 21 different signature campaigns, for which individuals were asked to sign and write down their identity card numbers after reading various letters. In all, these contained 233,666 signatures, of which 233,371 supported and 295 opposed direct elections in 1988.

By excluding the signature campaign submissions, but including the form letters, the Survey Office concluded that there was overwhelming support for introducing direct elections to the Legislative Council in principle, but not in 1988. It unjustifiably implied that the people of Hong Kong had changed their minds since 1984. In the white paper of 1984, the Hong Kong government actually correctly reported that ‘with few exceptions the bulk of public response from all sources’ supported ‘introducing a very small number of directly elected members in 1988 and building up to a significant number... by 1997’.

In the 1988 white paper, the government claimed on the basis of the survey report that public opinion on the subject was ‘sharply divided’. However, it admitted that there was strong public support for introducing direct representation. On this basis, the document provided for the introduction of ten directly elected members to the 56-seat Legislative Council in 1991. By the time the white paper was published, it was already known that the PRC intended to allow at least ten directly elected members to be admitted to the SAR legislature. The whole exercise was blatantly based on the wish to make Hong Kong’s political system converge with the Basic Law, which would not be finalised until 1990.

Although it might seem improper for the Hong Kong government to have manipulated the results of the opinion assessment, its justification for doing so was on the grounds of Hong Kong’s best interests. As Foreign Secretary Howe explained, Britain’s key objective was ‘to design a structure that will not be temporary or fallible but one that will endure beyond 1997’. Convergence – as defined by the PRC – had become the political imperative. In 1987 and 1988 the British government deemed manipulation the lesser of the two evils. The other was provoking the PRC to commit itself to dismantle whatever reforms the British might introduce. By slowing down the pace of democratisation, Britain hoped
to persuade the PRC to include provisions in the Basic Law for limited
direct representation at the legislature.

The British and Hong Kong governments could get away with
manipulating the opinion survey results because the people of Hong Kong
did not assert themselves strongly enough. Had the majority of those
who supported holding direct elections in 1988 organised a campaign
against the Survey Office report's findings, it would have been gravely
discredited. The British and Hong Kong governments would have had to
respond. The reality was that there was still public ambivalence about
democratisation. Not even those most in favour of it were prepared to
work for it actively. Hong Kong had not produced leaders with sufficient
political skills to force the government's hand or to mobilise the general
public to do so. No political party organised an effective campaign to
press the British to stand by their 1984 commitment to democratise.
Indeed, the first true political party, the United Democrats, was not
founded until almost three years later, in April 1990.

Because of Britain's acceptance of China's definition of convergence,
the Hong Kong government acquired the public image of being a lame
duck. This was remarkable for a government that still had a tenure of
almost ten years guaranteed by an international agreement. It was
particularly remarkable given that this was essentially the same
government that had met the requirements of as good a government as
possible in the Chinese political tradition only a few years earlier. What
it really reflected was the new alignment of power after 1984.

The British relied on secret diplomacy to assure Chinese cooperation
in securing the through train. This was widely misunderstood or not
considered credible in Hong Kong. An increasing number of Hong Kong
people felt that the British government was betraying them and that the
Hong Kong government was letting them down. Their sense of frustration
and powerlessness increased and their confidence in the future fell. As a
result, an increasing number of Hong Kong residents planned and
prepared to leave, or at least to seek the security of a foreign passport.

Convergence was a double-edged sword. On the one hand, it harmed
the credibility of and public confidence in the Hong Kong government
and this reduced its vitality in facing the longer-term challenges of
retrocession. On the other hand, convergence provided the best chance
to minimise the impact of the Chinese takeover, given the attitude of the
Chinese leaders, which is examined in detail below.

The alternative — to democratise Hong Kong's political system as
permitted in the Joint Declaration — would only have led to the PRC
dismantling what it disapproved of in 1997. Obsessed with the idea of
sovereignty and 'face', Beijing would deem all political reforms introduced
in Hong Kong without the PRC's tacit approval as unacceptable. Ignoring
the Chinese completely because their interpretation of the Joint
Declaration was ill based would have been detrimental to Hong Kong's
long-term well-being. The Joint Declaration would be worth less than
the paper on which it was printed if the Chinese should decide not to
abide by it because of a difference in interpretation. The British adopted convergence as a policy not because they liked it but because they believed it was, on balance, the lesser of two evils.

In the period of transition, the Hong Kong government needed to steer a course and devise policies that would both be supported by the local people and be tolerable to Beijing. Up to 1989, it tried to find such a course, but erred more on the side of accommodating Beijing.

**China's Hong Kong Policy**

Policy towards Hong Kong for the PRC combined elements of both foreign and domestic policies. Until 1997, it was partly a foreign policy matter, because it was under British rule and its status could not be altered without British cooperation. However, because it was regarded as Chinese territory, it also fell within the domain of domestic policy.48

As a matter that involved sovereignty, national dignity and the future of economic reform within the PRC, their Hong Kong policy was of great importance to Chinese leaders. There could therefore be no major policy decisions or changes without the top leaders' approval. This meant when he was alive and physically fit, paramount leader Deng Xiaoping had the final say.49 The PRC's basic policy towards Hong Kong rested on the principle of exercising maximum flexibility in practical matters but maintaining complete rigidity over sovereignty.50

Deng and his comrades had no love for condescending Hong Kong capitalists who profited as middlemen between the PRC and the rest of the world.51 However, they knew they 'needed those capitalists for their knowledge of business and technology, their access to finance, their skill in managing large projects, and their control of the transportation and telecommunication infrastructure'.52 Within the first decade of the opening of the Chinese economy, Hong Kong had become one of the most important drivers behind Deng's ambitious economic reforms.

It was to reconcile the conflicting requirements of recovering sovereignty and utilising Hong Kong for the Communist Party's own purposes that the PRC devised the policy popularised as 'one country, two systems'. The Chinese considered it an ingenious idea that would enable the PRC both to have its cake (reclaim sovereignty) and eat it too (retain Hong Kong's economic utility).53 This was essentially a modification of and, from the PRC government's point of view, an improvement on the policy that Mao had advocated after 1949.

The guiding principle behind it has, however, remained essentially the same. It is to further the interests of the PRC as defined by the Communist Party. This is the most powerful factor in inducing PRC leaders to adhere to the Joint Declaration. This also meant, in the words of senior cadre Lu Ping, that if Hong Kong should 'be of negative value instead of positive value to China', it 'would be disastrous for Hong Kong'.54

This raises a basic problem, which is that capitalist Hong Kong can only run its own affairs with 'a high degree of autonomy' within the framework of a socialist PRC if the latter feels confident enough to allow
an *imperium in imperio* to practise a system fundamentally hostile to its survival. In the mid 1980s, Deng had the necessary confidence. He believed that the PRC's Communist system was superior to Hong Kong's capitalist system. However inherently self-contradictory this might sound, he also conceded that it would be advantageous to let Hong Kong capitalism supplement the superior PRC system. It was, in any event, for a limited period only. Deng never intended to let Hong Kong be the catalyst to set off a chain reaction to change, let alone subvert or supplant, the socialist system in the PRC.

As will be explained in the next chapter, if or when the Communist leaders felt threatened, they would either pre-empt or eliminate such a threat, regardless of the cost. If Hong Kong were to be deemed the source of such a menace, it would be dealt with accordingly. Deng emphatically told Prime Minister Thatcher that if, in trying to protect its sovereignty over Hong Kong, the PRC should bring about catastrophic results, he would face them. But then Deng felt confident that the PRC would take over Hong Kong successfully.

The PRC's approach to the recovery of sovereignty severely restricted whatever 'high degree of autonomy' Hong Kong expected to enjoy. Deng himself told the drafters of the Hong Kong Basic Law that they 'should not think Hong Kong affairs should all be handled by Hong Kong people': 'this was impossible, and such an idea was unrealistic'. He added that, should it become necessary for Beijing to interfere, 'it would in the first instance be done through the executive branch without involving the Chinese garrison'. This would only need to be called out in the event of disturbances. Behind its rhetoric about autonomy, the PRC's policy was to allow the SAR government to run its own affairs only so long as the Communist Party or its leaders did not see its actions as contrary to their interests.

The very nature of the Communist system influences its Hong Kong policy. Organised along Leninist lines, the CCP is interventionist in its ethos. When he re-emerged from political oblivion after the Cultural Revolution, Deng reaffirmed the basic principle that the party must play a leading role in all matters. As he put it, 'one should never depart from the leadership of the party and praise the initiative of the masses'. Deng's directive was very much in character with the party tradition that transformed 'what Sun Yat-sen described as a “sheet of loose sand” into one of the most highly organised societies in the world'.

Deng then instructed his party to go against its tradition and make an exception of Hong Kong. While he was undoubtedly sincere, he gave the party a very tall order. The party was to keep the promises it had made in the Joint Declaration. In principle, this was an easy task to perform – all it required was to do nothing and let the Hong Kong government continue as before after retrocession. In reality, the Communist Party was being asked to contradict its very nature – the most difficult task for any individual or organisation.

The PRC's Hong Kong policy was also influenced by a basic distrust of the British and of their supporters in the territory. This derived from
China's tendency to adopt a doctrinal and nationalistic view of the British colony. It coloured their judgement. PRC leaders and officials remained convinced that the British were engaged in a conspiracy, at the expense of the territory and its future sovereign, to spirit wealth from Hong Kong to Britain before 1997. They could not believe that the public tender system and the overseers of various public bodies, including the Legislative Council's Finance Committee, would not allow Britain to do so.

Their view is partly explained by Hong Kong and the PRC having very different bureaucratic cultures and practices. PRC cadres assumed that British imperialists had always exploited Hong Kong and had done so with the cooperation of local civil servants. They did not realise that the Hong Kong civil service had developed a very strong commitment to the territory and had at times fought London in defence of local interests. They could not and did not accept that, by the 1980s, the colonial administration had become as good a government as possible in the Chinese political tradition. The PRC's failure to grasp this is an indication that it really did not understand what made Hong Kong tick.

**The Basic Law**

However important the Joint Declaration may have been as an international agreement to protect Hong Kong's way of life, its implementation required the promulgation and enforcement of the Basic Law for the Hong Kong SAR. According to the terms of the Joint Declaration, this new constitutional instrument had simply to stipulate the terms of its Annex I in an appropriate legal form. Although the PRC leaders had no intention of breaching the Joint Declaration, they did not accept such an interpretation when they started to work on the Basic Law. They deemed the Basic Law a subsidiary of their own constitution and not of the Joint Declaration. To the Chinese leaders, the important issue was how to make the Basic Law serve their best interests rather than to dovetail with the Joint Declaration.

Both Hong Kong and the PRC regarded the drafting of the Basic Law as a matter of great importance. To the people of Hong Kong, for whom it was the litmus test of the PRC's sincerity, it was about how to preserve their 'system' and way of life for 50 years. To the PRC, it provided an opportunity to lay down the parameters of Hong Kong's autonomy after retrocession. It was also pivotal to its United Front work among the local residents in order to win over their support and retain Hong Kong's utilities.

The PRC leaders realised that, in the mid 1980s, the people of Hong Kong were sceptical about their sincerity and ability to take over Hong Kong and preserve its way of life. They were prepared to go a long way towards persuading the local people of their sincerity. To allow their cadres sufficient time to do the United Front work properly, they set aside a long period for drafting. They tried to enhance public confidence by arranging for the National People's Congress (NPC) to appoint a committee of specially co-opted Hong Kong members to draft the Basic Law. The Basic Law Drafting Committee (BLDC) came into existence
on 1 July 1985 with 59 members. To ensure that it would be seen as having been drawn up ‘democratically’, the PRC also appointed a consultative committee of local residents.

The composition of the BLDC was carefully worked out. It had to contain a sufficiently large representation of Hong Kong residents to give it a democratic façade, but not large enough to oppose the PRC’s will. In accordance with usual CCP practice, the local party branch or the Hong Kong and Macao Work Committee compiled the list, which the top leaders approved before the individuals in question were invited to serve. On the Work Committee’s recommendation, 23 of the members, or just under 40 per cent, were selected from among Hong Kong’s residents. This gave what was deemed an appropriate representation from different sectors of the local community.

The PRC chose this percentage because it only just provided a two-thirds majority. This was what Hong Kong members would need to oppose the mainland members on important matters. However, at least two of the 23 Hong Kong members were under Communist Party control. They were the publisher of Ta Kung Pao and the deputy head of the Federation of Trade Unions. In other words, on matters of importance only 21 members could not always be counted on to vote for the Party. The members also disagreed with each other on many issues, which was partly why they were selected. In some cases, their backgrounds and political persuasions were so different that it was more difficult for them to work with each other than with PRC cadres.

The PRC’s concern to sustain Hong Kong’s economic utilities also influenced its choice of local members. Ironically, of the 23 Hong Kong members only two were union leaders. The Communist Party preferred to give the business tycoons a stronger say. After all, it needed to secure their investments. Furthermore, in line with United Front practice, the party also offered membership to its most vocal local critic, Martin Lee. Xu Jiatun of the Work Committee was confident that including Lee would be preferable to excluding him. It would be easier to contain his criticisms inside than outside the BLDC’s confidential working atmosphere. Making Lee a party to the drafting process would also make it easier to persuade the rest of the Hong Kong community that the Basic Law was good for them.

Ultimate control of the BLDC rested in the hands of senior Chinese cadres normally responsible for Hong Kong policies. This was despite the fact that, strictly speaking, the BLDC was an NPC and not a State Council special committee. Ji Pengfei, the director of the HKMAO, chaired the committee and his deputy, Li Hou, headed the BLDC secretariat. The other members of the secretariat were also senior cadres from the HKMAO and the Work Committee. Not surprisingly, the head of the Work Committee, Xu Jiatun, was a deputy chairman of the BLDC. In other words, excepting the foreign minister, the other two ministerial-rank cadres, Ji and Xu, who were responsible for Hong Kong policy, occupied leading positions on the BLDC. Their dominance was
unquestionable, however much they claimed to be willing to listen to other members. They were assured of the support of the numerically superior mainland drafters, who were mostly members of the CCP and, as such, had to observe party discipline. There was no danger of errant Hong Kong drafters violating them over matters that threatened the basic interests of the Party.

The guiding hand of PRC cadres was also behind the formation of the Basic Law Consultative Committee (BLCC). Like the BLDC, it too was intended to be a major instrument for United Front work. The Work Committee therefore carefully planned its size and composition.\textsuperscript{77} As a purely consultative body, the CCP could afford to fill its 180 seats with Hong Kong residents. The Work Committee even invited prominent local citizens it could not trust on the BLDC to join the BLCC. The BLCC also provided a means of reaching out to Hong Kong's so-called pro-British and Kuomintang elements. Although the Work Committee's attempt to neutralise their open opposition failed, those who were invited found it difficult not to soften their stand towards the BLCC.

Despite the Chinese cadres' deliberate efforts to give the selection of the BLCC a democratic façade, the true nature of the exercise was revealed in December 1985. This occurred during a meeting to prepare for the inauguration of the committee. To counter the impression that Communist cadres ran the whole process, they entrusted the Hong Kong vice-chairman of the BLDC, Sir Y.K. Pao, to chair the preparatory meeting. Its purpose was to elect an executive board of 19 from among the members; they considered Pao to be sound. Their strategy backfired. To begin with, Pao was not a member of the BLCC and therefore, according to its charter, had no authority to chair the meeting.\textsuperscript{78} His high position in the BLDC was completely irrelevant because, as Ji Pengfei put it, 'there was no question of one [committee] being subordinate' to the other.\textsuperscript{79} Furthermore, Pao ignored the agreed procedures and proceeded to read out a list of 19 names and directed the meeting to elect them with a round of applause.\textsuperscript{80}

The process revealed the invisible hand of the Communist Party. The list had been agreed beforehand and, as was usual practice inside the PRC, those elected had already been consulted. They unwittingly ignored the due process because, as Xu Jiatun admitted in retrospect, those concerned, including himself, lacked any appreciation of the democratic procedure.\textsuperscript{81} They later tried to rectify the problem by holding another meeting during which they produced the same list and duly elected those whose names appeared on it. While this showed the PRC leadership's willingness to respond to public outrage, it also demonstrated the extent of the Party's influence. Once the Party had publicly invested its reputation, albeit unintentionally, in its choice of the BLCC Executive Board, members of the BLCC felt they had no choice but to acquiesce.

To ensure that the BLCC behaved responsibly and did not damage the vital task of recovering Hong Kong, the CCP kept it under its own guidance, though not always directly. The first instrument was the BLDC,
despite Ji's public statement that the BLCC was not subordinate to it. Notwithstanding its rhetoric, the PRC tried to ensure that leading BLDC figures would steer the BLCC towards supporting the Basic Law. Hence, six of them were appointed to the BLCC's Executive Board, one of whom (Dr T.K. Ann) was even 'elected' chairman.

The vital task of handling the paperwork was first entrusted to Mao Junnian, a member of the Work Committee and deputy secretary-general of the BLDC. The intention was clearly that the BLCC should support rather than be independent of the BLDC. Once the CCP felt more confident in its ability to direct the BLCC's work, it allowed a non-Communist to replace Mao. Although the new secretary-general of the BLCC, Leung Chun-ying, was born in Hong Kong, he had by then built up a reputation as a staunch opponent of democratic change.\textsuperscript{82} Leung's own political conviction was such that the Party regarded him as a safe pair of hands in which to entrust the Basic Law.

The principle behind the procedure for drafting the Basic Law, the so-called 'two ups and two downs' approach, was based on Mao Zedong's idea of 'from the masses to the masses'. The Maoist axiom requires the Party to:

take the ideas of the masses (scattered and unsystematic ideas) and concentrate them (through study turn them into concentrated and systematic ideas), then go to the masses and propagate and explain these ideas until the masses embrace them as their own, hold fast to them and translate them into action.

It then needs to repeat the process 'so that the ideas are persevered in and carried through'.\textsuperscript{83}

By combining this principle with that of the United Front and adapting the end product to Hong Kong's circumstances, the PRC leaders devised a basic policy for drafting the Basic Law. This entailed having the local people conduct the drafting process with the invisible hand of the CCP guiding them. They would produce a draft for submission to Beijing, which the PRC would then send back to Hong Kong for public consultation. The local people would then complete the drafting work and resubmit the Basic Law to Beijing for formal promulgation.

The Communist cadres did, however, considerably adapt their work style to make the whole drafting process acceptable to their Hong Kong colleagues. In the early stages of the drafting process, the BLDC secretariat, which Communist cadres controlled, followed standard PRC procedure.\textsuperscript{84} They prepared an important document about the structure of the Basic Law and circulated it among leading BLDC members. When this came to the attention of a Hong Kong member (Dorothy Liu), who had no such privileged access, she openly criticised the practice as undemocratic. In response, the Communist cadres agreed to change the procedure and appoint two co-convenors to each of the BLDC task groups, one of whom would always be a Hong Kong person.\textsuperscript{85}
This accommodation to the specific demands of Hong Kong members did not mean that the PRC cadres were prepared to relinquish control. What they did was give the impression that both co-convenors were equal. The Hong Kong convenors were encouraged to appear as the more dominant in public. The relationship between the two co-convenors was similar to that between a military commander and a political commissar in the PLA. In this analogy, the Hong Kong convenor is the military commander and the mainland convenor the commissar. While both have the same institutional status, the first is expected to 'command', whereas the latter is there to ensure that political mistakes are not made.

For the actual drafting of the Basic Law, the BLDC was divided into five task groups. To the PRC, the two most important of these were the ones responsible for the political system and for working out relations between the central government and the SAR. The BLDC members allocated to these specific task groups were also senior cadres. Li Hou, Lu Ping, Zhou Nan and Ke Zaishuo, who were of deputy ministerial or at least ambassadorial rank, were all assigned to these two groups and not to any of the others. The remaining three groups dealt respectively with the rights of the residents of the SAR; economic and financial matters; and education, science, technology, culture, sports and religion. These groups were also important, but since they did not deal with matters of sovereignty, the PRC leaders could afford to be more relaxed about them.

The task groups working on central government-SAR relations and on the political system had to define the exact scope of the autonomy Hong Kong was to enjoy. This was a testing task for all the Hong Kong members, who had to play the more active role. It was particularly demanding of the two Hong Kong co-convenors, Rayson Huang and Louis Cha. There was a tacit understanding that Hong Kong would have relatively little room for manoeuvre in relations between the central government and the SAR. There was no such understanding over the question of political developments. Thus, as co-convenor of the political system task group, Cha had the most difficult and sensitive job. He and his group had to function while the Hong Kong government was introducing an element of representative government and then reviewing the progress of its reforms. This was also a time when the rest of Hong Kong was openly debating democratisation. Cha and his group needed to balance local demands against what Beijing would actually tolerate.

The torrent of public criticism levelled at Cha when he tried to steer the BLDC towards accepting a compromise illustrates how difficult his task really was. When the Hong Kong members of the BLDC were unable to resolve their differences over the pace and scope of democratisation in late 1988, Cha attempted to find a compromise solution. He did not aim to resolve the Hong Kong drafters' differences. The compromise he sought was one that would give Hong Kong sufficient democratisation to sustain its existing way of life and yet prove acceptable to Beijing. As a realist, he saw the latter as being of primary importance, since Beijing would never permit the SAR to introduce a system of which it disapproved.
Consequently, he produced a set of proposals that included as many democratic elements as possible but just short of touching the PRC bottom line, which he ascertained from senior PRC cadres, including Xu Jiatun. His proposals would not give democracy to Hong Kong until at least 2011, when a referendum would be held to decide the matter. Meanwhile, they would allow Hong Kong’s existing system to become more representative and would commit the PRC to respect such a development. Although the BLDC adopted his proposals – with an amendment to make the conditions for the referendum more restrictive – they provoked vehement attacks from the Hong Kong media. By the late 1980s there was already a strong undercurrent favouring democracy in Hong Kong.

Though the majority of local people remained silent, they undoubtedly shared the broad sentiments of the media’s opinion leaders, who generally supported democracy. They felt that Cha had let them down. An important difference divided them from him. They saw democracy as a goal permitted in the Joint Declaration and were less sensitive to what Beijing would allow. They simply wanted democracy for Hong Kong and expected Beijing to tolerate it. Cha believed Hong Kong’s best interests lay less in developing full democracy (which he judged intolerable to Beijing) than in tying down the PRC to respect a political system in the SAR that would permit at least some democratic representation. The public’s criticism of Cha reflected the great gap that lay between the PRC leadership and Hong Kong people’s wishes.

The political crisis that erupted in Beijing in the spring and early summer of 1989 briefly interrupted and significantly affected the drafting process. The Tiananmen incident and its general ramifications for Hong Kong are examined in the next chapter. Suffice to stress here that it badly shook the PRC leadership’s previous confidence in the ‘one country, two systems’ model. When Communist Party rule in China became threatened, the PRC expelled Martin Lee and Szeto Wah from the BLDC. These two men were the BLDC’s leading advocates for a faster pace of democratisation. The CCP responded to the blow to its confidence by tightening its control over the drafting process and by adding provisions to enhance the PRC’s control over the SAR in the Basic Law.

The president of the PRC promulgated the Basic Law after the NPC had adopted it in April 1990. Its legality is based on Article 31 of the PRC constitution of 1982. This permits the state to ‘establish special administrative regions when necessary’ and to do so ‘by law enacted by the National People’s Congress in light of the specific conditions’. Strictly speaking, whether this can provide the necessary constitutional authority is doubtful. Article 1 of the constitution states that ‘the People’s Republic of China is a socialist state’ and adds that ‘sabotage of the socialist system by any organisation or individual is prohibited’. Article 5 further stipulates that ‘the state upholds the uniformity and dignity of the socialist legal system’ and ‘no law or administrative or local rules and regulations shall contravene the Constitution’.
In the common-law tradition, the three articles together suggest that the NPC can establish an SAR, but that the SAR must nevertheless practise and uphold the socialist system. Article 4 of the Basic Law, which stipulates that 'the socialist system and policies shall not be practised in the Hong Kong Special Administrative Region', must therefore be unconstitutional. However, since the PRC is still a Communist party-state and considers the Hong Kong question above all a political issue, such a legalistic view is merely of academic importance. Indeed, none of the PRC's four constitutions since 1949 contains an effective procedure for independent review of a law's constitutionality. More important, the entire PRC establishment holds that the Basic Law is completely in line with the constitution. Since Hong Kong wishes to minimise interference from the PRC, it does not serve its interests by challenging the constitutionality of the Basic Law.

The Basic Law's drafting process is a good illustration of how the PRC's approach to allowing maximum flexibility within a rigid framework works in practice. While much of the thinking behind the PRC's approach originated in Communist practices, these were adapted whenever possible to meet Hong Kong's demands. This was done so skilfully that most people, including politicians and political analysts in Hong Kong, did not realise that the guiding principles behind the drafting process were based on Mao's ideas of the mass line and the United Front. The PRC's bottom line was that it could not allow its ultimate control to be undermined. Once it was satisfied on this front, the PRC was prepared to consider all other demands made by the local people.

By and large, the PRC has committed itself in the Basic Law to recreate in the SAR a Chinese version of the British Crown Colony system of government that existed in Hong Kong in the 1980s. This may have fallen short of public expectations, for by then the people of Hong Kong wanted a more democratic system of government. There are also specific provisions in the Basic Law that are problematic. However, the drafting process demonstrated the amount of flexibility Beijing was willing to exercise to ensure a successful takeover of Hong Kong.
Notes

Chapter 1: War and Peace

13. Ibid. 346, 351.
16. Ibid. 398.
24. Ibid. 1–135.
25. For Macartney's embassy, see Peyrefitte, *Collision of Two Civilisations*.
32. Fay, *The Opium War*, 82.
36. Ibid. 128.
37. Ibid. 129, 134.
41. FO17/40, Elliot to Palmerston, 18 July 1840.
42. Fay, *Opium War*, 195.
44. Spence, *The Search for Modern China*, 154. In this period, British warships were in general terms rated by the number of guns they carried. A first-rate man-of-war would carry about 120 guns. Each third-rate man-of-war used in the China campaign, except HMS *Cornwallis*, carried 74 guns.
46. Morse, *International Relations of the Chinese Empire*, 650–2 (Elliot to Auckland, 21 June 1841).
47. Blake, *Charles Elliot RN*, 55.
49. CO129/1, Extract from Stanley to President of Board of Control, 31 December 1841.
50. Morse, *International Relations of the Chinese Empire*, 648 (Elliot to Auckland, 21 June 1841).
53. Ibid. 668–9 (Aberdeen to Pottinger, 4 January 1843).
57. Morse, *International Relations of the Chinese Empire*, 642 (Palmerston to Elliot, 21 April 1841).
58. CO129/1, Treaty between Her Majesty and the Emperor of China, 29 August 1842.
60. Teng and Fairbank (eds), *China's Response to the West*, 37–40.

**Chapter 2: Foundation of a Crown Colony**

2. Sayer, *Hong Kong, 1841–1862*, Appendix II.
3. Ibid. Appendix I (Elliot’s proclamation, 2 February 1841).
4. CO129/1, Minute of conference among Elliot, Gough and Bremer in Macao, 27 March 1841.
6. FO17/60, Chief Superintendent’s Establishment from 1 June 1842.
Chapter 16: The Beginning of the End

1. Draft Agreement on Hong Kong's Future, 15.
2. Ibid. 13.
3. Tsang, 'Maximum Flexibility, Rigid Framework', 421.
10. Draft Agreement on Hong Kong's Future, 7.
16. Li, Huigui de Licheng, 189.
18. Ibid. 191.
19. Lo, The Politics of Democratization in Hong Kong, 86–7. Prime Minister Thatcher had thought of initiating democratisation as a means to pressure the Chinese during the negotiations, but this met with no support. Thatcher, Downing Street Years, 488.
20. Walden, Excellence, Your Gap is Growing, 73. The number of British subjects was over 2 million in 1984 but well over 3 million by 1997.
22. The rest of this section and the following one are substantially reproduced from Tsang, Appointment with China, 122–131.
24. Ibid. 3.
27. Li, Bainian Quyushi de Zhongjie, 211–12.
28. Ibid. 172.
32. Xu, Xu Jiatun Xianggang Huiyi, vol.1, 177.
33. This section is reproduced substantially from Tsang, Appointment With China, 125–31.
35. Li, Huigui de Licheng, 190.
36. See So, Hong Kong's Embattled Democracy, 126–7.
37. Roberti, *The Fall of Hong Kong*, 161–4
41. Ibid. 57.
45. Even among the most vocal supporters of democratisation, the ‘service professionals’, only a few hundred marched against the manipulation. So, *Embattled Democracy*, 134.
51. The rest of this section is reproduced substantially from Tsang, *Appointment with China*, 134–8.
59. Ibid.
60. Ibid. 154–5.
61. Ibid. 156.
62. Harding, *Organizing China*, 1
67. This section is reproduced substantially from Tsang, *Appointment with China*, 144–55.
70. Xianggang Wenhuibao (ed.), *Jiben deDansheng*, 205.
71. By the time the committee had completed its task in 1990, the number of its Hong Kong drafters had fallen to 18, since one had died, two had resigned and two had been expelled. Three mainland Chinese drafters had also died in the meantime.
74. Whether they were card-carrying members of the Communist Party or not, they were subject to the party’s control. In 1989, the Ta Kung Pao’s status as a party organ was officially reaffirmed by senior leaders like Jiang Zemin and Li Peng. *Jin, Zhonggong Xianggang Zhengce*, 9.
75. Xu, *Xu Jiatun Xianggang Huiyilu*, vol. 1, 161.
76. Ibid. 157.
77. Ibid. 160–1.
79. Ibid. 111.
80. Pai Shing, 16 December 1985, 6–8, 58.
84. Li, Bainian Quyuishi de Zhongjie, 169.
85. Based on Qian, ‘One Country, Two Systems’.
86. For commander-commissar relations, see Cheng, Party-Military Relations in the PRC and Taiwan.
87. Li, Huigui de Licheng, 146–71.
88. Xianggang Wenhuibao, Jibenfa de Dansheng, 231.
89. Li, Bainian Quyuishi de Zhongjie, 184–5.
90. Pai Shing, 1 December 1988, 3–5; Xu, Xu Jiatun Xianggang Huiyilu, vol.2, 211–12. As it turned out Cha was wrong in his assessment of the PRC’s bottom line.
91. Lo, The Politics of Democratization in Hong Kong, 121.
93. So, Hong Kong’s Embattled Democracy, 141–2, 161–2.
97. Ibid.

Chapter 17: The Final Chapter

3. Han (ed.), Cries for Democracy, 5
4. Dittmer, China Under Reform, 98–9, 146.
10. Brook, Quelling the People, 40–1.
13. Cheng, Behind the Tiananmen Massacre, 204. Hong Kong’s pro-democracy activists claimed a turnout of 1 million. The Hong Kong police’s estimate was half a million.
15. Best account in Brook, Quelling the People, 108–69.
18. This section is based substantially on Tsang, Appointment with China, 164–80.
Index

Aberdeen (Lord), 14, 17–8
Administrative absorption of politics, 208
Administrative (Cadet) Officers, 24–6, 51, 114, 146, 165, 199, 201
Alliance in Support of the Patriotic and Democratic Movement in China, 251
Amethyst Incident (1949), 155
Ann, T.K., 241
Anstey, Chisholm, 53
Anti-Chinese legislation, 47–8
Anti-Lin Biao and Anti-Confucius campaign, 191
Arrow Incident (1856), 30–3
Article 23 (of the Basic Law), 251
Article 31 (of PRC Constitution), 221, 243
Asian financial contagion, 277
Association for Democracy and People's Livelihood, 266
Atkins, Humphrey, 217
Attlee, Clement, 131
Bank of China, 187
Banking (see financial services)
Basic Law Consultative Committee, 240–1
Basic Law Drafting Committee, 238–43
Benevolent paternalism, 197, 201, 204–5
Berlin, 155
Bevin, Ernest, 136, 150
Bill of rights, 250
Black, Sir Robert, 159, 192, 202–3, 205–6, 211
Black, Major-General Wilson, 81–2
Bohai (Gulf of), 11, 38
Border control, 181, 193
Bowen, Sir George, 90
Bowring, Sir John, 26, 30–4, 49, 53
Boxer rebellion/uprising (1900), 77, 90, 269
Bremer, Commodore Sir Gordon, 16
British Army Aid Group (BAAG), 129–30, 132, 138, 146
British Chief Superintendent of the China Trade, 7–9, 18, 29
British Empire, 4, 10, 17, 20, 35–6, 82, 84, 102, 110, 115, 119–20, 137, 145, 148, 198, 268–9, 274, Thret to, 124–5, 130–2, 141, 183; Commonwealth, 26, 107; Diplomatic ties with China, 7–9, 14–5, 20–2, 27, 29–30, 33–4, 149–50, 187–8
British envoy to China, 20, 33
British Military Administration, 138–41, 147, 161
British Nationality Act (1981), 247
British trade with China, 5–7, 20–3, 29–30, 33–5, 37, 56
Bruce, Frederick, 34
Bubonic plague (1894), 71–2, 199
Butterfield and Swire (see Swire)
Cadets (see administrative officers)
Cai Guoliang, 129
Caine, William, 49, 201
Caine, Sydney, 109
Caldecott, Sir Andrew, 112
Caldwell, Daniel, 25, 50–2, 201
Canadian role in Hong Kong's defence, 120
Canton, 5, 7, 9–12, 14–5, 17–8, 21, 29–33, 54, 65, 76, 78, 80, 85–6, 88–9, 91–9, 101, 103–4, 114, 131, 134, 139, 178
Canton Bay (French lease of), 38
Cater, Sir Jack, 212
Central Cultural Revolution Small Group, 185
Certificate of origin, 164–5
Emergency Regulations Ordinance (1922), 89
Emigration (see also right of abode), 58–9
Eurasian, 49, 64–5, 128
Evans, Sir Richard, 222–3, 225
Exchange Fund, 109
Executive Council, 18–9, 24, 97, 105, 127, 162, 212, 218–9, 222–3, 225, 249, 255, 259, 266–7
Expatriate community, 24–5, 28, 45, 53–6, 59–61, 63–6, 71–2, 86–7, 146, 194, 273
Far Eastern Planning Unit, 149
Federation of Hong Kong Students, 189
Federation of Trade Unions, 170, 184, 239
Female Domestic Servants Ordinance (1923), 112
Financial Secretary, 109, 171
Financial services, 57, 60, 87, 97–8, 159, 167, 175–6, 223
First Afghan War, 10, 12
First Anglo Chinese War, 3, 6–7, 9–16, 31, 49, 52, 73, 220
First World War (see the Great War)
Fishery co-operative, 140
Falklands War, 218
Foreign Affairs Leading Small Group, 217, 223
Foreign Ministry (of the PRC), 184–5, 188, 214, 221, 223, 264, 272
Formosa, 153
Four modernisation, 212, 245
France, involvement in China, 30, 33–4
Free Port and Municipality of Hong Kong, 143
Freedom of speech, 195, 226
Furen Wenshe, 76
Gang of Four, 191, 211
General Union of Chinese Seamen, 88–9, 103
Gent, Gerald Edward, 125, 130–1
Gibraltar, 150
Gimson, Sir Franklin, 128, 132, 137–8, 148
Gin Drinker’s Line, 120, 122
Godber, Peter, 203
Gongxheng Kikan, 97
Governor (office of), 18–20, 22, 24, 34
Grantham, Sir Alexander, 148, 158, 165, 180, 182, 204, 206, 213
Great Depression, 102, 105
Great Leap Forward, 159, 181, 269
Greater East Asia-Co-prosperity Sphere, 126
Great War, 84–7, 102, 105
Grey, Anthony, 187
Guandong, 6, 9, 38, 54, 76, 79–80, 82, 86, 89–91, 94–7, 163, 177–8
Guangxi, 33
Guangzhou (see Canton)
Haddon-Cave, Sir Philip, 171
Hang Lung Group, 173
Hang Seng index, 175, 213
Harcourt, Sir Cecil, 134, 137–9, 141, 143, 148
Harmon, Gordon, 153, 159
Haslewood, Mrs Clara, 112
Henderson Land, 173
Hennessy, Sir John Pope, 27, 66
Herklots, Geoffrey, 128, 140, 146
High level equilibrium trap, 4
Hillier, Charles, 49
Ho, Sir Kai, 74–5
Hong Kong, Ceding of, 11, 14–6; Foundation as a free port, 21–2; Future of, 124–6, 128, 133–8, 143–4, 149–57, 175, 208, 211–27; Model for China, 73–6; Policy towards Chinese dissidents, 81–3, 104; Supporting China during war, 114–5
Hong Kong Artificial Flower Works, 183
Hong Kong and Macao Affairs Office, 216, 239, 250, 258, 260, 263–4
Hong Kong and Macao Work Committee, 183–5, 188, 239–40, 251, 272
Hong Kong and Shanghai Bank, 57, 60, 98, 167, 173
Hong Kong Chinese Engineers’ Institute strike (1920), 87–8
Hong Kong Land, 173
Hong Kong Planning Unit, 130, 132
Hong Kong Volunteer Corps, 86, 95, 122, 128
Hong Kong University Students Union, 189
Hong Kong Whampoa Dock Company, 61
House of Commons Foreign Affairs Committee, 248
Hotung, Sir Robert (and family), 48–9, 58, 66, 87, 173
Housing, 66, 145, 199, 204–5
Howe, Sir Geoffrey, 225, 233–4
Hu Hanmin, 80, 98
Hu Liyuan, 74–5
Hu Yaobang, 181, 245
Hu Guofeng, 218
Huang, Rayson, 242
Huang Xing, 78
Huaxinghui, 78
Huizhou uprising (1900), 76, 79
INDEX

Hughes, Lieutenant Colonel Owen, 122
Hughesiers, last stand of the, 122
Hulme, Chief Justice J.W., 53
Human rights, 195
Hurd, Douglas, 255, 257
Hurley, Ambassador Patrick, 131, 135
Hutchison, John D., 173
Hutchison Whampoa, 173
Hyson Group, 173

Identity (see also citizenship), 148, 180–96, 247–8, 269
Income tax, 146
Independent Commission Against Corruption (ICAC), 192, 203–4, 275–6
India, 5, 6, 10, 145
Indian community, 65
Indian Mutiny, 33–4
Industrial development, 61–2, 107–8, 161–7, 169, 172, 174–8
Industrial Revolution (effect of), 3–4, 10
Industrial unrest, 87–90, 183, 185
Inhibited political centre, 198, 208, 277
International Covenant on Civil and Political Rights, 250
Isogai Rensuke (Lieutenant General), 126

Japanese invasion, 114–5, 120–4
Japanese occupation, 57, 114, 119, 126–30, 140–2
Japanese surrender, 133–4, 136–7, 142, 151
Jardine Matheson, 17, 56–7, 60–1, 122, 143, 162, 173
Ji Pengfei, 239–40, 250
Jiang Enzhu, 261, 272
Jiang Zemin, 253, 261, 264, 269–71, 273
Jiaozhou, 37, 85–6
Jing Bao, 185
Johnston, A.R., 17–8
Joint Liaison Group, 225

Kafong associations, 68–9
Kan, Sir Yuet-keung, 212
Kang Youwei, 75, 81–2
Ke Zaishuo, 242
Kempitai, 127–8
Keshen (see Qi Shan)
Keswick, John, 143
Keswick, Sir John, 143
Kitson, George, 149–51, 213
Koo, Ambassador Wellington, 125, 135
Korean War, 154, 157, 161–2, 165
Kotewall, Sir Robert, 126–7
Kowloon, Acquisition of, 29, 35–6; Extension of, 36–41; Fort of ('Walled City of), 39–41, 151
Kuomintang, 85, 90, 92–4, 96, 98–100, 145, 148, 152, 157–8, 182
Labour Adviser, 168, 170
Labour officer, 111, 199
Labour related legislation, 111, 166
Land policy, 171–3
Lantau (island), 129
Laissez-faire policy, 172
Law (see also rule of law), 23–4, 45–55, 67, 104–5
Lawson, Brigadier John, 123
Lee, Captain Francis Yu-pui, 129
Lee, Martin, 239, 243, 251–2, 255, 259, 265–6
Legislative Council, 18–20, 26–8, 70–1, 89, 112, 122, 127, 146, 161–2, 231, 233–4, 249–50, 255, 258–9, 262, 264–6, 272, 277
Letters Patent, 18–9
Leung Chun-ying, 241
Li, Andrew, 272
Li Hongzhao, 39, 74–5
Li Hou, 216, 239, 242
Li Jusheng, 221
Li Ka-shing, 173, 183
Li Lishan, 93, 104
Li Peng, 246, 253, 266, 270
Li Qiang, 212
Li Shu-fan, 127
Li Xiannian, 217, 223
Liang Qichao, 75–6
Liang Weilin, 184, 188
Liao Zhengzhi, 183, 216, 218, 221
Liao Zhongkai, 93, 98
Lieutenant-Governor, 18
Lin Biao, 184
Lin Weimin, 90, 92
Lin Zexu, 6, 9–11
Liu Shaoqi, 184
Liu Tiecheng, 127
Lloyd, Sir Thomas, 150–1
Lo Man-kam, 127
Localisation, 113–4, 146
Lockhart, James Stewart, 40, 70
Lu Dingyi, 184
Lu Ping, 216, 221, 236, 242, 258, 263
Lugard, Sir Frederick, 80, 105, 113
Lushun (Russian leasing of), 37–8

Ma Zuichao, 98
Macao, 8, 10, 17, 53, 56, 65, 185–6, 221, 261
Macartney's embassy to China, 5, 7
MacArthur, General Douglas, 136
MacDonald, Sir Claude, 36–7, 39–41
MacDonnell, Sir Richard, 51, 55
McDouall, John, 190
MacDougall, David, 125, 130, 132, 138–41, 143
MacKinsy Report (1972), 200
MacLaren, Sir Robin, 222, 261
MacLehose, Sir Murray, 192, 203, 205, 212–6, 219–20
Macmillan, Harold, 183
Magistracy (work of), 49–50, 52, 199
Major, John, 253–5
Malaya, 122, 124
Maltby, Major General Christopher, 120, 122–4
Man Mo Temple, 67–8
Manchu (see Qing dynasty)
Mao Jinnan, 241
Mao Zedong, 133, 135, 152–4, 159, 181, 184, 188, 206, 211, 236, 241, 244
Maoist, 181, 183, 185–7, 189–91, 193, 200, 211, 241
May, Sir Francis, 82, 105
May Fourth Movement, 85, 90
May Thirtieth Incident (1925), 92–3
Melbourne (Lord), 10, 14
Middlesex Regiment, 122–3
Min Bao, 78
Ming dynasty, 4
Ministry of Defence, 151
Ministry of Public Security, 264
Miscarriage of justice, 49–52
Motor torpedo boats, charge of the, 122–3
Mui tsai, 111–2
Municipal council, 25, 147
Municipal services, 24–5

Nam Pak Hong, 59
Nanjing, 12, 30, 123, 152, 155
Nanking (Treaty of), 12, 14–6, 18, 23, 29–30, 32, 45, 47
Napier (Lord), 7–8
National People’s Congress, 221, 226, 238, 243, 270–1, 273–4
Navy (see Royal Navy)
New Territories, Defence and resistance, 120, 129, 30; Lease and future of, 38–41, 105–6, 125, 130, 132, 135, 145, 149–53, 156, 159, 212–5, 218
New World group, 173
Ng Choy (Wu Tingfang), 27, 70
Nixon, President Richard, 176, 191
North, R.A.C., 127–8
North Point, 122–3
Northern Expedition, 85, 96, 99–101

One country, two systems, 216–7, 230, 236, 247–8, 261, 268, 271, 275, 278
Opium suppression, 6–7, 9–10
Opium trade, 3, 5–7, 9, 12–3, 15, 29–30, 57, 62
Opium War (see First Anglo-Chinese War and Second Anglo-Chinese War)

Owen, David, 212

Pacific War, 48, 102, 106, 109, 112, 114, 133, 141, 145, 155, 161, 167, 180, 189, 198–9
Palmerston (Lord), 8, 10–12, 14, 17, 21, 32
Parkes, Harry, 30–2, 35
Parliament, 219, 221, 229
Pao, Sir Y.K., 240
Parsees, 65
Patten, Christopher, 254–67, 270–2, 277
Peak Preservation Ordinance (1904), 66, 146
Pearl Harbour (attack on), 121
Pearl River delta, 177–8, 182
Peking (see Beijing)
Peking, Convention of (1860), 34–6
Peking, Second Convention of (1899), 39
Peng Zhen, 154, 184
People’s Daily, 187
People’s Liberation Army (PLA), 186–7, 242, 246, 248, 264, 270, 272
Po Leung Kuk, 70
Police, 50–2, 104, 186–7, 275; Corruption, 51, 201–4
Political Adviser, 147, 222
Political apathy, 147
Political party, 235, 252
Popular culture, 174, 192–3
Port and Airport Development Strategy, 252–4
Portuguese, 65
Positive non-intervention policy, 171–2, 205, 277
Potsdam Conference/Declaration (1945), 131, 133
Pottinger, Sir Henry, 12, 17, 21, 47, 65
Preliminary working committee, 263–4
Preparatory committee, 263
Prevention of Bribery Ordinance (1970), 192, 203
Prince of Wales, 270–1
Prisoner of war camps, 128
Privy Council, 20
Productivity Centre and Council, 172
Protector of the Chinese (see Registrar General)
Provisional Legislative Council, 266–7, 272
Public opinion, 198
Qi Shan, 11
<table>
<thead>
<tr>
<th>Reference</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qi Ying</td>
<td>12, 15</td>
</tr>
<tr>
<td>Qian Qichen</td>
<td>264–5, 270</td>
</tr>
<tr>
<td>Qiao Guanhua</td>
<td>153</td>
</tr>
<tr>
<td>Qiao Shi</td>
<td>270</td>
</tr>
<tr>
<td>Qing dynasty</td>
<td>4, 5, 54, 77, 80, 84</td>
</tr>
<tr>
<td>Queen's Chinese</td>
<td>45–7</td>
</tr>
<tr>
<td>Qianlong Emperor</td>
<td>5</td>
</tr>
<tr>
<td>Racial prejudice (see also anti-Chinese legislation)</td>
<td>28, 47–55, 62, 65–6, 71–2, 128, 142, 146, 182, 194, 198, 200, 214</td>
</tr>
<tr>
<td>Red Guards</td>
<td>184–5</td>
</tr>
<tr>
<td>Religion</td>
<td>23, 62, 65</td>
</tr>
<tr>
<td>Refugees (see also Chinese immigrants)</td>
<td>180, 204, 207</td>
</tr>
<tr>
<td>Registrar General</td>
<td>24–5, 52, 68–72</td>
</tr>
<tr>
<td>Republic of China</td>
<td>76, 84–5, 157, 216</td>
</tr>
<tr>
<td>Resettlement Department (see also housing)</td>
<td>199</td>
</tr>
<tr>
<td>Revolution of 1911</td>
<td>77</td>
</tr>
<tr>
<td>Riots (see also the Confrontation)</td>
<td>186, 188–9, 200, 275</td>
</tr>
<tr>
<td>Ride, Lindsay</td>
<td>128–30</td>
</tr>
<tr>
<td>Riffkind, Malcolm</td>
<td>267</td>
</tr>
<tr>
<td>Ripon (Lord)</td>
<td>27</td>
</tr>
<tr>
<td>Right of abode</td>
<td>249, 252, 273, 275</td>
</tr>
<tr>
<td>Robinson, Sir Hercules</td>
<td>25</td>
</tr>
<tr>
<td>Robinson, Sir William</td>
<td>36, 81</td>
</tr>
<tr>
<td>Roosevelt, President Franklin D.</td>
<td>124, 136</td>
</tr>
<tr>
<td>Royal Instructions</td>
<td>18–9</td>
</tr>
<tr>
<td>Royal Air Force</td>
<td>139</td>
</tr>
<tr>
<td>Royal Marines</td>
<td>16, 22, 139</td>
</tr>
<tr>
<td>Royal Navy</td>
<td>6, 8, 10–11, 16, 21–2, 52, 57, 61, 99, 120, 122–4, 133–5, 138, 141</td>
</tr>
<tr>
<td>Rule of law</td>
<td>8, 45, 52–5, 182, 195, 200, 274–5</td>
</tr>
<tr>
<td>Russell (Lord)</td>
<td>35</td>
</tr>
<tr>
<td>San Po Kong</td>
<td>183, 185</td>
</tr>
<tr>
<td>San-yuanli, myth of</td>
<td>31</td>
</tr>
<tr>
<td>Sai Kung</td>
<td>129</td>
</tr>
<tr>
<td>Seamen's strike (1922)</td>
<td>88–90</td>
</tr>
<tr>
<td>Second Anglo-Chinese War (1856–60)</td>
<td>20, 22, 29–36, 48, 53, 59, 74, 90</td>
</tr>
<tr>
<td>Second World War</td>
<td>24, 26, 57, 119–20</td>
</tr>
<tr>
<td>Secretariat for Development</td>
<td>146–7</td>
</tr>
<tr>
<td>Secretary for Chinese Affairs</td>
<td>24, 105, 111, 127, 143, 190–1, 199</td>
</tr>
<tr>
<td>Secretary for Chinese and External Affairs</td>
<td>143</td>
</tr>
<tr>
<td>Secretary for Home Affairs</td>
<td>24, 191</td>
</tr>
<tr>
<td>Senggeliqin (General)</td>
<td>34</td>
</tr>
<tr>
<td>Seymour, Sir Horace</td>
<td>136–7</td>
</tr>
<tr>
<td>Sha Tau Kok</td>
<td>129, 187</td>
</tr>
<tr>
<td>Shang Bao</td>
<td>75</td>
</tr>
<tr>
<td>Shaman Incident (1925)</td>
<td>94–5, 100</td>
</tr>
<tr>
<td>Shanghai</td>
<td>57, 75, 92–4, 96, 101, 114, 152, 163, 167, 272–3</td>
</tr>
<tr>
<td>Shatin</td>
<td>89</td>
</tr>
<tr>
<td>Shek Kip Mei fire (1953)</td>
<td>204</td>
</tr>
<tr>
<td>Shenzhen</td>
<td>38, 177</td>
</tr>
<tr>
<td>Shing Mun Redoubt</td>
<td>122</td>
</tr>
<tr>
<td>Shipping</td>
<td>61, 95, 169</td>
</tr>
<tr>
<td>Shum Shui Po Camp</td>
<td>128</td>
</tr>
<tr>
<td>Silk</td>
<td>5</td>
</tr>
<tr>
<td>Silver</td>
<td>6, 9, 108–9</td>
</tr>
<tr>
<td>Singapore</td>
<td>122, 124</td>
</tr>
<tr>
<td>Sino-French War (1884–5)</td>
<td>90–1</td>
</tr>
<tr>
<td>Sino-Japanese War (1894–5)</td>
<td>77, 90</td>
</tr>
<tr>
<td>So Sau-chung</td>
<td>188</td>
</tr>
<tr>
<td>Soviet Union</td>
<td>85, 133, 152, 260</td>
</tr>
<tr>
<td>Special administrative region</td>
<td>216, 221, 226, 233–4, 237–8, 242–4, 249–51, 253, 265–8, 270–8</td>
</tr>
<tr>
<td>Special economic zone</td>
<td>176–7</td>
</tr>
<tr>
<td>Special Operations Executive (SOE)</td>
<td>129, 132</td>
</tr>
<tr>
<td>St Stephen's College massacre</td>
<td>1941, 127</td>
</tr>
<tr>
<td>Stain, Joseph</td>
<td>99</td>
</tr>
<tr>
<td>Standard Chartered Bank (See Chartered Bank of India, Australia and China) Stanley (Lord)</td>
<td>20</td>
</tr>
<tr>
<td>Stanley Internment Camp</td>
<td>128, 140</td>
</tr>
<tr>
<td>Star Ferry</td>
<td>188–9</td>
</tr>
<tr>
<td>State Council</td>
<td>183, 216</td>
</tr>
<tr>
<td>Stock market</td>
<td>175–6, 220</td>
</tr>
<tr>
<td>Stubbs, Sir Reginald</td>
<td>88–9, 95–7, 100, 112</td>
</tr>
<tr>
<td>Su Zhaozheng</td>
<td>90, 92, 95</td>
</tr>
<tr>
<td>Sun Hung Kai group</td>
<td>173</td>
</tr>
<tr>
<td>Sun Yat-sen</td>
<td>74–6, 78–9, 81, 84–5, 88, 90, 98, 103, 237</td>
</tr>
<tr>
<td>Supreme Court</td>
<td>50, 53–4</td>
</tr>
<tr>
<td>Survey Office</td>
<td>234–5</td>
</tr>
<tr>
<td>Swire</td>
<td>61, 162, 173</td>
</tr>
<tr>
<td>Szeto Wah</td>
<td>243, 251–2, 255</td>
</tr>
<tr>
<td>Ta Kung Pao</td>
<td>185, 239</td>
</tr>
<tr>
<td>Taipei</td>
<td>196, 216</td>
</tr>
<tr>
<td>Taiping (rebellion/uprising)</td>
<td>22, 54, 58, 73, 269</td>
</tr>
<tr>
<td>Taipingshan</td>
<td>65</td>
</tr>
<tr>
<td>Taipo</td>
<td>129</td>
</tr>
<tr>
<td>Taiwan</td>
<td>157, 182, 192, 197, 216–7, 221</td>
</tr>
<tr>
<td>Tea</td>
<td>5–7</td>
</tr>
<tr>
<td>Tebbit, Norman</td>
<td>249</td>
</tr>
<tr>
<td>Textile</td>
<td>163–4</td>
</tr>
<tr>
<td>Thatcher, Margaret</td>
<td>217–221, 226, 230, 249–50, 254, 274</td>
</tr>
<tr>
<td>Three Principles of the People</td>
<td>76</td>
</tr>
<tr>
<td>Through train</td>
<td>233, 259, 263, 266</td>
</tr>
</tbody>
</table>