

# From a British to a Chinese Colony?

Hong Kong  
before and after  
the 1997 Handover



Edited by Gary Chi-hung Luk

CHINA RESEARCH MONOGRAPH 75

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## Hong Kong before and after the 1997 Handover

Edited by Gary Chi-hung Luk



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Cover image: The Tai Po Lookout Tower. Named the “Commemorative Tower for Hong Kong’s Return” in Chinese (Xianggang huigui jinianta 香港回歸紀念塔), it was dedicated in 1997 to commemorate the transfer of Hong Kong’s sovereignty from Great Britain to the People’s Republic of China. According to the attached inscription, the tower is located where the British authorities landed to take over the New Territories one century before the Handover. (Photograph by Gary Chi-hung Luk.)

Cover design by Mindy Chen.

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## Note on the Romanization of Names

In this volume, convention prevails in romanizing names of Hong Kong Chinese people, most being Cantonese. In the romanized form, their Chinese surname usually precedes their Chinese given name, which is combined into one word (e.g., “KWONG Acheong”), linked by hyphens (e.g., “TUNG Chee-hwa” and “LAW Wing-Wah”), or separate (e.g., “MOK Tsz Yeung” and “LAW Wing Sang”). If the Hong Kong Chinese people concerned have an English given name, the English given name goes first, then their Chinese surname, and lastly their Chinese given name (e.g., “Robert HO Tung” and “Donald TSANG Yam-kuen”). When mentioned again, their Chinese given name may be skipped (e.g., “Donald TSANG”). Exceptions to these rules are the names of some of this volume’s Chinese contributors and some other Chinese scholars and journalists originating in Hong Kong, such as Zardas Shuk-man LEE, Stephanie Po-yin CHUNG, and Y. C. YAO. As for the Chinese people not originating in Hong Kong, their names are usually romanized in pinyin, with the surname preceding the Chinese given name (e.g., “MAO Zedong” and “LIU Xiang”). As a matter of convention, “SUN Yat-sen” and “CHIANG Kai-shek” will be used in this volume.

## INTRODUCTION

# Straddling the Handover: Colonialism and Decolonization in British and PRC Hong Kong

GARY CHI-HUNG LUK

### Revisiting Colonialism and Decolonization in Hong Kong

For many in Hong Kong, the British handover of the territory to the People's Republic of China (PRC) in 1997 marks not the end of its colonial status but the onset of another colonial rule. Henry Tang Ying-yen 唐英年 was a business tycoon, senior official in post-Handover Hong Kong, and candidate for chief executive in 2012. In 1994, Tang, then a Legislative Council member, prophesied: "Without a hope of becoming independent, we just move from being a British colony to a Chinese colony."<sup>1</sup> In *Hong Kong: China's New Colony* (1999), a Hong Kong-based British journalist recorded the reconfiguration of the territory's political order upon the change of overlord. With the provocative title, the book revolves around the theme

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This volume evolved from the conference "From a British to a Chinese Colony? Hong Kong Society in the Past and Today" that I convened at St Antony's College, University of Oxford, on December 1, 2012. The contributors and I would like to thank St Antony's College and its Asian Studies Centre for sponsoring the conference. We also thank all the presenters for their papers (which unfortunately are not all included here) and the audience members for their participation.

<sup>1</sup> "Seeking to Bridge the Divide in a Transitional Hong Kong," *International Herald Tribune*, January 24, 1994. Before the 1997 Handover, quite a few public figures predicted that Hong Kong would convert from a British to a Chinese colony. They include Ronald Li Fook-shiu 李福兆, chairman of the Hong Kong Stock Exchange; journalist Emily Lau Wai-hing 劉慧卿; and barrister Margaret Ng Ngoi-yee 吳靄儀. The latter two first became legislative councilors in 1991 and 1995, respectively, and were reelected to the Legislative Council after 1997; see "Breach of Promise? Draft Basic Law Raises Fears More than It Assures," *Far Eastern Economic Review*, May 12, 1988; "Why the People Are Leaving HK," *South China Morning Post*, February 18, 1989; "Who Is Going to Want to Run the Show after 1997?," *South China Morning Post*, February 13, 1990; Margaret Ng Ngoi-yee, "Post-Handover Rule of Law," 118.

that “Hong Kong quickly travelled down a road leading from British colonialism to a new form of colonial-type rule.”<sup>2</sup> Since the mass demonstration on July 1, 2003—the sixth anniversary of the Handover—against the national security legislation and the government of the Hong Kong Special Administrative Region (HKSAR), more and more Hong Kong people have protested against what they denounce as “colonial rule” by the PRC or the Chinese Communist Party (CCP).<sup>3</sup> After 2003, local resistance against PRC/CCP rule in the HKSAR peaked in the Umbrella Movement in 2014, when the police crackdown on local activists rejecting the PRC’s design of the 2017 chief executive election and demanding “genuine” universal suffrage sparked a blockade of some urban thoroughfares by people from various walks of life for over two months.<sup>4</sup>

Not only shared among the local populace in recent years, the concept of CCP or Mainland Chinese “(re)colonization” has also been often employed—and has become particularly popular in the last decade—in studies of Hong Kong’s politics, economy, society, culture, and Chinese people’s identity from the lead-up to the sovereignty transfer (1984–1997) to the present. These studies have examined Hong Kong’s lack of self-determination in its political future before the Handover, the PRC’s intervention into Hong Kong affairs before and after 1997 (which intensified after the 2003 mass protests), Beijing’s erosion of Hong Kong’s autonomy, uniqueness, as well as “core values,” and Hong Kong’s rapid or gradual political, economic, social, and cultural assimilation into Mainland China. In these works, the recurrent themes, backgrounds, or notions include that “the Hong Kong government began to preside over the transition from one form of colonialism to another,” that the PRC or CCP is Hong Kong’s new colonizer, and that PRC-ruled Hong Kong is witnessing recolonization, “Sinification,” and/or “Mainlandization.” “Mainlandization” has been defined in one study as “Hong Kong’s ideological assimilation to mainland China at the expense of its core values, such as the rule of law and professionalism.”<sup>5</sup> Yet, for want of clear definitions of colonization, colony,

<sup>2</sup> Stephen Vines, *Hong Kong: China’s New Colony*, v. Around 1997 some other writers, academic and nonacademic alike, also described the transfer of Hong Kong’s sovereignty to the PRC as a process of colonization; see Jamie Allen, *Seeing Red*, xvii; Roger Buckley, *Hong Kong*.

<sup>3</sup> On the anti-subversion legislation and the mass protests in 2003, see Sonny Shiu-Hing Lo, *The Dynamics of Beijing–Hong Kong Relations*, 151–169.

<sup>4</sup> On the Umbrella Movement, see Jason Y. Ng, *Umbrellas in Bloom*; Lim Tai Wei and Ping Xiaojuan, *Contextualizing Occupy Central*; Hui Po-keung and Lau Kin-Chi, “Living in Truth.”

<sup>5</sup> John M. Carroll, *Edge of Empires*, 192; Rey Chow, “Between Colonizers”; Carol A. G. Jones, *Lost in China?*; Carol A. G. Jones, “Lost in China”; Kwong Kin Ming and Yu Hong, “Identity Politics”; Law Wing-Wah, “The Accommodation and Resistance”; Law Wing Sang, *Collaborative Colonial Power*; Sonny Shiu-Hing Lo, “The Mainlandization and Recolonization of Hong Kong”; William P. MacNeil, “Enjoy Your Rights!”; Ian Scott, “Political Transforma-

# The Comprador System in Nineteenth-Century Hong Kong

KAORI ABE

Throughout the nineteenth century, the compradors, Chinese middlemen who served foreign institutions, were a crucial part of the Chinese business elite in Hong Kong. In this chapter, I highlight how the nineteenth-century compradors were an archetype of current Hong Kong business elites. “Comprador” (*maiban* 買辦) generally refers to a Chinese middleman who worked with foreign firms. In East Asia and Southeast Asia, the main duty of the comprador was mediation in business between foreign principals and Chinese merchants. In Hong Kong, many of the prominent compradors employed by major foreign firms and banks, such as Jardine Matheson & Co. and the Hongkong and Shanghai Banking Corporation (HSBC), became key commercial figures and social benefactors in the territory. The compradors accumulated wealth within a short time, by working in foreign firms and running multiple side businesses. At the same time, prominent compradors styled themselves as Chinese community leaders by organizing, funding, and managing various benevolent institutions and activities. Obtaining reputations in both the commercial world and the local Chinese community, the compradors played formidable roles in the economy and society of nineteenth-century Hong Kong.

The socioeconomic roles of the Hong Kong commercial elites, who are often intermediaries between Chinese and foreign companies, resemble those of the nineteenth-century compradors in the British colony. Water Cheung 張宗永, a notable investment banker in present-day Hong Kong, observes that Hong Kong, as an international financial center, is and will always be a “city of compradors” (*maiban chengshi* 買辦城市): “What we [Hong Kong Chinese business people] sell in these years are always ‘Chinese applications of Western equipment [*yangqi Zhong yong* 洋器中用].’ These applications could be medicines during the Korean War period, personal computers during the 1980s in the early phase of economic reforms

## TWO

# Government and Language in Hong Kong

SONIA LAM-KNOTT

### Introduction

Hong Kong was a British colony from 1841 to 1997,<sup>1</sup> and is now under the sovereignty of the People's Republic of China (PRC). British rule created a linguistic environment where English and Cantonese converged in the colony, with both languages having permeated the social, economic, and political domains of everyday life to varying degrees. The majority of the population is ethnically Chinese, with Cantonese being the dominant vernacular. Yet toward the end of the twentieth century, a significant portion of Hong Kong Chinese placed more emphasis on acquiring and developing their English-language skills than on their Cantonese mother tongue during their schooling years. This chapter looks at the reasons behind the widespread entrenchment of the English language in Hong Kong, exploring the various sociopolitical factors that have influenced language preference in Hong Kong society. It addresses the following inquiries: is language preference among the population dictated by government agendas and policies or determined by demotic considerations of importance to Hong Kong people, or are these processes interrelated?

This chapter highlights the connection between politics and language in an East Asian context, particularly examining the means and extent of British colonial influence in shaping the Hong Kong linguistic scene. Treating language as a political construct, I argue that language management was a political tool of the British colonial government to fulfill its changing political agendas over time. My initial focus is on the interactions between the Cantonese and English languages in Hong Kong, framed

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<sup>1</sup> During World War II (1941–1945), Hong Kong was under Japanese occupation.

### THREE

## A Ruling Idea of the Time? The Rule of Law in Pre- and Post-1997 Hong Kong

CAROL A. G. JONES

### **Introduction: In the Beginning**

This chapter explores the role played by the ideology of the rule of law in British rule in Hong Kong, especially in the resistance to what many regard as Mainland China's "recolonization" of the territory since 1997 (see Gary Chi-hung Luk's introduction for a clarification of the concept). Early British colonial policy in Hong Kong was that its "native people" would aspire to equality with European civilizations by adopting the values, institutions, and habits of the British way of life. Central to this conception of colonization was that the colonized people would enjoy all the civil, social, economic, and religious liberties of England. The rule of law would attach the Chinese to colonial rule, securing the hearts, minds, and souls of the local population, and (ideally) their allegiance to the British crown. They would be impressed by "the protection of equal laws, and, in a word, all the best fruits of science and civilization transplanted direct from the European headquarters."<sup>1</sup> Although allegiance to the British crown was never fully secured, by the time the British left Hong Kong in 1997, they had indeed succeeded in (re)attaching the local population to the rule of law, so much so that in the succeeding years, it was to prove an intractable obstacle to rule by the People's Republic of China (PRC).

From the beginning, the British colonial administration deployed a wide variety of administrative and executive measures in tandem with legislative and judge-made laws to control the Hong Kong Chinese population. This duality was to become a leitmotif of British rule, representing what Christopher Munn calls "a readiness by the government to circumvent

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<sup>1</sup> Davis to Stanley, December 21, 1843, CO 129/4, 278, cited by Christopher Munn, "Scratching with a Rattan," 232.

## From Cold War Warrior to Moral Guardian: Film Censorship in British Hong Kong

ZARDAS SHUK-MAN LEE

On November 7, 1966, the same year the government of the People's Republic of China (PRC) launched the Cultural Revolution and detonated its second nuclear device, a British Hong Kong government official slipped into a cinema. The cinema was Nanyang Theatre in Wan Chai, whose management, in 1967, supported communists in their violent struggle against the colonial government. The film the official watched was *Chairman Mao Joins a Million People to Celebrate the Great Cultural Revolution* (*Mao zhuxi he baiwan wenhuageming dajun zai yiqi* 毛主席和百萬文化革命大軍在一起). Sitting in the darkened room, the government official peered around. Only 40 percent of the seats were occupied. As the film began to roll, his attention was on the reaction of the audience. "Sporadic clapping," he noted. Later, he would include this in a confidential report to his supervisor—Nigel J. V. Watt, the director of Information Services in Hong Kong.<sup>1</sup>

The British Hong Kong government had been anxious about any forces that could destabilize local society. Geographically located between the Republic of China (ROC) on Taiwan and the PRC, which were respectively supported by the United States and the Soviet Union, Hong Kong became a potential battlefield between the "Free World" (or "capitalist bloc") and the "communist bloc" during the Cold War. To maintain political stability, from the 1940s to the 1960s, the Hong Kong government subtly suppressed influence from both communists and the Free World, including their films.

As films were (and still are) a popular source of entertainment in Hong Kong, the British government was worried about their effect on society.

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<sup>1</sup> Nigel J. V. Watt, Commissioner for Television and Films, to Director of Home Affairs, November 9, 1966, HKRS 1101-2-13.

## The Roots of Regionalism: Water Management in Postwar Hong Kong

DAVID CLAYTON

Hong Kong, a product of Britain's desire to trade with China, has always been highly reliant on international commerce. Until the 1960s, this city-state, comprised of an urban core and a small agrarian hinterland, was self-reliant in an essential commodity: fresh water. Since then Hong Kong governments, monopoly suppliers of water, have sought to balance regionalism (an increasing reliance on water supplied from the Mainland) and localism (a continuing desire for water security).<sup>1</sup> Since 1960, Mainland water has come from a reservoir in Shenzhen, near the border with Hong Kong, and from the East River (Dongjiang 東江) in Guangdong Province.<sup>2</sup>

The relationship between Hong Kong's socioeconomic dependence on Guangdong and its administrative autonomy ignites considerable interest today. The Hong Kong government, aware that the rapid economic development of South China has led to water stress in Guangdong, has sought to augment local water infrastructures in preparation for a future of climate change-induced droughts. But Hong Kong remains dependent on the supply of water from Guangdong at preferential rates, which civil society groups have criticized.<sup>3</sup> Asit K. Biswas, a world authority on water governance, has damned water management in Hong Kong as being worse than in "many Third World Countries" and one characterized by excessive waste, low consumer confidence in the quality of piped water,

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<sup>1</sup> The use of "localism" here captures a desire for self-sufficiency in water. It does not convey a sense of collective belonging to a place, Hong Kong, or a movement for constitutional reform.

<sup>2</sup> Mainland China is defined here as the PRC. Hong Kong government documents often refer to supplies from Kowloon and the New Territories to Hong Kong Island as being from the "mainland."

<sup>3</sup> Liu Su, *Liquid Assets* IV.

## Economic Relations between the Mainland and Hong Kong, an “Irreplaceable” Financial Center

LEO F. GOODSTADT

Why did the Chinese Communist Party (CCP) tolerate the continuation of British rule over Hong Kong after it came to power in 1949 while there were mass campaigns against capitalism and imperialism on the Mainland? Why does the Basic Law, Mainland China’s constitutional blueprint for post-Handover Hong Kong, preserve, with very little alteration, the legal, economic, social, and political arrangements of the bygone British colonial era? In this chapter I will argue that the motivation throughout has been Mainland China’s national interest. No matter how hostile the international environment or how troubled the Mainland economy, Hong Kong was the nation’s only city that could operate as an international financial center. The results were spectacular:

- *1952–1978:* The Mainland was a closed, state-planned economy. It had been subject to a draconian US financial and commercial blockade until 1971. Hong Kong became the Mainland’s biggest source of foreign currency, generating an annual US\$741 million in export earnings.<sup>1</sup>
- *1979–2016:* After the launch of Deng Xiaoping’s 鄧小平 “open door” and economic liberalization reforms in 1978, Hong Kong was the Mainland’s largest source of foreign direct investment (FDI), supplying an annual average of US\$23 billion from 1979 to 2015.<sup>2</sup>

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<sup>1</sup> Cai Beihua, “Zhongguo neidi yu Xianggang,” 11, 12. The author was also a senior official at the Shanghai Academy of Social Sciences.

<sup>2</sup> HKTDC Research, “Economic and Trade Information on Hong Kong.”

## At the Edge of Empire: The Eurasian, Portuguese, and Baghdadi Jewish Communities in British Hong Kong

FELICIA YAP

During the early twentieth century, the Eurasian, Portuguese, and Baghdadi Jewish communities occupied visible positions at the margins of Hong Kong society. Yet these communities have dwindled in number since the late 1940s; the Portuguese and Baghdadis have even been forgotten as distinctive groups today. These changes beget the questions: Did any significant events occur in the twentieth-century evolution of these three communities? Was there a pivotal moment in which the internal dynamics of these communities were transformed? The social trajectories of these three communities have been discussed in only a limited number of academic works, and even fewer studies have examined the impact of World War II (1939–1945) on these developmental arcs.<sup>1</sup>

In this chapter, I argue that World War II was a crucial turning point in the social evolution of the Eurasian, Portuguese, and Baghdadi Jewish communities in British Hong Kong. The turbulence and pressures of the Japanese occupation (1941–1945), in particular, created severe dislocations within these three communities. The conflict also sparked the eventual dispersal of the communities from British Hong Kong and the absorption of their remaining members into the territory's broader society. These developments were hastened by disruptive political transformation on the neighboring Chinese Mainland and by the perceived economic impact of the decolonization process. Thus, although these three groups occupied a prominent and distinct fringe of British Hong Kong before World War II,

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<sup>1</sup> See, for instance, Jason Wordie, "The Hong Kong Portuguese Community"; Vicky Lee, *Being Eurasian*.

## Reunification Discourse and Chinese Nationalisms

LAW WING SANG

### Introduction

In 1997, when Hong Kong's administration was transferred from Britain to Mainland China, Mainland China called it "reunification" or "return." These terms mark a Sinocentric perspective of history, expressing that Hong Kong has always been an indivisible part of China and that Hong Kong to China was like a wandering prodigal child returning to the arms of his motherland. The widely used term "return" (*hui gui* 回歸), in particular, conveys a sentimental notion of homecoming, deflecting the need to admit that Hong Kong was once a British colony, and thus the need for Hong Kong to engage in "decolonization," meaning not only a change of political sovereignty but also a transformation of the society and culture that had sustained the colonial power relationship.

However, for the sake of maintaining the effective control that the British had established, the communist government in Beijing had never cherished the idea of any genuine social reforms. In this regard, the clever word choice of "return" allowed Mainland China to indiscriminately accept the system handed down from the British administration and to maintain the status quo of the Hong Kong Chinese elites; it also facilitated the transfer of institutions from British rule that could enable governing Hong Kong without changing its basic structure of being a colonized territory. Eclipsed by the rather poetic wording of "return" was the fact that no post-1997 arrangement would allow Hong Kong to enjoy full political autonomy or let Hong Kong people participate in their government effectively. The Sino-British talks that took place in the 1980s on Hong

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This chapter is developed from an article published in Chinese. See Luo Yongsheng [Law Wing Sang], "Liu qishi niandai de hui gui lunshu."

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