

British Views of the Legacy of the Colonial Administration of Hong Kong: A Preliminary Assessment

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The legacy of the colonial administration of Hong Kong, viewed from the majority of constituencies in Britain, is chiefly formed from the characteristics of the territory on the eve of retrocession. This, it will be noted, is in sharp contrast to the views formed by both the Chinese Communist Party (CCP) and many Chinese observers. The British prefer to emphasize personal freedoms, the rule of law, the independence of the judiciary, the efficiency of government, the competitiveness of business, the pre-eminent status in international trade, the suppression of corruption, the quality of the engineering infrastructure, and the improving health and welfare provisions as essential characteristics of their legacy.¹ Their Chinese counterparts are much more likely to hark back to the bad old days of national humiliation and imperialist exploitation,² seeking to draw the attention of all compatriots to the historical significance of re-unification.

Among the British constituencies with a special interest in Hong Kong, comprising governmental, individual, corporate and societal views, few, if any, would venture to acknowledge aspects of the first century of colonial rule as qualitatively enduring parts of their legacy. This is perhaps as predictable as the Chinese emphasis on the negative aspects of the colonial history of Hong Kong. Both sides remain anxious to claim the moral high ground and to avoid disconcerting or uncomfortable realities. There were, of course, some singular achievements in government, infrastructure, education, health and sanitation services from the turn of the century onwards. Many of these laid a foundation for the outstanding achievements that constituted part of the legacy of British administration of the late 20th century. It is common knowledge that many features of colonial Hong Kong greatly impressed Dr Sun Yat-sen during his period there. On balance however, for Britain, the essential examples of the legacy of colonial administration in Hong Kong, defined in the widest sense, were the later rather than the earlier achievements. They are more likely to occupy space in any objective historiography. Most were, in fact, achieved during the period spanning more than half a century from the end of the Second World War to the resumption of the exercise of sovereignty by China in 1997.

1. House of Commons Parliamentary Debates 14 November 1996, pp. 514–587, Speech of the Prime Minister the Rt. Hon. John Major, Hong Kong, 4 March 1966. Speech by the Rt. Hon. Baroness Thatcher, Beijing, 14 November 1996.

2. Deng Xiaoping, *On the Question of Hong Kong* (Hong Kong: New Horizon Press, 1993).

Although at first glance this may appear to separate the history of Hong Kong into the pre- and post-Second World War periods, it is not so. There was indeed an historical watershed in British political history and experience with the socialist triumph in the 1945 general election, which ushered in the beginning of the end of empire. Its effect on the crown colony of Hong Kong, however, was limited as the history of modern China unfolded. Once the dust had settled on Japanese imperialism, the civil war in China was resumed and the issues of the 1920s and 1930s once again took centre stage. While Britain began a fresh cycle of history, rebellion and revolution in China approached its zenith. One must not, therefore, underestimate the continuous influence of the growth of militant Chinese anti-foreignism and nationalism on Hong Kong in the 1920s. The challenges to British administration mounted by the Chinese Seaman's Union Strike in 1922³ and the Guangzhou–Hong Kong Strike-Boycott in 1925–26⁴ remained on the physical and psychic record in Hong Kong and Britain.

These events were to become cautionary examples of the potential of Chinese politics to paralyse the port-based economy of Hong Kong and negate the *raison d'être* of the British colony. Moreover, the demonstration effect of organized labour unions and sympathizers bringing the port of Hong Kong to a standstill was not lost on the Kuomintang (KMT) and the CCP in the 1920s. Nor, it should be noted, was it ever lost on the British authorities in both Hong Kong and London. They went to extremes subsequently to avoid policies that would transpose mainland political issues onto the fragile Hong Kong political stage. This was never more evident than in the period immediately following the Japanese capitulation in 1945. Britain, with a government formed by the Labour Party and aware of its conspicuous incapacity to maintain the imperial system, set out to give all its colonial subjects a greater say in their own affairs. In Hong Kong, the proposals to realize this worthy aspiration were considered off and on from 1945 to 1952.⁵ During this protracted period the fear was that even a modest advance in democracy, expressed as adversarial politics, could transpose the issues of Chinese politics to Hong Kong.⁶

This study examines the British view of the legacy of the colonial administration of Hong Kong from the consideration of those proposals until the retrocession. It will show that there was a no single unified British view at any one time, nor was there necessarily any continuity in the view of one constituency throughout the period. When referring to “a British view” it is, therefore, important to distinguish not only between a constituency-based view and a composite view of the legacy but also the

3. W. K. Chan, *The Making of Hong Kong Society* (Oxford: Clarendon Press, 1991), pp. 172–181.

4. Chan Lau Kit-ching, *China, Britain and Hong Kong 1895–1945* (Hong Kong: The Chinese University Press 1990), pp. 169–219.

5. N. J. Miners, “Plans for constitutional reform in Hong Kong 1946–52,” *The China Quarterly*, No. 107 (September 1986), pp. 463–482. Steve Yui-sang Tsang, *Democracy Shelved: Great Britain, China and Attempts at Constitutional Reform in Hong Kong 1945–1952* (Hong Kong: Oxford University Press, 1988).

6. Miners, “Plans for constitutional reform.”

point at which such a view was held. For example, the view of the British government, conveyed by the Prime Minister in a speech in Hong Kong in March 1996,⁷ was, not unexpectedly, similar to that currently being expressed by the then Governor, Christopher Patten, and that expressed a few weeks earlier by the Foreign Secretary Malcolm Rifkind.⁸ Had there been an opinion poll it would not, however, have been seen to be wholly in tune with the preferences of members of the audience drawn on that occasion from the British and Hong Kong General Chambers of Commerce in Hong Kong.⁹ The latter would have identified more closely with the view of a British legacy for Hong Kong designed explicitly to optimize and maximize the opportunities for Anglo-Chinese trade rather than belated and doomed efforts to introduce constitutional reform.

The study encompasses the views of the legacy formed by what are arguably the most important British constituencies. Reflected in the study are the views of the British government and the Hong Kong government, the chief ministries of state with an interest in Hong Kong – the Foreign and Commonwealth Office (representing the purviews of what were formerly the separate offices of state dealing with foreign, colonial and commonwealth affairs), the Ministry of Defence, the Home Office and the Department of Trade and Industry – the main political parties, the business community, academe, the established Church, the media, the electorate, and distinguished individuals such as retired governors and ambassadors. A concluding section summarizes the range of views of the legacy of the British administration of Hong Kong and attempts to identify the main themes emerging from the evidence. Such views formed on the eve of retrocession while memories are still fresh and impressions vivid, will, it is hoped, contribute in the future to a better understanding of the present. When the official documents are released after 30 years and the post-colonial achievements under Chinese sovereignty are clear for all to see, it may also contribute to a more balanced assessment of the past.

Proposals from 1945 to 1952

The view of the first post-war British government of the future of Hong Kong was shaped in 1945. It was the work of a committee formed from members of a planning unit composed of Hong Kong officials who were in London when Japan had invaded in 1941, together with members of the China Association in London and Colonial Office officials.¹⁰ The general intention was that Hong Kong, like other colonies, should enjoy constitutional advancement. The outcome, duly conveyed by the Governor Sir Mark Young in 1946 when civil government was restored,

7. Speech of the Prime Minister, the Rt. Hon. John Major in Hong Kong, 4 March 1996.

8. Statements made at a question and answer session in the Hong Kong Legislative Council during a visit in January 1996.

9. Based on oral evidence of the concerns of British business representatives noted in Hong Kong, 1995–96.

10. Miners, "Plans for constitutional reform".

envisaged the setting-up of a highly autonomous Municipal Council to take over and expand the limited role of the Urban Council. It was to have 30 members, 15 Chinese and 15 non-Chinese. Twenty would be directly elected, ten from each race; the remainder would be nominated by "functional constituencies": the chambers of commerce, trades unions, justices of the peace and the university. The franchise was based on criteria related to age, literacy, residence, and property or jury service, regardless of nationality. The functions would be wide-ranging involving, significantly, a corresponding reduction in those of central government. It was to be funded from its own revenue sources, staffed by the transfer of personnel from the civil service, and, within its jurisdiction, it was to have autonomy from the central government.¹¹

The officials of the Colonial Office thought the proposals were an appropriate and acceptable means of carrying out constitutional advance. They feared, however, that the proposed reform might not satisfy their political masters. In Hong Kong the plan was not well-received. In the view of local elites it reflected the experience of the China Association gained in Shanghai, a treaty port and, despite the experience of extra-territoriality, not comparable to a colony. Moreover, it was feared that the KMT would seek to control such a Municipal Council and use it to engineer the retrocession of Hong Kong. The perceived threat from the KMT caused apprehension in London. Moreover Singapore, another colony urged to plan constitutional advance, had meanwhile recommended reforms affecting the Legislative Council (Legco). This posed the potential problem of an unfavourable comparison between the two superficially similar British entities. Consequently, the government recommended constitutional advance in Hong Kong based on similar changes. Legco was to have an unofficial majority: directly elected members would be equal in number to the official members; appointed unofficial members would hold the balance. The franchise was to be non-communal. Appointments were to be made without regard to race. There was to be a system of advisory committees linked to government departments leading to the development of a quasi-ministerial system. This represented the progressive approach of the post-war Labour government.

The Governor courageously rejected all these proposals. He asserted that his proposals for the Municipal Council were, in all the circumstances, more appropriate. He argued that Hong Kong differed from Singapore in that it had a relatively small settled (as distinct from the large transient) population. There were comparatively few British subjects so that to create a Legco composed of and elected by British subjects would disenfranchise the "alien" majority. His contention was that the general aim of enabling colonial subjects to play a greater role in government could best be achieved through a Municipal Council. Moreover, should the KMT seek to wreak havoc it would be less harmful in the Municipal Council than in the Legco. The Governor's arguments

11. *Ibid.*

prevailed. On this basis, in 1947, he passed the baton to his successor Sir Alexander Grantham.¹²

The so-called Young Plan was, however, doomed. Two years elapsed before the drafting of the enabling legislation was completed. Externally, the civil war in China had gone against the KMT. At this juncture, the appointed unofficial members of Legco, representing the views of local elites, had concluded that the balance of advantage lay in reforming the Legco to give it a directly elected component and an unofficial majority. The advantage was that this would avoid the possibility of a clash between an elected Municipal Council and an unelected Legco. The disadvantage was it would be at the expense of popular participation since the franchise would inevitably be narrower. Sir Alexander Grantham sent the proposals to London in the summer of 1949. By then, the fear of what the KMT might do had been replaced by the fear of what the CCP might do. In London, the Colonial Office feared also the practical effect of the loss of the official majority in Legco. Moreover, the government disliked the provisions for communal voting and appointments where race was a criterion.

The British reservations were temporarily eclipsed by the onset of an election and the departure of the minister concerned. No decision was reached before the Hong Kong government had second thoughts. It was feared the Communists would either criticize elections based on a very restricted and obviously undemocratic register or take steps opportunistically to pad the register to gain control of the Legco, with all such an eventuality could entail. Consequently, the Governor persuaded the Colonial Office to substitute the practice of *indirect* elections for the proposed *direct* elections to generate the elected component of Legco. That would have ensured British interests were not placed in jeopardy by an uncontrollable Legco. Careful consideration was given to the packaging of this revised and less democratic scheme: a subterfuge was adopted to redesign its evolution and camouflage its provenance; a rationale was prepared to meet the anticipated criticism that it was in fact less liberal than its predecessor.

All of this was, however, overtaken by the implications of the Korean War. It was feared that constitutional advance in Hong Kong would provoke China. The dust did not begin to settle until the end of 1951. By then the Conservatives had defeated Labour in the 1951 general election. Britain and Hong Kong had become sufficiently inured to Communist criticism to risk proceeding. The scheme received cabinet approval in May 1952. Unexpectedly, shortly after, the unofficial members of both the Legco and the Executive Council (Exco) in Hong Kong, representing the views of local elites, prevailed on the Governor to induce the British government to drop the scheme. It did so and an announcement to that effect was made in October 1952. The reason given was that the time was inopportune for major constitutional advance.¹³

12. *Ibid.*

13. *Ibid.*

It was to remain so in the British view until the mid-1980s. This record of five sets of unadopted proposals (a minor change was made to Grantham's original scheme) for constitutional advance in Hong Kong is informative largely for what is revealed by the complex reasons given at each stage for and against the measures. The optimum solution – constitutional advance safeguarding vested interests, attempting democratically to balance communal interests without jeopardizing internal management or control or, worse still, provoking China – was, in the British view, unattainable. That view was based on the judgment of expatriate and local elites, colonial civil servants, home civil servants and the British governments of the day. Looking back, there is the appearance of having missed opportunities for democratic reform. Nevertheless, the outcome, it could be argued, was in the best interests of Hong Kong. Any significant constitutional advance could have been interpreted as a preparation for decolonization, a signal that Britain was preparing to depart. Moreover, it is unlikely in the event of constitutional advance at that stage that the colony would have been spared the experience of confrontational politics at the height of KMT–CCP rivalry. Furthermore, Britain would have put China in the position where it had to consider intervening in one way or another.

The 1980s

When, after a gap of three decades, Britain reviewed what was to be the legacy of its colonial administration, once again it had to decide on constitutional reform. By then the situation had changed considerably. One important change was the degree of uncertainty regarding the future of Hong Kong conferred by the Joint Declaration.¹⁴ Another was the progressive, reforming approach of the PRC government under the leadership of Deng Xiaoping. Yet another change was the potential for the lowering of tension across the Taiwan Strait. Lastly, at the end of the successful Maclehoze governorship, Hong Kong was in every respect – social, economic and political – advanced compared to the war-ravaged entrepôt that had emerged from the Second World War. Against this background, the British authorities in Hong Kong were under mounting pressure from representatives of an educated, articulate and professionally highly successful indigenous middle class to introduce democratic reforms in the system of representational government. It was felt that the practice of change within tradition had been fully exploited. The need was for progress towards direct elections to the Legco.¹⁵ From the vantage point of the early to mid-1980s none of these aspirations seemed unreasonable. Indeed, from the statements of British politicians they

14. White Paper, *A Draft Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the Future of Hong Kong* (Hong Kong: Government Printer, 26 September 1984) hereafter the Joint Declaration.

15. Brian Hook, "Political Change in Hong Kong," *The China Quarterly*, No. 136 (December 1993), pp. 840–863.

seemed to have been anticipated at the time of the signing of the Joint Declaration. They appeared likely to be the basis for an honourable and dignified departure by Britain from Hong Kong.

In all the circumstances of the early 1980s, the trends suggested that reform in the system of government was inevitable. This view was shared by all the constituencies of opinion in Britain. It also seemed that the modest reforms made, or anticipated, at each of three levels of representative government (the District Boards, the Urban Council and the Legco) were the foundation for more extensive reforms actually sanctioned by the Joint Declaration. In particular, the reference in Annex 1 to the legislature of Hong Kong Special Administrative Region (HKSAR) being constituted by election and the executive being accountable to the legislature appeared to herald significant sequential reforms.¹⁶

This provision was highlighted in the early publicity for the Joint Declaration. Such publicity had the effect of dispelling some of the apprehension and misgiving felt in several constituencies including, for example, the House of Commons, the civil service, academe, the media and the established Church over the retrocession of "free" Hong Kong to a Marxist-Leninist China. Many who had acknowledged the inevitability of retrocession had taken the view that British subjects in Hong Kong, having been denied self-determination, ought to have had the compensatory right to full British citizenship including the right of abode in Britain. The promise of what appeared, from a straightforward interpretation of the annex to the Joint Declaration, to be democracy, eased some troubled consciences.

On this interpretation it appeared the negotiators at the Foreign and Commonwealth Office had done a good job. There was no need, it was argued, unduly to worry that Home Office legislation designed to restrict Commonwealth immigration to Britain had adversely affected the rights of some 3.25 million Hong Kong British subjects for whom there was no prospect of self-determination. Moreover, if the reforms initiated by Zhao Ziyang had been successful and if he had remained in power, what appears to have been the British perception in both London and Hong Kong of the optimum transition might have been realized. In practice, Hong Kong could have been prepared for the retrocession in much the same way as territories had been prepared for independence, save for the obvious distinction between achieving self-determination and enjoying a high degree of autonomy under Chinese sovereignty. Unfortunately, when the difficulties engendered by the programme of reform under Zhao Ziyang led to the suppression of the Democracy Movement the effect on Hong Kong was devastating.¹⁷ Although democratic reform had already

16. Joint Declaration. The relevant section in the Chinese text of the bilingual version published by the Foreign Languages Press, Beijing reads: "Xianggang tebiexingzhengqu lifajiguan you xuanju chansheng. Xingzhengjiguan bixu zunshou falü, dui lifajiguan fuze."

17. Chen Xitong, "Guanyu zhizhi dongluan he pingxi fangeming baoluan de qingkuang baogao," *Renmin ribao* (*People's Daily*), 10 July 1989. This gives a Chinese view of the suppression, sustaining the protests and is therefore useful background material for studying the reaction to the democratization of Hong Kong.

been retarded in response to Chinese pressure, by 1989 the politicization of issues of government including the interpretation of the Joint Declaration had already become a fact of life.

In retrospect, there was, in fact, nothing that the British could have done to inhibit the process of politicization even had they been so minded. It was a reflection of the prodigious economic development of Hong Kong, the internationalization of the dominant section of the community and its way of life, and the generational change in the local elites. New Westernized elites were not content with the old arrangement that led to the administrative absorption of politics.¹⁸ They expected the development of representative government and looked towards the formation of political parties in Hong Kong. Even so, the British preferred to err on the side of caution in the 1980s, incurring the wrath of many aspiring local politicians for postponing the introduction of direct elections to Legco until 1991. By that time, Zhao Ziyang had been deposed, the Democracy Movement in China had been crushed and the axiomatic policy of the British colonial administration, namely to avoid transposing mainland politics on to the Hong Kong stage, had been undermined by well-intentioned but politically inexperienced local activists.¹⁹

The effect of the crushing of the Democracy Movement on the British view of what would be right for the administration of Hong Kong in the remaining years under British sovereignty cannot be underestimated. At the level of public opinion, it created a huge popular sympathy for the Hong Kong people and for those who had suffered in China. From politicians of all parties, there was pressure on the government to do something to help Hong Kong. In reality there was little that could be done. The Foreign Affairs Committee of the House of Commons, which was in Hong Kong and Beijing in the approach to the crisis, did however recommend *inter alia* measures to restore confidence: the building of a second airport; the passing of a Bill of Rights; the democratization of Legco; and two systems of assurance based on a sympathetic approach to the question of immigration.²⁰

Not all of these recommendations were adopted. By now, the British had reverted to their historical mode of avoiding any action that could antagonize China and make the situation worse. Over the next few months the Hong Kong government proceeded to announce three major initiatives designed to restore confidence and maintain stability in Hong Kong. They were the Port and Airport Development Strategy (PADS); the Bill of Rights and the British Nationality Selection Scheme (BNSS). The first was to restore confidence in the economic future of Hong Kong by initiating the largest infrastructural development project in the world at the time. It was to cost some HK\$150 billion and would secure the role of Hong Kong into the 21st century. The second was to increase

18. Hook, "Political change in Hong Kong".

19. Chen Xitong, "Guanyu zhizhi dongluan he pingxi fangeming baoluan de qingkuang baogao."

20. House of Commons Session 1988–89, Foreign Affairs Committee, Second Report, Hong Kong, 28 June 1989.

confidence in the legal system by subordinating it by statute to the provisions of two international conventions whose application in Hong Kong had already been agreed.²¹ The third was to confer British citizenship with right of abode to 50,000 heads of household. The successful applicants were to be selected on a highly functional basis, the main criterion being their importance to Hong Kong. The aim was to encourage them and the members of their household (who would additionally qualify) to remain in Hong Kong secure in the knowledge they had the option to leave at any time. In other words it was to dissuade them from joining the “brain drain” which after 1989 had threatened irreparably to damage Hong Kong.²²

The policy of the British government was therefore to shore up what it viewed as a severely damaged transition. Self-interest and common sense dictated that the immediate challenge was to enable Hong Kong to weather the storm. Although the Foreign Affairs Committee recommendation regarding Legco was not adopted, the numbers of directly elected seats for 1991 and 1995 were raised with agreement to 18 and 20, significantly higher than had been envisaged.²³ The crushing of the Democracy Movement could, however, have induced panic and a premature and disorderly abandoning of Hong Kong. That had to be averted in the mutual interests of Hong Kong, Britain and China. In Britain, which had encountered problems integrating immigrants and asylum-seekers from other colonial possessions, there were signs of nervousness at the prospect of upwards of a million refugees from Hong Kong. The Chinese response to those policies demonstrated both the complexity of the political scene and the gap in understanding which, despite the closer contacts of the 1980s, separated Britain and China. All three initiatives were opposed. The controversy over PADS was not resolved until 1995. The statute on human rights was scheduled for revision by the Provisional Legislature established to replace the elected Legco on 1 July 1997.²⁴ The announced intention was not to recognize BNSS passports.

1992–97

In 1992, Governor Sir David Wilson who had been buffeted by the storm and unfairly treated by the media was succeeded by Christopher Patten, an eminent politician. The handling of the succession was unconventional. The retiring Governor, who had overseen a period of successful development including the expansion of the system of tertiary

21. Paragraph 13, Annex 1, The Joint Declaration; Article 39, The Basic Law of the Hong Kong Special Administrative Region of the People’s Republic of China.

22. Brian Hook, *Immigration to and Emigration from Hong Kong in the Transition to Chinese Sovereignty* (Hong Kong: One Country Two Systems Economic Research Institute 1992), pp. 183–199.

23. *Hong Kong 1991* (Hong Kong: Government Printer, 1991) p. 33.

24. *South China Morning Post*, 21 January 1997. The aim of the revision was to strip the Bill of Rights Ordinance of its overriding status that required all other legislation to be in line with it.

education, was informed in November 1991 he would be replaced.²⁵ The decision was announced at the end of the year. As the identity of his successor would not be known until after the 1992 general election, the appearance was that this situation could constrain the actions of the Hong Kong Governor for several months.

In retrospect, the crisis in China marked a pivotal point in shaping the British legacy for Hong Kong. It marked a significant shift in the view of the British government, British politicians, academe and the media. The retiring Governor, who had succeeded Sir Edward Youde following the latter's untimely death in office in late 1986, had become a focus for intense local political activist and media criticism. The basis for the criticism was a general uninformed perception of his being instrumental in Britain's tendency sympathetically to respond to China's demands for "convergence" with its constitutional arrangements incorporated in the Basic Law. He was regarded as being responsible for the delay in the introduction of direct elections to Legco from 1988 until 1991.²⁶ A dedicated public servant, the Governor had not, it appeared, enjoyed unequivocal support from the business community, notably the British hongs throughout his tenure.²⁷ All this may have counted against him when the crisis in China eroded, and in the eyes of the sinologically unversed, actually discredited the case for an understanding approach to China. It also strengthened the argument for putting a professional politician into such a job, for which there was a successful precedent.²⁸

The shift in the British view of the tasks for the remaining period of the transition led to the implementation of a package of constitutional reforms under the aegis of the new Governor. This was ostensibly both to fulfil the terms of the treaty and to converge with the provisions of the Basic Law. The package was announced in Christopher Patten's inaugural address to Legco in October 1992.²⁹ Unlike his address on assuming his post, which was exceptionally well-received by the distinguished audience drawn from all constituencies of local and international elites (Taipans were overheard to voice their unqualified approval), the constitutional package, which had not been agreed with China, was immediately perceived to be potentially very divisive. The view of the British government was that the proposals did not breach any of the agreements. This was soon to be vigorously contested by China whose best ally to emerge was Sir Percy Cradock, the former British ambassador who had

25. Private communication.

26. This was an outcome of the 1987 review (Green Paper) announced in the 1988 White Paper, *The Development of Representative Government: The Way Forward* (Hong Kong: Government Printer, 1988).

27. This is not possible to document. The British hongs were no longer as dominant as in the past. Some had done better than others. There was a range of opinion as to the appropriateness of policies.

28. Michael Yahuda, *Hong Kong: China's Challenge* (London: Routledge, 1996), p. 67, notes the precedent was the management of the last period of the transfer of authority by Lord Soames in the case of Rhodesia-Zimbabwe. He bases his account on that of Sir Percy Cradock in *Experiences of China* (London: John Murray, 1994).

29. Rt. Hon. Christopher Patten, *Our Next Five Years* (Hong Kong: Government Printer, 1992), pp. 30–41.

conducted the negotiations.³⁰ He challenged the British interpretation of the agreements with China; questioned therefore the wisdom of creating a precedent for breaching the agreements; and questioned further the usefulness of proceeding with a package that would be dismantled at the point of retrocession so that much of what had been achieved since 1983 could be lost too.

The period from 1993 to 1997 was dominated by protracted Anglo-Chinese negotiations, which ultimately failed to resolve the controversy over constitutional advance, the ensuing political debate over the enabling legislation in the Legco and the systematic carrying out by China of the threats made to create a “second stove” and dismantle the structures created by the Patten proposals. The chamber was to be polarized by the issues at stake. China, having already vowed to set up a second centre of power in Hong Kong and to dismantle any structures built on the proposals, marshalled all the support it could to prevent their adoption only to be defeated by one vote in a key division in the summer of 1994. Meanwhile there was growing doubt in Britain and Hong Kong as to the wisdom of the Governor’s pressing home the constitutional reforms in the teeth of Chinese opposition. The doubt was pervasive in sections of the business community which considered that its share of the China trade was placed in jeopardy for a programme whose survival could not extend beyond 1997.

The Governor was subsequently marginalized by China but opinion polls showed he enjoyed a significant level of support in the community. He also enjoyed the support of the progressive groups in the Legco. The latter had since the late 1970s pressed for democratic reforms, only to see their arguments set aside on many occasions. It would have come as no surprise to them had there been no violent suppression of the Democracy Movement in China, to discover the British had found a rationale for conceding to Chinese wishes. In the circumstances of the early 1990s both the British and the Chinese governments had, however, assumed positions from which it was impossible, without discredit, to retreat.

In Britain, apart from the pragmatic self-interest of the business groups, there was on balance support for the policy line adopted by the Governor and the government from the politicians, the media, human rights groups and academe. The Church did not involve itself in the political debate and the local Anglican Bishop was among those formally drawn into consultations by China. There appeared, however, to be support, overt and covert, for the Cradock view among former diplomats, retired governors and other distinguished individuals, if not for the interpretation of the agreements then for the assessment that the last major exercise of British

30. Sir Percy Cradock’s views were given in evidence to the Foreign Affairs Committee of the House of Commons, 8 December 1993, for the report “Relations between the United Kingdom and China in the period up to and beyond 1997” (London, House of Commons 1994).

sovereignty undertaken in Hong Kong was in the final analysis counter-productive.³¹

Effects of the Policies and the British Legacy

In drawing up a final balance sheet for the legacy of the British colonial administration of Hong Kong, did this last episode actually push the accounts, so carefully assembled since 1945, into a permanent deficit? The first item, acknowledged by all constituencies, is that the economy did not suffer from the enhanced political activity of the 1990s. From 1952 until the mid-1980s, by which time social forces had necessitated that Britain initiate constitutional advance, the policy of deliberately excluding partisan politics had enabled Hong Kong to concentrate on economic development. When Britain relaxed the policy, under pressure from representatives of a new generation of middle-class activists and in a political environment that made it difficult with honour and dignity to respond to China's wishes, the economic fundamentals remained unaffected. The second item is that despite Chinese resistance, the three policies initiated by Sir David Wilson to stabilize Hong Kong and restore confidence have all worked to the benefit of the HKSAR. The PADS is the most conspicuous success but the statutory provision for the international conventions on human rights and the provision for British nationality also achieved notable results both before and after the reaffirmation of China's modernization policies by Deng Xiaoping in 1992. To these items must be added the expansion of tertiary education and the belated granting of full British passports to qualifying war widows and ethnic minorities.³²

Although the implementation of the constitutional package did not impede the economic progress of Hong Kong, and there was no specific evidence of its having impaired the prospects of British business in China, it became a very divisive issue. While this was not evident in British foreign policy where a bipartisan approach was maintained throughout the 1992–97 Conservative government, it was not so in the business constituencies in Hong Kong and London. Accordingly, while individual Labour politicians criticized the Patten line, the shadow cabinet mounted no concerted or protracted challenge to it. Nor were any of the important belated government initiatives or concessions affecting Hong Kong people frustrated. The view from the Labour front bench appeared to be not to regret the reform but to regret that the government had delayed it for so long.

The business constituencies in Britain and Hong Kong had a rather different view of the issues and, therefore, of the legacy that was affected by them. In Britain, there was the view that businesses might not be doing

31. See for example the speech by Lord Cromer in the debate on Hong Kong in the House of Lords (Hansard, 18 May 1994), pp. 275–280.

32. Tertiary education was expanded by Wilson. The concessions on passports were achieved by Patten.

so well in China as, for example, their German or, surprisingly, even their French counterparts who had only recently been brought in from the cold having sold 60 state-of-the-art Mirage jet fighters to Taiwan. There was no evidence of overt discrimination against British business and the perception of losing markets was more likely to have been caused by the high profile business initiatives in China by competitors. This was eventually remedied by the initiative of the President of the Board of Trade, later Deputy Prime Minister, Michael Heseltine's emulating the example of foreign politicians and leading high profile trade missions to China. Their reception appeared to suggest that the Sino-British-Hong Kong relationship was, in the Chinese view, *sui generis* and, as far as its lack of cordiality was concerned, strictly *ad hominem*.

The business constituency in Hong Kong was, however, less easily mollified. There, British business on the whole took the view that the reforms, though worthy, were risky and, in the final analysis and given the time-frame, not worth the effort. Theirs appeared to be a pragmatic view that subordinated the aspiration of a legacy culminating in an honourable departure, to which the reforms would contribute even if they were doomed, to the reality of doing business in the HKSAR. British business interests had been estimated at £70 billion.³³ Many of the hongts took a pragmatic line because they were aware that the restoration of sovereignty to China was not confined to matters of government but had economic dimensions too.

The local business constituency had long since made its dispositions. It was hostile to the constitutional package. The hostility, which echoed the reservations expressed by expatriate and local elites when the 1945–52 reform packages were under consideration, was both ideological and reinforced by the conviction that it was simply counter-productive to press ahead with policies not endorsed by China. As the date of retrocession approached, the attitude of the local business elites also incorporated, to a greater extent than before, expressions of patriotic and nationalistic sentiment. When the time came to elect the Provisional Legislature, the Selection Committee, designed originally to select the Chief Executive but subsequently additionally charged with the responsibility to elect a Provisional Legislature to replace that elected in 1995, elected 33 members of the existing body. Predictably, there were none from the dominant Democratic Party but a significant number from the Liberal Party whose main support came from the business community.

Inevitably, these divisions, which were to characterize part of the British legacy, affected other constituencies in Hong Kong. The key institution, the civil service, was affected by the choice of sides implicit in the implementation of the constitutional reforms particularly as China mounted its counter-offensive. It is an over-simplification to suggest that this was confined to the thorny question of the extent to which the civil service would serve both the elected Legco and the selected Provisional

33. Speech of the Prime Minister, the Rt. Hon. John Major, 4 March 1996.

Legco in the approach to the retrocession. In effect, each stage of the counter-offensive reverberated within the administrative system. Old elites were eclipsed by the creation of new elites at each stage in the preparation for the transfer of power: the appointment of Hong Kong advisers, of the Provisional Working Committee of the Preparatory Committee, of the Preparatory Committee, of the Selection Committee for the first Chief Executive, of the Chief Executive, of the Provisional Legco and of the first post-1997 Exco.

Most of these stages had actually been envisaged after the passing of the Basic Law in 1990. Many had their origins in the treaty and would have been raised at sessions of the Joint Liaison Group, whose term extended to 2000, where solutions to the complex and detailed issues of the transfer were sought. In the atmosphere of confrontation created by the dispute over reforms, however, the civil service was located in the middle. The apprehension engendered by the Patten proposals was aptly depicted by a member of the elite administrative service as having to follow the Governor's armoured car into battle on foot.³⁴ The crucial question for the institution, which would also have a bearing on the British legacy for Hong Kong, was the extent to which there could be continuity at the top of the civil service. There were fears that not all the policy secretaries would survive. In the event, there was great relief when the HKSAR Chief Executive Tung Chee-hwa, who had earlier confirmed the re-appointment of the Chief Secretary Anson Chan Fang On-sang, re-appointed, evidently with the approval of China, the entire team of policy secretaries.

The re-appointment of the policy team, the Commissioner of Police and the Director of Immigration and the new appointments to replace the outgoing Attorney General and Commissioner of the ICAC provided a "through train" for the civil service,³⁵ arguably the most significant part of the British legacy for Hong Kong. In the circumstances, it may be observed that although the Governor had been defeated over constitutional reform, it was, so to speak, his armoured car that had drawn fire and been disabled and, quite properly, the soldiers following on foot (save for one or two casualties) who were spared. The British view of the legacy of the colonial administration was much encouraged by these appointments since although they did not compensate for the failure to sustain the democratic reforms, they did constitute a visible practical endorsement of the most important part of the British legacy, the administrative system, and arguably its most vital component, the senior ranks of the civil service. It would, in the view of the British government and its supporting constituencies, have been best to have provided a "through train" for the elected Legco *and* the civil service. Continuity in the civil service, without interference, should however contribute much to the stability, prosperity and progress of the HKSAR into the 21st century, and would be widely acknowledged to be the next best outcome to a unique example of decolonization.

34. Private communication.

35. *South China Morning Post*, Hong Kong, 21 February 1997.