Hong Kong's place in South East Asia

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Chapter 3 British Possession

British traders in East Asia, backed by London's military and political force, spent little thought on their necessary colleagues among age-old Eurasian trading diasporas. More central in British minds were the increasing frustrations they were experiencing in their trade with China. This was an era when the British felt they might rule the world, as they knew it. Taking Hong Kong and other ports up the coast would be a quick way to ease trade and increase profits. So, why not! This attitude revealed unchallenged assumptions about British supremacy, a perceived right to trade what and where they wished, and a belief in China's weakness. China's failure to offer full rights and freedoms to its own would lead some entrepreneurial Chinese to back the foreigners. China's centralising impulses also blinded it to the trading dynamism beyond its borders. This only strengthened the British belief in their ideology, Free Trade, a cause they thought worth killing for.

In this chapter I will trace the British approach to the settling of Hong Kong, in order to understand where Hong Kong sat on Britain's imperial map. Hong Kong was not the perfect result of all the warfare and negotiations for either London or Peking. It was the available answer at the time and would, due to circumstances often beyond metropole control, take on a life of its own. How did the British enable this process? Some answers will be found in a certain British casualness; what really mattered in their imperial mind was the Raj. That medium-distance umbrella of protection, made real in Hong Kong with Indian troops, kept the Chinese government at bay while migrants populated the port and built vital networks. Meanwhile Peking (then, as now) assumed it would influence and control whatever it liked in what it continued to see as its own zone, regardless of legal or other British imperial devices.

Chinese trade before Hong Kong

Just before the birth of Hong Kong as a port city in 1841, the key site of interaction between China and the rest of Asia was Canton, one of the world's most important trading posts since it was declared the only legal Chinese port for Western trade in 1757. By the end of that century, Canton was the second-largest city in China (after Peking) with a population of about 750,000 and experience in international trade going back more than a millennium.

This pre-Hong Kong foreign traders' port is often described as a site of conflict between Westerners and an intractable East, where the squabbles surrounding the trading presence were but a precursor to war. Julia Lovell paints a picture of near total incomprehension between northern Chinese bureaucrats and the often foreign traders of the south. Commissioner Lin Zexu thought: 'On the outside [Europeans] seem intractable, but inside they are cowardly.. Their legs and feet, moreover, are closely bound by their tight trousers, which makes bending and stretching inconvenient. When they reach shore, they are thus powerless, and their strength can be easily controlled.'[149] He also thought foreigners were addicted to rhubarb (they seemed to eat a lot of it) and stole children because Europe was under populated. Lin could have checked all this with the Cantonese who knew foreigners much better but, indicative of schisms within China, bureaucrats from the north did not trust southerners for advice.

The British were little better, imagining 'China' as a vast unity of thought and deed. But, says Lovell, China was 'a cross-bred state, held together by coercive cosmopolitanism'.[150] Its core territory for centuries was north of the Yangtze river, but conquest had greatly expanded the state to south and west; trade with the outside world was sometimes allowed and sometimes not, confined to tiny, controlled hubs of multi-culturalism. Within the frontier city of Canton, encounters across cultures could be nuanced, with interactions based on mutual respect, says John Carroll:

'Canton connected a wide range of Britons, both Company men and private traders, with those from home and from other parts of the British Empire, especially India but also nearby Singapore, Penang, and Malacca, and even distant Australia, all recent additions to the empire.'[151]

The Canton System involved a committee of 13 Cantonese merchants, the Co-hong, responsible for overseeing the foreign traders who, during the trading season (roughly May to November), had to live in the *hong* (trading firms)

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[149] Lovell, *The Opium War*, p75.
[150] Lovell, *The Opium War*, p91.
[151] Carroll, *Canton Days*, p5, p6.

offices/warehouses (known as factories) 200 metres outside Canton proper. The foreigners were under close supervision, barred from hiring their own servants or messengers, or keeping any wives or family with them. They traded tea, silk, ceramics, herbs, opium, cotton, indigo, ebony, ivory, sandalwood and seal pelts. Britain's East India Company held a monopoly on trade until 1834 which presumed to ban other British traders, but not other foreigners - so Americans, Danes, Dutch, Swedish worked there too.

British traders outside the East India Company increasingly defied the monopoly and soon traded under licence through Canton. Known as the country traders, these men were allotted space on Company ships. Key among them are names that have become household familiars in Hong Kong today. The biggest was William Jardine, (1784-1843), the Scots surgeon who turned to trade in 1817 and by 1824 had taken control of the ailing Charles Magniac & Company. Another Scotsman turned up in Canton in 1820, 24-year old James Matheson; he formed Matheson & Company and in 1827 founded the China Coast's first major English-language newspaper, the *Canton Register,* a fervent advocate of free trade. Matheson and Jardine founded Jardine, Matheson and Company in 1832, known to this day as Jardine's. This firm's central role in what would become the colonisation of Hong Kong cannot be under-estimated. William Jardine was a powerful personality (known in Canton as Iron-head); Cantonese vernacular for a canny trader was to be 'Scots'. He was pivotal in finding a way to stir the British government to back his ambition for freer (or more open to foreigners) trade. Of older roots was the rival British firm, Dent and Co., founded by William Dent. By the 1820s, this dynamic firm was run by his three sons, John, Lancelot and Wilkinson. Other pioneers included the American firm Russell and Co., founded by Samuel Russell of Boston in 1919, and Augustine Heard Co.

Integral to the trading community of Canton, and founding members of early Hong Kong, were Indian, Parsi and Armenian family firms. There were 145 foreign traders resident in Canton in 1831: 66 English, 52 Parsis, 15 Americans, three Dutch, three Swedish, one French, one Swiss and four Spanish.[152] Some of these had already used the deep, protected harbour of Hong Kong when laying up sensitive cargoes out of

[152] Best on the Canton period is Garrett, *Heaven is High, the Emperor is Far Away;* Dyke, *Merchants of Canton and Macao*; Dyke, *The Canton Trade*; and, Hunter, *The Fan Kwae at Canton*.

officials' or pirates' sight. Such firms, almost all of them trading mainly in opium, formed the first circle of connection to underpin the birth of Hong Kong.

Most histories of Hong Kong, be they from a British frame of reference or Chinese, tell of how enterprising or evil opium-traders were oppressed and/or rightly controlled by Chinese rules. The drug was either desired commodity or tool of enslavement, and the foreign traders' insistence on their right to penetrate Chinese markets either laudable or offensively wrong. These traders then persuaded Britain to go to war to assert their perceived right to 'free trade' in and with China, whether China wanted it or not. The result was China's defeat in the first Opium War (1839-1842) resulting in the Treaty of Nanking which opened five Treaty Ports up the coast of China — Amoy (now Xiamen), Foochow (Fuzhou), Ningpo and Shanghai — and ceded the island of Hong Kong to Britain in perpetuity.[153]

An insular possession

Beyond the general outline, however, nuance matters when asking how it was that British ideas of their imperial selves produced a kind of rule over Hong Kong that nurtured a thriving metropolis. The basic idea, here seen in word and deed, was that when British traders wanted something, they should have it: stake that claim, raise the flag and let enterprise flourish.

British traders based in Canton were sick and tired of the pressures and restrictions involved selling opium into China through Canton. They had willing Chinese buyers in the local merchant community but had to resort to ever more complex manoeuvres to smuggle the drug in. There was no doubt in the traders' minds that they at least needed warehouses somewhere nearby. The British foreign secretary Lord Palmerston, however, had a lot more on his plate (alongside marrying his mistress, Emily Lamb, in 1839). His focus was on the aftermath of the 1830 Belgian revolution, pacification of the (Portuguese) Peninsula, keeping Russia out of the Bosphorus and the Ottomans safe from the Egyptians.

[153] A second Anglo-Chinese war (1856-60) saw French fighting alongside British; the 1858 Treaty of Tientsin legalised opium, opened ten more treaty ports in China and freed Western traders and missionaries to travel in China, confirmed (after the sacking of Peking's Summer Palace) in the 1860 Convention of Peking. Hong Kong was also extended onto the Kowloon Peninsula in 1860.

The impetus behind Hong Kong came from the traders, not government. The president of the Select Committee of the East India Company (Elphinstone) said in 1815 that there should be 'a convenient station on the eastern coast of China'. Sir George Staunton, famous translator and EIC servant, said in 1833 that a last resort could be to establish trade in some 'insular position'. Sir JB Urmston (who had been head of the British factory Canton 1819-20) backed the idea of an 'insular position' but suggested it should be Chusan. A letter to a Canton newspaper signed by 'a British merchant' in 1833 preferred a treaty port with a British embassy (not a full colony). In 1830, James Matheson produced a pamphlet, *The Present Condition and Prospects of British Trade with China*, advocating preparedness for war, but not war; by 1836, he wanted a firm policy supported by a strong fleet. Also in 1836, another trader, Hugh Hamilton Lindsay, was more belligerent in his own pamphlet; he suggested floating warehouses but was firmly against taking a colony. An anonymous missionary pamphlet was against all such talk.[154]

The apparent 'necessity' of a place protected for British trade 'became painfully evident'. In 1834 Lord Napier had mooted the taking of Hong Kong 'which is admirably adapted for every purpose', whether as treaty port or colony was unclear. In 1836 Sir George Robinson repeated the plea for 'the occupation of one of the islands in this neighbourhood, so singularly adapted by nature in every respect for commercial purpose.'[155]

The Jardine's-backed paper, *Canton Register*, took a typically confident stand on 25 April 1836:

'If the lion's paw is to be put down on any part of the south side of China, let it be Hongkong; let the lion declare it to be under his guarantee a free port, and in ten years it will be the most considerable mart east of the Cape. The Portuguese made a mistake: they adopted shallow water and exclusive rules. Hongkong, deep water, and a free port for ever!'

[154] Eitel, *Europe in China,* pp53 ff.
[155] Warres-Smith, *European Settlements,* p178.

Peking paid little attention it seems. As Lovell notes, China had far larger internal problems than a bunch of restive foreigners down south. In the late 1700s, half a dozen major revolts showed how badly the empire was malfunctioning. By the 1830s, internal despair required the identification of an outside scapegoat and so the spotlight fell on the opium trade and its foreign traders. A legalization lobby had, by 1836, almost won, but then the Spring Purification Circle of puritan idealists stepped in. This resulted in the appointment of Commissioner Lin Zexu to Canton on 10 March 1839. Bargaining and bluffs on both sides culminated in Lin putting 500 men to work for 23 days in June 1839 to destroy 1.15m kilograms of foreign opium. The first shots in the first 'Opium War' were fired on 4 September 1839, with British ships at the gates of Canton by July 1840.

Lovell reminds us that the British empire was neither on a civilizing mission, nor expanded in a 'fit of absence of mind', nor, as Marx and Lenin said, in a well-plotted land- and resources-grab driven by industrial expansion and greed. Instead, says Lovell, beyond the theories lies 'the inevitably extemporized nature of the empire: British policy abroad was usually designed under exceptional pressure, in alien environments, by operatives without local linguistic competence and isolated (in the pre-telegraphic age) for months at a time from counsel back home.'[156]

The effective expulsion of the British from Macao in August 1839 after the opium-burning trauma saw the first British 'occupation' of Hong Kong, albeit on ships in the harbour. The search for food for this seaborne community led to the little-known battle of Kowloon Bay (4 September 1839) with Captain Charles Elliot in the cutter *Louise*, accompanied by a small armed vessel, the *Pearl*, and one other light ship, lined up against three large men-of-war junks. Six hours of negotiation allowed his men to land to buy food but as they were taking it away, when some mandarin runners appeared to prevent them, Elliot opened fire. The entire occupation of the harbour lasted only until 3 November when the British returned en masse to Macao. By 1840, Hong Kong was the headquarters of British forces in the area.

A first attempt to end the much larger military engagements comprising the Opium War was the Treaty of Chuenpi which on 20 January 1841 ceded Hong Kong island

[156] Lovell, *The Opium War*, p61.

and the harbour to Britain forever. A near-contemporary recorder of events, Eitel insists that the offer of Hong Kong (instead of Quanzhou or Chusan) came from the Chinese.[157] It seemed to be the answer, offering security and a natural deep-water anchorage. A line of warehouses along the shore would enable the foreign traders to do business as they wished, free of all those Canton restrictions. Profits would only increase. Tellingly, in a sidelight on how important the Jardine's men were to this process, chronicler Maurice Collis noted that 'Matheson, who was generally inclined in his letters to call Elliot too mild and hesitating, had no criticisms on this occasion…'[158]

The Chinese negotiator Kishen also thought all had been arranged satisfactorily. He had saved Chusan from foreign predators and thus Peking from threat, tossing the foreigners that insignificant thing called Hong Kong. But the glow of glory faded fast. Both Peking and London were greatly displeased. Kishen was dragged off in chains for giving away even a forgotten, un-used island, and Elliot received a blistering letter from Foreign Secretary Lord Palmerston, dated 21 April 1841:

'You have disobeyed and neglected your Instructions; you have deliberately abstained from employing the Force placed at your disposal; and you have without sufficient necessity accepted the Terms which fall far short of those you were instructed to obtain. You were instructed to demand full compensation for the opium which you took upon you two Years ago to deliver up. To ask Parliament to pay the money was out of the question. You have accepted a sum much smaller than the amount due to the opium holders. You were told to demand payment of the expenses of the expedition, and payment of Hong debts. You do not appear to have done one or the other. You were told to retain Chusan (Ting-hai) until the whole of the pecuniary Compensation should be paid, but you have agreed to evacuate the island immediately.

'You have obtained the cession of Hong-kong, a barren Island with hardly a House upon it. Now it seems obvious that Hong-kong will not be a Mart of Trade, any more than Macao is so. However, it is possible I may be mistaken in this matter. But you still will have failed in obtaining that which was a Capital point in our view: an

[157] Eitel, *Europe in China,* pp121-22.
[158] Collis, *Foreign Mud*, pp293-294.

additional opening for our Trade to the Northward. You will no doubt, by the time you have read thus far, have anticipated that I could not conclude this letter without saying that under these circumstances it is impossible that you should continue to hold your appointment in China.'

Young Queen Victoria had already written (on 10 April) to her uncle King of the Belgians: 'The Chinese business vexes us very much, and Palmerston is deeply mortified by it. ALL we wanted might have been got, if it had not been for the unaccountably strange conduct of Charles Elliot.. who completely disobeyed his instructions and TRIED to get the LOWEST terms he could..' The British cabinet repudiated the deal; Sir Henry Pottinger replaced Elliot and kept fighting for a year until China capitulated with the Treaty of Nanking in August 1842.

Bricolage in action

It's true there was very little to build on, thanks to a near-total absence of any Chinese administration or society. 'Hong Kong was one of many "barren rocks" on the edge of San On (later called Po On) District, one of the least important in the Kwang Chau Prefecture... The limited exercise of government authority and its geographical location made it a base for pirates… Since it was easy to slip away by boat if government officials came to check on inhabitants, the islands on the edge of San On District were popular haunts for outlaws and the criminal element.'[159]

The place was not, however, entirely void of human settlement. Hong Kong Island was home to 'several villages of some size, as well as hamlets, and a few larger coastal villages which served as market towns for the villages and as home ports for a permanent boat population and visiting craft.'[160] Larger villages included Wong Nei Chong and Little Hong Kong; others were Tai Tam, Tin Wan, Wan Chai, So Kon Po, Shek O and Pokfulam. Actual villages-cum-towns were Chek Chu (Stanley), Shaukeiwan and Shek Pai Wan (Aberdeen). An observant Lt Thomas Bernard Collinson of the Royal Engineers noted 10 villages besides the town of Chek Chu and at least 400 acres of well cultivated ground; admittedly some villages comprised

[159] Smith, *Chinese Christians, Elites, Middlemen*, p107.
[160] Hayes, 'Hong Kong Before 1841,' p106.

just seven or eight houses. The hub of Aberdeen had shops for hats, mats, sails, ropes, baskets, rice, fruit, vegetables, tobacco and more.

Amid great natural beauty, people spoke Cantonese in the bigger settlements and Hakka in the smaller ones. Most residents were farmers and fisherman, with clans dividing up the hillsides for grass-cutting, a key fuel for cooking. The botanist Robert Fortune found the locals to be 'harmless and civil'. A military surgeon Keith Stewart McKenzie said they were 'industrious and obliging… very peaceably disposed'.[161]

Not everyone lived on land. The Tanka people were born, lived, wedded and died on larger fishing craft often anchored at Cheung Chau and Tai O. They were not allowed to live on shore, did not attend the village schools and were excluded from the official examinations and hardly ever intermarried with the landsmen. 'Generally, they lived a life apart, under separate official regulation, and were despised and often oppressed by the land population as the popular and long received legend has it.'[162] The existence of temples (two at Stanley, two at Aberdeen and one at Tin Hau) suggest other forms of pre-1841 life. Parts of them have been dated to the late eighteenth or early nineteenth centuries.

And yet, it was indeed mostly barren. Very little, if any, attention is paid by the *Chronicle of Peace County* to the Island of Hong Kong, an otherwise exhaustive and semi-official record of Chinese life. Even there, the most ambitious reports aiming to claim a prior civilization, or at least settlement, can only offer, at most, about 4,000 farmers and fishermen at Stanley and Aberdeen.[163] The officer in charge of Census and Registration, Samuel Fearon, in his report of 24 June 1845, recorded that before cession of Hong Kong, its population was about 4,000, including about 1,500 growing rice, and 2,000 fisherfolk, and a remainder who 'gained a subsistence by furnishing supplies to the fishing vessels resorting to the harbours'. There was abundant, excellent granite which 'occasionally brought a few hundred quarrymen to the island, but its general unproductiveness and barren aspect offered but few attractions to the inhabitants of the neighbouring mainland.' Fearon noted that 'The

[161] Hayes, 'Hong Kong Before 1841,' pp114-5.
[162] Hayes, 'Hong Kong Before 1841,' p126.
[163] The most contemporaneous Chinese source on Hong Kong at its birth is Ng, *New Peace County*.

arrival of the British fleet in the harbour speedily attracted a considerable boat population, and the profits accruing from the supply of provisions and necessaries at once raised many from poverty and infamy to considerable wealth. The shelter and protection afforded by the presence of the fleet soon made our shores the resort of outlaws, opium smugglers and indeed of all persons, who having rendered themselves obnoxious to the Chinese laws, has the means of escaping hither.'[164]

Missionaries were disappointed in the slim pickings available in the possible number of convertible souls. But Jardine and Matheson had personally circumnavigated the island, seen that the harbour was good, and decided to settle the northern shore. They envisaged a floating opium warehouse away from over-zealous Chinese commissioners. A mere handful of observers wondered if it might become a real town. The whole venture was highly speculative. With neither the British nor the Chinese states enthused by the prospects, Hong Kong would have to be as self-made as many of its traders' personal fortunes — with the added benefit of armed protection provided by British troops. Surviving records suggest there had been very little thought about what sort of settlement might emerge. All that mattered was a place to store 'the drug'. In the treaty, nothing was written down about opium. Even though British officials claimed they intended to stop the trade, Matheson was unmoved. "I believe it is like the Chinese edicts, meaning nothing, and only intended for the Saints in England. [Governor] Sir Henry [Pottinger] never means to act upon it, and no doubt privately considers it a good joke. At any rate, he allows the drug to be landed and stored at Hongkong."[165]

Hong Kong was declared a Free Port on 7 June 1841, and the first Land Sale was held on 14 June. By year's end, it boasted about 15,000 residents. A Royal Charter was promulgated on 5 April 1843, yet not until 23 June 1843 did a ratified Treaty of Nanking settle its status. More than a year earlier, meanwhile, British military forces raised the British flag (at the top of what is still called Possession Street) on 26 January 1841.

In a fascinating questioning of the later glory-filled British memories of this and other ceremonial occasions, it seems that this first flag was raised by one Mohammed

[164] Smith, 'The Chinese Settlement of British Hong Kong', pp26-32.
[165] Matheson letter 21/4/1843, quoted in Collis, *Foreign Mud*, p302.

Arab. When he died in 1878, the *China Mail* (of 28 March 1878) repeated his claim to have been the person who actually raised the flag: 'The man, known by the name of Mohammed Arab, died here yesterday. We understand that his residence in the Colony dates with the cession of the Island to Her Majesty, and it was he who planted the British standard on the Island, being with the Expeditionary Force. He was a very charitably disposed person, and always stretched a helping hand to the needy and poor irrespective of nationality. He was well-known to many in the foreign community, and held in no little estimation for his uprightness and charities. His funeral, which took place yesterday, was largely attended by persons of various nationalities.' The claim is unproveable as records of the two possible regiments he might have belonged to are insufficient, namely the Bengal Volunteers or the Madras 37th Native Infantry. The other candidate for flag-raising honour is the British midshipman (later Admiral Sir William) Dowell, who would have been just 15 and could have been a midshipman at the time, at the start of a brilliant naval and colonial career.

Two layers of meaning are hidden here. One is that by the 1870s Hong Kong had become such a successful part of empire that raising its flag was deemed an honour worth claiming. Secondly, 'If it had been Mohammed Arab, it would have been a foretaste of the multiracial legacies that colonialism would leave to the island…'[166]

London's initial disinterest can be seen in its treatment of the man who made it happen, Captain Charles Elliot. He remained unrewarded and unremarked throughout British Hong Kong's existence.[167] Instead, it was people on the ground who took the first steps to mark out land lots, build offices and homes, and create a viable society. Some chroniclers, such as Dafydd M.E. Evans have described this period as a chapter of accidents.[168] While London was busy telling its appointed Governors (Pottinger, and his deputy Johnston) not to allow civilian settlement to progress at Hong Kong, they each found themselves organizing land sales later in

[166] Lowe, 'Hoisting the Flag Revisited', p14.
[167] This neglect applied to later governance too. Efforts to coordinate policy with Southeast Asia excluded Hong Kong – except under Governor Sir Cecil Clementi, 1925-30, who was convinced better coordination of policies and contact would bring great benefits to regional governance. Papers of Sir Cecil Clementi (1875-1947). Rhodes House Library, Oxford University, Boxes 1-54.
[168] Topley, *Interaction of Traditions and Life,* chapter by Dafydd M.E. Evans, pp11-41.

1841 as people were taking up lots regardless. By the time the treaty ratifying Hong Kong's existence was done, the island's population had quadrupled.

This relative emptiness of Hong Kong gave the arrival of pre-existing networks of traders and others, from Southeast and South Asia as well as Canton, even greater significance. Without these arrivals, Hong Kong would not have happened. British official ambivalence further enabled Hong Kong to go its own way, offering opportunities to all manner of Others, while Britain's imperial gaze seemed focused more on India.

Random outpost or coherent community?

Hong Kong had not been intended as a settlement colony, merely an imperial outpost for trade and economic exchange with China. It was not an appendage of the British economy, nor of Victorian society; it was a place which went its own way with its treasured (and more than century-long notion) of what a 1970s financial secretary, John Cowperthwaite, called 'positive non-interventionism'. Steve Tsang notes that 'Since it was an imperial outpost rather than a settlement colony, Hong Kong developed a "colonial society" that reflected this reality. This was not the result of a deliberate policy but a product of the time and the prejudice that prevailed while British imperialism asserted itself on the basis of superior organisation, logistics and military might.'[169] This colonial establishment, 'the produce of self-confidence and racial arrogance that came with the power of empire', largely left the Chinese alone.[170] However, Christopher Munn disputes this in his deeply researched *Anglo-China*, detailing multiple layers of British-Chinese encounters, particularly through crime and punishment, to counter the more benign notion of laissez-faire rule. Munn noted: 'Most Europeans went to Hong Kong to accumulate enough money to establish themselves in a real settlement colony (such as New Zealand or California) or retire back to England.'[171]

Meanwhile, the British in Hong Kong developed an idea of a 'community' which, Munn noted, 'almost never included the Chinese. Nor did it extend to the large

[169] Tsang, *A Modern History*, p62.
[170] Tsang, *A Modern History*, p62.
[171] Munn, *Anglo-China,* pp57-58.

working-class European population that made up the garrison… Colonists did their best to recreate a form of bourgeois English life in their bungalows, gardens, clubs and churches. Plentiful servants, picnics, hunting trips, amateur theatre, evening entertainments, news, books and fashion from home, and the importation of large amounts of wine, beer and ice helped them to achieve this. But the luxury and comforts with which the colonists surrounded themselves could not disguise the fact that life in this most remote of British colonies was difficult, unpleasant and precarious.'[172] This 'community' was also 'as hierarchical as that in any English town'. Munn describes how at the top, the wealthy merchants led by Jardine Matheson, and Dent, only intervened in colonial politics when their interests were threatened, perhaps by proxy through the Jardine-sponsored newspaper, the *Hongkong Register*. The Governor and his senior officials theoretically held political precedence. But they could not compete with the merchants socially or politically. Smaller merchants, lawyers, physicians, journalists, clergymen and clerks formed a middle bourgeoisie, tightly linked through work, family and church ties and Freemasonry. Then came: 'The petty bourgeoisie of European shopkeepers, publicans, overseers and police inspectors occupied the lower regions, struggling, in many cases, to remain within "the community" and ever keen to differentiate themselves from the Chinese shopkeepers, publicans, overseers and functionaries, who were among their neighbours, colleagues and competitors. Minute social distinctions, gossip, scandal and ostracism served important regulatory functions, isolating and trapping Europeans within their own universe, and demarcating them clearly from other communities…'[173]

Recounting the huge influx of Chinese and others who literally followed the British flag to Hong Kong, contemporary visitors were impressed by the building of houses, markets and public roads — particularly the Queen's Road along the waterfront. All this activity seemed to prove the '*necessity* of such an emporium as Hong Kong...'[174] Benjamin Lincoln Ball paid a visit in 1848 and 'noticed fine large buildings on both sides, all of European construction - the finest English barracks, hospital, etc…' He also rather liked the Chinese quarter:

[172] Munn, *Anglo-China,* pp58-59.
[173] Munn, *Anglo-China,* p58.
[174] Hall, *Narrative of the voyages and services of the 'Nemesis',* pp84-85.

'Here are a number of small sailor taverns, every evening lively with the fiddle, drum, tambourine and dancing. Looking in at the door of the front room, if the screen is removed, can be discovered a party of sailors, of all nations - black and white - with a sprinkling of English and Ceylon soldiers from the garrison, enjoying themselves after their own fashion. Early in the evening they are in a state of high glee; later, their spirits begin to flag and they have to replenish them from a well-stored bar at the back part of the room; still later, some of them become so *low*-spirited that the interposition of their comrades is needed to induce them away, and occasionally the police have to render their assistance. In the long line of square windows, without glass, over the Chinese shops, sit a certain class of Chinese women, ogling and looking out on the passers-by.'

Ball then recorded the apparent seats of power – the business district featuring 'blocks of houses occupied mostly by English and foreigners, auctioneers, apothecaries, the club-house of the merchants, &c., and back short streets of Chinese mechanics. On the left are Messrs. Rawle, Drinker & Co., Messrs. Dent & Co., and others, the Bank, and some retail stores.' Not far away stood the military compounds with barracks for (often Asian) soldiers enlisted in the British imperial cause, next to officers' residences, a hospital and shipyard and above all, Jardine's.

Ball reckoned the population of about 20,000 (circa 1855) included only a small number of Europeans: 'Almost every nation is represented here, though there are only a few of each. I can enumerate with the English, American and Chinese, the Spanish, French, Portuguese, Persians, Bengalese, Javanese, and Manilla Indians, the German, Italian, Russian, Danish, Swiss, Dutch, Belgian, Pole, and the Arab, Turk, Armenian, Tartar, Siamese, African, and South American.'[175]

Indeed, alongside the Canton crowd, those pre-existing and enthusiastic networks across the seas and shores of South and Southeast Asia had already taken note and, quite simply, moved in. Treaty or no treaty, traders had been arriving in Hong Kong since early 1841. They came from Canton and Macao; they came also from the Malay archipelago, the Dutch Indies and what became the Philippines; they came from India, the Middle East, the Levant, Armenia and from a wider Eurasia.

[175] Ball, *Rambles in East Asia*, pp90-91.

These many peoples built a new base which rapidly acquired a life of its own, regardless of what officialdom in either London or Peking thought about it. The Anglo-Chinese wars had tipped a weak and divided Chinese state into a pre-existing map of regional trade. Chinese people had, of course, long been active both from Chinese shores and through long residence further south in Asian port cities. Now, even before the legalities of Hong Kong were concluded, the city was emerging, thanks to direct extensions of those Asian networks. The Chinese state did, and still does, hate this 'humiliation', as they call it. Many Chinese people nonetheless saw and grabbed the manifold opportunities the appearance of this new Asia-trade based port city offered.

Tough love

Perhaps because the British who were not traders lacked a convincing network to call their own, they had doubts. They questioned Hong Kong's viability, and frankly wondered if it was worth the bother. Samples of essays written by students of the (mission-based) Morrison Education Society in 1943 encapsulate the ambivalence.

'The island was covered with mat houses when the English first came… Now there are thousands of inhabitants English, Chinese, Hindoos and others. The greater part of the Hindoos are soldiers… There are a great number of police men in the town English and Chinese. The Chinese ones are very cruel, they go out seeking after money in a wrongful way all the day. The sailors on shore are also very bad, they are always drunken, and some of them strike the Chinese and trouble them. Hongkong is now becoming more flourishing and famous and a great point of union to the Chinese and English…'

'Before the treaty was signed, the Chinese were afraid to go to Hongkong... but now they can go without telling a lie… The laws of the island are very free, and it may be a good example to the Chinese government… The greater part of the Chinese on this island, are opium eaters, proud and insolent. But the governor, and officers, that trade with the Chinese are with kindness and gentlemanly…'

'About three years ago there was not one Chinese governor, who dared to hold a banquet with the English, as they were afraid of them. But now this year in the month of May there were two imperial commissioners came to this island and visited the British governor and took dinner with him..'[176]

Clearly the British record of engagement was mixed. Her Majesty's Deputy Superintendent of Trade, A.H Johnston, had decided in 1843 that Hong Kong was 'precipitous and uninviting'.[177] The government Treasurer Montgomery Martin was even less inspired, and in an 1844 report wrote 'the island will never be healthy'. Scathingly, he wrote: 'A sort of hallucination seems to have seized those who built houses here; they thought that Hong Kong would rapidly out-rival Singapore, and become the Tyre or Carthage of the eastern hemisphere. Three years' residence… have materially sobered their views.' He also deplored the moral depravity of it all. The colony was but a magnet for vice:

'There is, in fact a continual shifting of a Bedouin sort of population, whose migratory, predatory, gambling and dissolute habits, utterly unfit them for continuous industry, and render them not only useless but highly injurious subjects in the attempt to form a new colony. There are no other inhabitants. A few lascars seek employment in ships. The European inhabitants, independent of those in the employ of Government, consist of members of about 12 mercantile houses and their clerks…' Little did Martin realise that it was precisely these 'Bedouins' who would make Hong Kong a viable city.

As for the heavy mid-year rains, these give the hills 'a greenish hue, like a decayed Stilton cheese… the granite is rotten and passing, like dead animal and vegetable substances, into a putrescent state…' The fetid odours, deadly poisons and noxious steam 'produces a depressing effect on mind and body which undermines and destroys the strongest constitutions.' This was not a version of events calculated to inspire British devotion to its Hong Kong possession. It was certainly not the triumphalist vision of British empire-building offered by conventional nineteenth-century visions of empire as a cleansing, progressive force.[178]

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[176] *The Chinese Repository*, Volume XXI, Jan-Dec 1843, pp362 ff.
[177] Johnston, Note on the Island of Hong-Kong.
[178] See Dilke, *Greater Britain* and *Problems of Greater Britain*; Seeley, *The expansion of England;* Froude, J.A. *Oceana;* Carlyle, 'Occasional discourse'; Mill, John Stuart. 'The Negro question'; Lord

Most damning of all, from Montgomery Martin, came the claim that apart from random shipping here and there: 'There does not appear the slightest probability that, under any circumstances, Hong Kong will ever become a place of trade.'

Far better to focus on tea from China's northern ports; besides, northern Chinese were just so much more civilized. After a lengthy comparison with Raffles' Singapore, he concluded 'that the geographical, territorial, and commercial advantages which have contributed to the prosperity of Singapore, are totally and entirely wanting and can never be created at Hong Kong.' Martin's report found little favour with Hong Kong's governor of the time, J.F. Davis, who wrote of moves to improve the health of troops through better housing and said, in fact, land revenues were far exceeding Martin's estimates and progress was afoot in all directions. Above all, 'the finest harbour in the world (as many naval officers pronounce it), and a free port, must render it in time a great entrepot.'[179]

London remained unconvinced. *The Times* of London, 6 April 1846, concluded 'Hongkong has quite lost caste as a place for mercantile operations' while the *Economist* of 8 August 1846 announced: 'Hongkong is nothing now but a depot for a few opium smugglers, soldiers, officers and men-of-war's men.'

Acting Sheriff and Assistant Magistrate W.H. Mitchell warned it was foolish to claim Hong Kong as a new Carthage when the opening of other treaty ports meant they too could trade directly with China.[180] Instead, 'The passage boats ply unceasingly, carrying to and fro the shopkeeper, the artizen, the coolie, and the adventurer, together with those endless small wares which a Chinese population requires… This is by far the most productive branch of our local traffic, because it passes through so many hands from the highest to the lowest. The Merchant or the Agent sells two three or four chests [of opium] to the broker - the broker lets these out one by one to the retailer and refiner, who boils it down, and sells the Coolie a penny-worth of

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Milner. *The Nation and the Empire*. For discussion, see Nicolls, *The Lost Prime Minister;* Wormell, *Sir John Seeley;* Burroughs, 'J.R. Seeley'; Tigner, 'Lord Cromer'; Chamberlain, 'Lord Cromer's'.
[179] Lord Stanley in London on 17 December 1844 asked Davis to detail his objections to Martin's report. Gov Davis writes back on 25 April 1845, received by Lord Stanley 2 August 1845.
[180] Mitchell, CO129/34 pp310-364, December 1850, p327a.

prepared opium to smoke, or a pounds worth to remit home by the passage boat to leave in the evening…'[181]

He was prescient on the significance for Hong Kong of the American gold rush: 'Looking forward to some fifteen or twenty years hence, I think Hongkong will be the chief Port of supply for a considerable Chinese population about to spring up on the Western shores of the Pacific - a steady and considerable emigration from Chinese… has already set in..'[182]

Two decades later, there was more British unhappiness and doubt despite a multitude of changes - the accumulation of land on Kowloon across the harbour from the Island of Hong Kong, and the end of a second Opium War, to name but two. 'The profits of the China trade, formerly enjoyed by a few, were now divided among the many. The days of the merchant princes were now a dream of the past. Fortunes were still made but it took some decades or years to make them.'[183] The 1851 International Exhibition in London simply had no stall for Hong Kong. The only item from China at the show was 'a tiny pagoda, a jade cup and two silver race cups exhibited by Mr W Walkinshaw, and a North-China walking stick added by Mr FS Carpenter of St John's Wood'.[184] As the mercantile public criticised the labours of the missionaries, the latter saw Hongkong as 'a stumbling block to the progress of Christianity and civilization in China'.[185]

Asians, Eurasians and Chinese shared few of the doubts expressed by British officialdom. They simply piled in.

New arrivals were fleeing China's chaos. The messianic revolution attempted by Hong Xiuquan, a hakka who decided he was the brother of Jesus Christ, ravaged

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[181] Mitchell, CO129/34 pp310-364, December 1850, p329a-330a.
[182] Mitchell, CO129/34 pp310-364, December 1850, p343-344. Indeed, nearly 20,000 healthy Chinese had already been shipped from China to Western shores within 10 months! This sparked a new fear in Mitchell's mind: 'That these young and lusty fellows must intermingle with the dark beauties of the Country, Creole, Mulatto and Mestiza is plain enough; and equally plain that the cross will be more of a Chinaman than an American, and with instinctive Asiatic tastes and prejudices — Looking forward then beyond our own time, I think Hongkong will become the chief seat of the trade for the supply of that new population, and that on the whole its prospects arising from the West are not discouraging…' pp344.
[183] Eitel, *Europe in China*, p276.
[184] Eitel, *Europe in China*, p277.
[185] Eitel, *Europe in China*, p281.

China, leaving about 20 million people dead and the triumphant Qing empire greatly weakened. This Taiping Rebellion (1850-1864) was, says J.D. Legge, a key moment: 'It has always seemed to me that this was the turning point... As Canton was threatened, the families of means hastened to leave it, and many of them flocked to this Colony. Houses were in demand; rents rose; the streets that had been comparatively deserted assumed a crowded appearance; new commercial Chinese firms were founded; the native trade received an impetus…'[186] They brought their own clan networks which would become trading associations and charitable groups by the 1860s and 1870s. The second 'Opium' or 'Arrow' War was just as vital as finally the headquarters of the China trade was no longer in Canton but in Hong Kong.[187]

By 1866, trade was dipping again, thanks partly to obstruction of the junk trade by the Canton authorities but also to the collapse of the Overend & Gurney discount house in London. Traders in both London and Hong Kong wondered if there would ever be calm, secure days of profit ahead. But then the Suez canal opened in 1869, and a telegraph line opened to Europe in 1871. The late nineteenth and early twentieth centuries became a high time for global trade, travel and exchange.

As a result, the British idea of themselves in Hong Kong turned full circle within a generation. Ignoring the foundational role of the opium trade, and ignoring too the centrality of the Asian networks which made this and other trades happen, Hong Kong became a 'British' success in time for the late-nineteenth century era of imperial pride.

In just one year, 1878, successive British travellers were effusive about the place. Isabella Bird recorded that Hong Kong was 'moored to England by the electric cable, and replete with all the magnificent enterprises and luxuries of English civilisation.. It is hardly too much to say that it is the naval and commercial terminus of the Suez Canal.'[188] Constance Cumming was seduced by the sheer beauty of Hong Kong but also by the enterprise and hard work that had hewn a city out of granite slopes. So

[186] Legge, Lecture given in City Hall, p184.
[187] Prior to this, 'Most foreign ships trading with China called at Hong Kong or Macao to discharge their illicit cargo and then went straight to Shanghai, Tientsin and Ningpo to pursue their proper trade. Chinese goods were shipped directly from Shanghai and Canton, by-passing Hong Kong on the return journey…' Chiu, *The Port of Hong Kong,* pp27-28.
[188] Bird, *The Golden Chersonese,* pp38-39.

too was John Thomson.[189] Sir David Wedderburn enjoyed a comfortable stay at Government House, found the public gardens to be beautifully laid-out and said Hong Kong reminded him of several great trading cities, specially Gibraltar and Genoa: 'Everything is in good repair, the houses are lofty with massive foundations, the streets most of which are very steep are paved with granite.. altogether the solidity and cleanliness combined are very striking when contrasted with the oriental cities in general…' He attended a function at the Cathedral, ascended the Peak by sedan chair and went to the races at Happy Valley where he seemed more impressed by the cosmopolitan populace than by the horseflesh. He noted, however, that security demanded that Chinese could not go out at night without a pass and a lantern and, 'only two Chinamen's names are to be found on the entire jury list in the Colony where nineteen twentieths of the population are Chinese…'[190]

The subtext to the more positive mood was, thanks to brilliant British management, and the (always somewhat patronising) discovery that 'the Chinese' were such hard workers, Hong Kong was a winner. The traders knew this all along. J.J. Keswick was sure, when he was *taipan* (as top magnates were called locally) of Jardine's, that the Company and Hong Kong had a bright future together. On 14 January 1890, (a mere fortnight after the birth of his daughter at East Point), he told the Royal Colonial Institute: 'Being a free port and affording every convenience for quick despatch, [Hong Kong] has become the great centre for shipping, the terminus of many mail lines, and the junction from which new departures are taken… For foreign trade it has become the port of Canton, and for the great and growing coast and native trade with North and South, and with Tonquin, Saigon, Siam, and the Straits Settlements and India, it is the emporium.'

Just into the twentieth century, the mood remained benign. In 1908, A. Gorton Angier, Editor of the *London and China Telegraph* & *London and China Express*, praised Hong Kong's progress since it was castigated as a barren rock. 'The development is marvellous, and it will certainly continue despite an occasional check. A few landmarks remain, and go on from strength to strength, but the general face of things has been greatly transformed. It is withal a handsome place. The banks, the new blocks of offices on the reclaimed Praya ground, the new Law Courts and Post

[189] Thomson, *The Chinese*.
[190] Sir David Wedderburn's *Travel Journals through south and east Asia*.

Office and the dwelling houses may with justice be described as palatial.'[191] He admired the proliferation of new industries - breweries, flour mill, iron mine, cigarette factory, sugar refineries, cement and rope manufactories, small steamer boat-building, kerosene oil godowns, Shell and Royal Dutch facilities, the docks, hydraulic power, electric power and much more. But he forgot to note few had been started by London men.

'The two great factors of Hong Kong's success remain as they always have been. They are the flag that betokens the sovereignty, and the freedom of commerce it implies, plus its geographical position at the door of a great continent where a vast trade may be done, and grow vaster with its gradual opening. The possession of Hong Kong is a great privilege, but it is likewise a great responsibility…'[192]

By the time of World War One, Hong Kong — which had enthusiastically celebrated Queen Victoria's Jubilees and then mourned her death — was now imperially important: 'That Hongkong is handsomely doing its duty in connection with the Great War is strikingly shown by the fact that the Government of the colony offered to the nation a sum of $5,000,000 (about £925,000) towards the prosecution of hostilities, and this generous contribution was gratefully accepted by His Majesty's Government. It was to be paid partly from current revenue and partly from the proceeds of a loan of $3,000,000 (£550,000) [funded by local merchants] raised in the colony. Other large sums have also been contributed by the people of Hongkong to aid in various ways in the great conflict. At the time of writing a Bill is before the Hongkong Legislature for compulsory military service.'[193]

A British Masterplan?

Back in 1868, amid popular lamentation that Hong Kong's high times were already over, the *China Mail* (of 11 January 1868) had claimed: 'the olden days of rapid fortunes being made are well-nigh past'. But in the 1880s, the Hon. George Nathaniel Curzon wrote after a visit to Hong Kong that while 'it is evident that business competition is much keener now than it ever was before. Large fortunes are made

[191] Angier, *The Far East Revisited*, p112.
[192] Angier, *The Far East Revisited*, p 124.
[193] Feldwick, *Present Day Impressions,* p515. Much fuss was made of royal visits, e.g. Prince Albert Victor and Prince George, in 1881, Hacker, *The Hong Kong Visitors Book,* p116.

with difficulty; the merchant princes and magnificent hongs of an earlier day have disappeared…', nonetheless, great wealth persisted. It was to be found in the hands of 'Messrs Jardine, Matheson and Co. [who] remain almost alone among the great houses whose establishments almost a generation ago were the talk of the East…The traveller finds the British merchants banded together in a powerful confederacy…'[194]

Curzon appears to be describing a version of what became known as Gentlemanly Capitalism.[195] Certainly, when London bankers, insurers, or shippers appeared in Hong Kong, they quickly took on the manners, dress and sense of superiority of 'gentleman' even if their father had been a coal-miner. They quickly joined The Hong Kong Club to assert their elite status and kept whatever connections they had with other (different-hued or lower class) communities quiet.[196]

Certainly without the finance and services of the City of London, much could not have happened overseas: when the discounting house, Overend & Gurney collapsed in London in 1867, several of Hong Kong's then leading companies disintegrated overnight. Certainly those *taipans* also liked to think they had influence 'back home'. But it was temporal, patchy and inconsistent. When William Jardine retired from the China Coast to London in 1841, he became a member of parliament but died without heirs just two years later. Subsequent leadership was found via his nephews, the Keswick branch of the family. When Jardine's men returned or retired to England or Scotland, they could be assured of a welcome in the City, but not necessarily in the halls of political power. Even today, Jardine's top managers have despaired when the government of the day refuses to listen to their hard-won insights on dealing with the Chinese.

Perhaps more importantly, whatever was decided at desks in London took months before reaching Hong Kong, at least until the telegraph was invented. Just as with the attitude of southern Chinese to northern Chinese imperial control, so too for many British in Hong Kong: the mountains were indeed high and the (British) emperor was also very far away. It was another way of saying that the so-called

[194] Curzon, *Problems of the Far East,* pp423 and 178.
[195] See Chapter One.
[196] See England, Vaudine. *Kindred Spirits*.

periphery sustained itself with its own internal competitions and collaborations. In Hong Kong, neither London nor Peking held as much sway as they imagined.

People on the Periphery

This chapter has found London's ambivalence about, and often disinterest in, the building of a lasting settlement in Hong Kong. This attitude highlights the extent to which, under the lofty imperial umbrella, Hong Kong's roots lay more in the Asian trades and trading networks to its south than in the metropole. Whatever London, or Peking, called it, this was an Asian port city in progress. Nominal power lay in London, but Hong Kong was a periphery far away. Agency lay with the people on the ground, not on the other side of the world or far north in Peking. Webster's commentary on the significance of pre-existing networks and patterns of trade in Southeast Asia opens the way to connect Hong Kong into the regional pattern.

'These networks displayed various characteristics, such as the prevalence of trade in Asian products like opium; the enduring importance of trade links within the Asian world, notably between Southeast Asia, India and China; and the prominence of Asian mercantile organisations such as those of the Chinese. These longstanding Asian niches of commerce remained the mainstay of the British imperial economy in south east Asia well into the second half of the nineteenth century.'[197] As he points out, industrial exports played a secondary role and the idea that older commercial networks in the region depended on the East India Co's monopoly on trade between Britain and the East is quite wrong, as was the assumption that when East India Co went down so too would these older commercial networks. Specifically: 'The contention here is that these Asian markets and networks remained central to the British imperial economy in the region well into the second half of the century.'[198] These Asian networks would always be more important than London alone.

Any reading of other British imperial experiences only serves to show how separate was the Hong Kong example. Part of that is simple geography, social and physical — here was no huge native population to suppress and only one city to build. But there was perhaps always a lack of commitment on Britain's part in Hong Kong to what

[197] Webster, *Gentlemen Capitalists*, p21.
[198] Webster, *Gentlemen Capitalists*, p21.

might be called the imperial project elsewhere.[199] London was always aware of Peking, and what was happening in China, and appeared to trim its sails accordingly. It had set out to have a port and warehousing station for the China trade and perhaps never wanted much else.

The British striding back and forth between club, counting house and cathedral believed themselves to be in charge of a system which aligned everyone around them on a scale of acceptability and usefulness. Women, of no importance, and Chinese were generally on the lower end of the scale. Next came other labouring classes - the Malay or Filipino seamen and builders, and their 'Lascar' brothers, meaning Indian and often Muslim seafarers. Parsi traders were a class apart. Other mostly white people, of European or preferably American stock, or from other British settler colonies such as New Zealand and Australia, might be good enough to gain entry to the Club, but would never crack the true inner circles. Of course there were exceptions to each group and, often, categories of class and wealth over-rode those of skin-colour. Yet all this was just one world among many engaged in the building of Hong Kong.

Hong Kong was born thanks to its allegedly peripheral people. These included the Portuguese and mixed networks of non-British empires in Asia, as well as Muslims and Hindus of India and Southeast Asia, traders of Armenian and Jewish origin from the Middle East and further away on the Eurasian continent – and the Parsis.

[199] See Darwin, *The Empire Project*, and, *Unfinished Empire*.