

Chapter 22

History

Hong Kong's eventful history is one of almost constant change and development, creating one of the world's leading trading and financial centres and bringing material and social improvements for the community.

Archaeological Background

Archaeological studies in Hong Kong began in the 1920s and have uncovered evidence of ancient human activities at many sites along the winding shoreline, testifying to events spanning more than 6,000 years. Archaeologically, Hong Kong is probably a tiny part of the far greater cultural sphere of South China, itself as yet imperfectly known.

Despite suggestions that local prehistoric cultures developed out of incursions from North China or Southeast Asia, scholars believe the prehistoric cultures in the South China region evolved locally, independent of any major outside influences. There is little dispute, on the other hand, that the earliest cultures emerged from 4,000 BC and must be seen within the framework of a changing environment in which sea levels rose from depths of 100 metres below the present – inexorably submerging vast tracts of coastal plain and forming basically the modern shoreline and ecology to which human groups had to adapt, or perish.

Archaeological excavations have revealed two main Neolithic cultures lying in stratified sequence. The final phase of Hong Kong's prehistory was marked by the emergence of bronze around the middle of the second millennium BC. Bronze artefacts seem not to have been in common use, but fine specimens of weapons such as spearheads, arrowheads and halberds, and tools such as knives, fishing hooks and axes have been excavated from Hong Kong sites. There is evidence, too, in the form of stone moulds for casting bronze artefacts from Kwo Lo Wan on the original Chek Lap Kok Island, Tung Wan and Sha Lo Wan on Lantau Island, So Kwun Wat in Tuen Mun, and Tai Wan and Sha Po Tsuen on Lamma Island, that bronze was actually made locally.

The Bronze Age pots have designs that often resemble the geometric patterns of the late Neolithic period, but with their own distinctive style, including the *Kui*, a dragon-like creature in ancient Chinese mythology, or 'double F' pattern so characteristic of the region during that period.

Early Chinese written records refer to maritime peoples living in China's southeastern seaboard as *Yue*. It is possible that at least some of Hong Kong's prehistoric inhabitants were from the 'Hundred *Yue*', a diverse group of peoples.

Rock carvings with geometric designs, and patterns resembling stylised animals most likely engraved by these early inhabitants, were found at Shek Pik on Lantau, on Kau Sai Chau, Po Toi, Cheung Chau and Tung Lung Chau, and at Big Wave Bay and Wong Chuk Hang on Hong Kong Island.

The military from the north conquered South China during the Qin (221-206 BC) and Han (206 BC-AD 220) dynasties, bringing to the region increasing numbers of Han settlers, who exerted various influences on the indigenous populations. Evidence of this is in the Han coins that were dug up, but the most outstanding monument to this turbulent period must undoubtedly be a fine brick-built tomb uncovered near Li Uk and Cheng Uk villages in Sham Shui Po in 1955, with its array of typical Han grave goods, dating back to the early to middle Eastern Han dynasty. Excavations at Pak Mong on Lantau, on Kau Sai Chau, at Tung Wan Tsai on Ma Wan Island and at So Kwun Wat in Tuen Mun all yielded considerable quantities of Han dynasty artefacts in well-stratified sequences. These included different pottery vessels, iron implements and many copper coins. Four ceramic pots were discovered at a drainage works site in Mong Kok.

Archaeological remains from later historic periods are still relatively rare. Findings from excavations have shed welcome light on one aspect of life in Hong Kong during the Tang dynasty (AD 618-907) – the use of lime. This is revealed in a study of dome-shaped lime kilns which are a common feature of local beaches. Lime was a valuable and useful commodity which played an important role in the economy of the time.

Strong traditions link Hong Kong with events that occurred during the Mongol incursions and with the concluding chapters of the Song dynasty in the 13th century AD. Several archaeological remains are from this period: the Sung Wong Toi inscription in Kowloon City; the Song inscription near the Tin Hau Temple at Joss House Bay; caches of Song coins from Shek Pik, Mai Po and Kellett Island; remnants of building structures at the former airport site in Kai Tak; and Song-type celadons found at different sites, including the Kai Tak site and Tai Hom Tsuen in Kowloon, Nim Shue Wan and Shek Pik on Lantau, and Ngau Hom Shek in Yuen Long.

Studies are shedding fresh light on events in Hong Kong during the Ming (AD 1368-1644) and Qing (AD 1644-1911) dynasties. These include an analysis of considerable quantities of Ming blue-and-white porcelain collected and excavated from Penny's Bay, Lantau. They are very fine quality export ware of the kind that found its way to Southeast Asia and further west, and date from the early 16th century AD. During another excavation in 2001, more Ming remains were unearthed, including building foundations suggesting the presence of a Ming settlement at Penny's Bay. Archaeological probes at an ancient kiln site at Wun Yiu in Tai Po suggested potters probably began to manufacture blue-and-white ware locally as early as in the Ming dynasty. The local porcelain industry continued well into the early 20th century, spanning more than 300 years. Excavations at So Kwun Wat in 2000 and 2008 identified more than 90 Ming-dynasty graves. The grave goods – which include porcelain ware, copper coins and iron implements – shed light on the life of local inhabitants in the Ming dynasty.

An excavation of the Qing-dynasty fort on Tung Lung Chau has revealed fascinating details of the internal arrangements of the fortification and everyday utensils of the remote garrison during the final days of imperial China. Archaeological investigations at the Kowloon Walled City site uncovered remnants of the old garrison wall and the two stone plaques above the original South Gate, which bore the Chinese characters 'South Gate' and 'Kowloon Garrison City', respectively. Remains of the Lung Tsun Stone Bridge, built in 1875 as a landing pier linking Kowloon Walled City and the coast, were discovered during an environmental impact assessment for the Kai Tak Development project.

A Place from Which to Trade

In its early days, Hong Kong with its dry and largely infertile mountainous terrain was regarded as an uninviting prospect for settlement. A population of about 3,650 was scattered over 20 villages and hamlets, and 2,000 fishermen lived on board their boats in the sheltered harbour – the city's one natural asset. Victoria Harbour was strategically located on the trade routes of the Far East, and was soon to become the hub of a burgeoning entrepôt trade with China.

Hong Kong's development into a commercial centre began with British settlement in 1841. At the end of the 18th century, the British dominated the foreign trade in Canton (Guangzhou) but found conditions unsatisfactory, mainly because of the conflicting viewpoints of two quite dissimilar civilisations. The Chinese saw themselves as the only civilised people, and foreigners trading in Canton were subject to residential and other restrictions. Confined to the factory area, they were allowed to remain only for the trading season, during which they had to leave their families in Macao. They were forbidden to enter the city or learn the Chinese language. Shipping dues were arbitrarily varied and much bickering resulted between the British and Chinese traders. Yet, there was mutual trust and the spoken word alone was sufficient for even the largest transactions.

Trade had been in China's favour and silver flowed in until the growth of the opium trade – from 1800 onwards – reversed this trend. The outflow of silver became more marked from 1834, after the East India Company lost its monopoly of the China trade, and the foreign free traders, hoping to get rich quickly, joined the lucrative opium trade which the Chinese had made illegal in 1799. This led to the appointment of Lin Tse-hsu (Lin Zexu) in March 1839 as special Commissioner in Canton with orders to stamp out the opium trade. A week later, he surrounded the foreign factories with troops, stopped food supplies and refused to let anyone leave until all stocks of opium had been surrendered and dealers and shipmasters had signed a bond not to import opium on pain of execution. Captain Charles Elliot, RN, the British government's representative as Superintendent of Trade, was shut up with the rest and authorised the surrender of 20,283 chests of opium after a six-week siege.

Elliot would not allow normal trade to resume until he had reported fully to the British government and received instructions. The British community retired to Macao and, when warned by the Portuguese Governor that he could not be responsible for their safety, took refuge on board ships in Hong Kong harbour in the summer of 1839.

The British Foreign Secretary, Lord Palmerston, decided the time had come for a settlement of Sino-British commercial relations. He argued that, in surrendering the opium, the British in Canton had been forced to ransom their lives – though in fact their lives had never been in danger. Palmerston demanded either a commercial treaty that would put trade ties on a satisfactory footing, or the cession of a small island where the British could live under their own flag free from threats.

An expeditionary force arrived in June 1840 to back these demands, and thus began the so-called First Opium War (1840-42). Hostilities alternated with negotiations until agreement was reached between Elliot and Qishan (Keshen), the Manchu Commissioner who had replaced Lin after the latter was exiled in disgrace over the preliminaries of a treaty.

Under the Convention of Chuenpi (Chuanbi) signed on 20 January 1841, Hong Kong Island was ceded to Britain. On 26 January, a naval landing party hoisted the British flag at Possession Point in the vicinity of present-day Hollywood Road Park in Sheung Wan, and the island was formally occupied. In June, Elliot began to sell plots of land and settlement began. Neither side accepted the Chuenpi terms. The cession of a part of China aroused shame and anger among the Chinese, and the unfortunate Qishan was ordered to Peking (Beijing) in chains. Palmerston was equally dissatisfied with Hong Kong, which he contemptuously described as ‘a barren island with hardly a house upon it’, and refused to accept it as the island station that had been demanded as an alternative to a commercial treaty.

‘You have treated my instructions as if they were waste paper,’ Palmerston told Elliot in a magisterial rebuke, and replaced him. Elliot’s successor, Sir Henry Pottinger, arrived in August 1841 and conducted hostilities with determination. A year later, after pushing up the Yangtze River (Chang Jiang) and threatening to assault Nanking (Nanjing), he brought the hostilities to an end by the Treaty of Nanking, signed on 29 August 1842.

In the meantime, the Whig government in England had fallen and, in 1841, the new Tory Foreign Secretary, Lord Aberdeen, issued revised instructions to Pottinger, dropping the demand for an island. Pottinger, who had returned to Hong Kong during the winter lull in the campaign, was pleased with the progress of the new settlement and, in the Treaty of Nanking, deviated from those instructions by demanding both a treaty and an island, thus securing Hong Kong.

Five Chinese ports, including Canton, were also opened for trade. The commercial treaty was embodied in a supplementary Treaty of the Bogue (Humen) in October 1843, by which the Chinese were allowed free access to Hong Kong Island for trading purposes.

Lease of the New Territories

The Second Anglo-Chinese War (1856-58) arose out of disputes over the interpretation of the earlier treaties and over the Chinese’s boarding of the Arrow, a British lorcha (a vessel with a European hull and Chinese rig), in search of suspected pirates. The Treaty of Tientsin (Tianjin) in 1858 ended the war and gave the British the privilege of diplomatic representation in China. The first British envoy, Sir Frederick Bruce, who had been the first Colonial Secretary in Hong

Kong, was fired on at Taku (Dagu) Bar on his way to Peking to present his credentials, and hostilities were renewed from 1859-60.

Troops serving on this second expedition camped on Kowloon Peninsula, as Hong Kong's earliest photographs show. Finding it healthy, they wished to retain it as a military cantonment, with the result that Sir Harry Parkes, Consul at Canton, secured from the Viceroy a lease of the peninsula as far north as Boundary Street, including Stonecutters Island. The Convention of Peking in 1860, which ended the hostilities, provided for its outright cession.

Other European countries and Japan subsequently demanded concessions from China, particularly after Germany, France and Russia rescued China from the worst consequences of its defeat by Japan in 1895. In the ensuing tension, Britain felt the efficient defence of Hong Kong harbour demanded control of the land around it.

Under a convention signed in Peking on 9 June 1898, the New Territories – comprising the area north of Kowloon up to the Shum Chun (Shenzhen) River and 235 islands – was leased for 99 years. The move was directed against France and Russia, not against China, whose warships were allowed to use the wharf in Kowloon City. There, Chinese authority was permitted to continue 'except insofar as may be inconsistent with the military requirements for the defence of Hong Kong'. However, an order-in-council of 27 December 1899 revoked this clause and the British unilaterally took over Kowloon City. There was some opposition when the British took over the New Territories in April 1899, but this eventually dissipated. The area was declared to be part of the overall territory of Hong Kong but was administered separately from the urban area.

Initial Growth

The new settlement did not go well at first. It attracted unruly elements, while fever and typhoons threatened life and property. Crime was rife. The population rose from 32,983 (31,463 or 95 per cent Chinese) in 1851 to 878,947 (859,425 or 97.8 per cent Chinese) in 1931. The Chinese influx was unexpected because it was not anticipated they would choose to live under a foreign flag.

The Chinese asked only to be left alone and thrived under a liberal British rule. Hong Kong became a centre of Chinese emigration and trade with Chinese communities abroad. Ocean-going shipping using the port increased from 2,889 ships in 1860 to 23,881 in 1939. The dominance of the China trade forced Hong Kong to conform to Chinese usage and to adopt the silver dollar as the currency unit in 1862. In 1935, when China went off silver, Hong Kong had to follow suit with an equivalent 'managed' dollar.

Hong Kong's administration followed the normal pattern for a British territory overseas, with a governor nominated by Whitehall and nominated executive and legislative councils with official majorities. The first non-government members of the Legislative Council were nominated in 1850, and the first Chinese in 1880, Singapore-born lawyer Ng Choy. The first non-government members of the Executive Council appeared in 1896, and the first Chinese in 1926, Sir Shouson Chow. In 1972, a long-standing arrangement that two electoral bodies – the Hong Kong

General Chamber of Commerce and the Unofficial Justices of the Peace – were each allowed to nominate a member to the Legislative Council was discontinued.

British residents pressed strongly for self-government several times but Whitehall consistently refused to allow it, saying the Chinese majority would be subject to the control of a small European minority. A Sanitary Board set up in 1883 became partly elected in 1887 and developed into an Urban Council in 1936.

The intention, at first, was to govern the Chinese through Chinese magistrates seconded from the Mainland of China. But this system of parallel administrations was applied only half-heartedly and broke down mainly because of the weight of crime. It was abandoned completely in 1865 in favour of the principle of equality of all races before the law. In that year, the Governor's instructions were amended significantly to forbid him to assent to any ordinance 'whereby persons of African or Asiatic birth may be subjected to any disabilities or restrictions to which persons of European birth or descent are not also subjected'. Government policy was laissez-faire, treating Hong Kong as a marketplace open to all and where the government held the scales impartially.

Public and utility services developed – the Hong Kong and China Gas Company in 1861, the Peak Tram in 1885, the Hongkong Electric Company in 1889, China Light and Power in 1903, electric tramways in 1904 and the Kowloon-Canton Railway, completed in 1910. Successive reclamations began in 1851, notably one completed in 1904 in Central District which produced Chater Road, Connaught Road and Des Voeux Road, and another in Wan Chai between 1921 and 1929.

Public education began in 1847 with grants to Chinese vernacular schools. In 1873, the voluntary schools – run mainly by missionaries – were included in a grant scheme. The College of Medicine for the Chinese, founded in 1887 with Sun Yat Sen as one of its first two students, developed into the University of Hong Kong in 1911 and offered arts, engineering and medical faculties.

After the Chinese revolution of 1911, which overthrew the Qing dynasty, China underwent a long period of unrest and many people found shelter in Hong Kong. Agitation continued after Chinese participation in World War I brought in its wake strong nationalist and anti-foreign sentiment, inspired both by disappointment over failure at the Versailles peace conference to regain the German concessions in Shantung (Shandong) and by the post-war radicalism of the Kuomintang.

The Chinese authorities sought to abolish all foreign treaty privileges in China. Foreign goods were boycotted and the unrest spread to Hong Kong, where a seamen's strike in 1922 was followed by a serious general strike in 1925-26 under pressure from Canton. This petered out, though not before causing considerable disruption in Hong Kong. Britain, with the largest foreign stake in China, was at that time a main target of anti-foreign sentiment, but Japan soon replaced it in this odious role.

The 1930s and World War II

During World War I, Japan presented its '21 demands' to China. In 1931, Japan occupied Manchuria and tried to detach China's northern provinces, leading to open war in 1937. Canton

fell to the Japanese in 1938, resulting in a mass flight of refugees to Hong Kong. It was estimated that some 100,000 refugees entered in 1937, 500,000 in 1938 and 150,000 in 1939 – bringing Hong Kong's population at the outbreak of World War II to an estimated 1.6 million. It was thought that at the height of the influx, about 500,000 people were sleeping in the streets.

Japan entered World War II on 7 December 1941, when its aircraft bombed United States warships at Pearl Harbour. At about the same time, Japanese armed forces attacked Hong Kong (8 December 1941, Hong Kong time). They invaded the city across the border from China and pushed the British from the New Territories and Kowloon on to Hong Kong Island. After a week of stubborn resistance on the island, the defenders – including the Hong Kong Volunteer Defence Corps – were overwhelmed and Hong Kong surrendered on Christmas Day.

The Japanese occupation lasted for three years and eight months. Trade virtually disappeared, currency lost its value, food supplies were disrupted, and government services and public utilities were seriously impaired. Many residents moved to Macao, the neutral Portuguese enclave hospitably opening its doors to them. Towards the latter part of the occupation, the Japanese sought to ease the food problems by organising mass deportations.

In the face of increasing oppression, the bulk of the community remained loyal to the allied cause. Chinese guerrillas operated in the New Territories, and the rural population helped escaping allied personnel. Soon after news of the Japanese surrender was received on 15 August 1945, a provisional government was set up by the Colonial Secretary, Mr (later Sir) Frank Gimson, who had spent the occupation imprisoned in Stanley Gaol. On 30 August, Rear Admiral Sir Cecil Harcourt arrived with units of the British Pacific Fleet to establish a temporary military government. Civil government was formally restored on 1 May 1946, when Sir Mark Young resumed his interrupted governorship.

Post-war Years

After the Japanese surrender, Chinese civilians – many of whom had moved to the Mainland during the war – returned at a rate of almost 100,000 a month. The population, which by August 1945 had been reduced to about 600,000, rose by the end of 1947 to an estimated 1.8 million. In 1948-49, as the forces of the Chinese Nationalist Government began to face defeat in civil war at the hands of the Communists, Hong Kong received an influx unparalleled in its history. Hundreds of thousands of people, mainly from Kwangtung (Guangdong) province, Shanghai and other commercial centres, entered during 1949 and the spring of 1950. By mid-1950, the population had swelled to an estimated 2.2 million. Population numbers have continued to grow, reaching four million by 1971, five million by 1980, six million by 1994, and now over seven million.

The surge of people in the early 1950s led to a drastic increase in the number of squatters. A squatter fire left 53,000 people homeless on Christmas Day 1953, and the government responded with emergency rehousing measures, marking the start of the public housing programme. It has since developed into a programme encompassing a wide range of rental and home ownership flats and facilities. In the fourth quarter of 2016, around 2.1 million people – roughly 30 per cent of the population – were living in public rental housing.

Hong Kong started to industrialise to overcome economic stagnation caused by the United Nations' trade embargo on China in 1951 arising from the Korean war. No longer could the city rely solely on its port to provide prosperity for its swollen population. The rise of its manufacturing sector began with the setting up of textile mills. The mills expanded their range of products and, by the 1960s, they included man-made fibres and garments. During this decade, textiles and clothing made up about half of domestic exports by value.

In 1966, as the Cultural Revolution began on the Mainland, tension mounted in Hong Kong. During 1967, this developed into a series of civil disturbances, affecting all aspects of life and temporarily paralysing the economy. The disturbances were contained by the year end and the community resumed its tradition of peaceful progress.

Hong Kong continued to expand as an entrepôt, particularly for trade with China. Coupled with tourism, this led to vastly improved communications, with an increasing number of people entering the Mainland each year from or through Hong Kong, the natural gateway.

In the 1970s, the government launched two far-sighted initiatives that have physically shaped Hong Kong to this day. The first was a decision in 1972 as part of a 10-year housing programme to develop new towns in the New Territories. Nine new towns were developed over the next two decades and these now accommodate about 47 per cent of the population, easing pressure on the development of the main urban areas. And with the enactment of the Country Parks Ordinance in 1976, Hong Kong created a legal framework to establish country parks and special areas. There are now 24 country parks and 22 special areas which cover about 40 per cent of Hong Kong and conserve its varied habitats.

The end of the Vietnamese war in 1975 saw a fresh influx of refugees, this time from Vietnam. By the time the last refugee camp was closed in 2000, over 200,000 Vietnamese had made their way to Hong Kong. Of these, more than 143,000 were resettled overseas and some 72,000 repatriated to Vietnam.

Into the New Millennium

In the 1970s, the approaching expiry of the lease on the New Territories in 1997 caused uncertainties in Hong Kong, and in 1982 the British Prime Minister, Margaret Thatcher, visited China to discuss the city's future with Chinese leaders. That visit marked the start of two years of negotiations between the Chinese and British governments, culminating in the signing of the Sino-British Joint Declaration on the Question of Hong Kong on 19 December 1984. The Joint Declaration set out the basic policies of the People's Republic of China regarding Hong Kong, including the PRC's decision to establish a Hong Kong Special Administrative Region.

On 1 July 1997, the HKSAR was established and the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, the HKSAR's constitutional document, took effect. The Basic Law prescribes the systems to be practised in the HKSAR and enshrines, in the form of law, the important principles of 'one country, two systems', 'Hong Kong people administering Hong Kong' and 'a high degree of autonomy'. Reflecting those principles, the

Basic Law provides that the socialist system and policies shall not be practised in the HKSAR, and that the previous capitalist system and way of life shall remain unchanged for 50 years.

The city's changes were not only political. Over the years, the manufacturing sector moved its focus from simple, labour-intensive products to sophisticated, high-value-added products. Taking advantage of the abundant supply of land and labour in the Pearl River Delta, industrialists expanded their production bases across the boundary while retaining their headquarters in Hong Kong. This mode of operation has contributed to economic development in the region and facilitated the transformation of Hong Kong into an increasingly service-based economy, with domestic merchandise exports accounting for less than 2 per cent of total exports by 2012.

To keep pace with the development, the government improved and expanded the infrastructure. Hong Kong was transformed into a modern city with efficient road and rail links, and first-class port and airport facilities. New highways opened up previously remote areas, the railway networks were expanded and Hong Kong International Airport at Chek Lap Kok was opened in 1998.

The development of the economic base has enabled the government to increase spending on education, social welfare, health and other needs – from \$226.9 billion in 2006-07 to an estimated \$466.7 billion in 2016-17.

Free primary and junior secondary education has been provided to every student attending public-sector schools since 1978. Senior secondary education and full-time courses offered by the Vocational Training Council for secondary three school leavers also became free in September 2008. Post-secondary education remains heavily subsidised. It is the government's policy that no qualified student is deprived of education for lack of financial means.

The scope and delivery of welfare services have evolved to become more holistic, integrated and accessible. In the past decade, total government spending on social welfare has more than doubled, from \$33.5 billion in 2006-07 to an estimated \$68.4 billion in 2016-17.

A healthcare system originally developed in the early post-war years to cope with the growing population has expanded greatly in line with the government's commitment to safeguard public health and to provide medical care and facilities for everyone. In 1990, the government set up the independent Hospital Authority and gave it responsibility for managing public hospitals and providing heavily subsidised public healthcare services, having regard to the principle that no person should be denied medical care due to lack of means. By December 2016, the authority was managing 42 public hospitals and institutions, 47 specialist outpatient clinics and 73 general outpatient clinics.

Comprehensive labour legislation, including the Minimum Wage Ordinance, is in place to protect employees' benefits and rights, as well as their occupational safety and health. Free employment and recruitment services are offered to help both job-seekers and employers. The Employees Retraining Board provides training and retraining courses and services to help the unemployed and those affected by economic restructuring to better meet the demands of the changing labour market.