

## HONG KONG HONGS WITH LONG HISTORIES AND BRITISH CONNECTIONS

DAN WATERS\*

Trade ... the beneficent daughter of liberty and industry.  
The giver of human happiness! The creator of wealth.  
The supporter of social existence! Blessed commerce, the  
friend of the slave, the liberator of the oppressed ...

John Holt  
merchant and West African trader  
7th January 1906

### **Introduction**

This paper traces the histories of some of the present-day commercial, industrial and professional firms, that have British origins or connections, which were established in Hong Kong in the 19th century. Traditional Hong Kong romanisations of Cantonese names have been used. When currency is referred to, unless otherwise stated, it is Hong Kong dollars.

A valuable start in researching the hongs (large business houses), has been made by Dr S.M. Bard (Bard, 1988) who prepared a paper for the Hong Kong Museum of History. Clearly, as Bard stresses, it is important not to forget Chinese merchants. Here too a useful beginning has been made by Professor Wong Siu-lun (Wong, 1988). The aim of the author of this article is, as Bard suggests, to continue the momentum.

Now, one-and-a-half centuries after Hong Kong was established, is a good time to retrace steps, especially as the story of industry

---

\* The author is grateful to his friends, Dr. James Hayes, the Rev. Carl T. Smith and Dr. Elizabeth Sinn, for their encouragement, for recommending research material and for assistance in other ways. Thanks are also extended to the many companies covered in this paper, and to their members of staff who helped the author and without whom this study would not have been possible.

This paper was first presented at the 12th Conference of the International Association of Historians of Asia, at Hong Kong University, in June 1991.

and business in Hong Kong has been neglected. Nonetheless, over the past decade some hongts have commissioned researchers and authors to compile company histories. A number of these are listed in the bibliography.

### **Earlier Days**

Historically, overseas businessmen have been permitted only limited contact with locals in China. In the eighteenth and early nineteenth centuries Westerners were only authorised to reside in Canton during the trading season, from October to May. Emperors confined all foreign trade there, as far from Peking as possible, keeping 'unpleasant things' at a distance. Foreigners were forced to maintain their base in the Portuguese city of Macau (established 1557).

These restrictions caused great inconvenience to merchants. Captain Charles Elliot wrote, on April 6th 1839:

"There can be neither safety nor honour for either government until Her Majesty's flag flies on these coasts in a secure position."

It was considered necessary to have a colony with a fine harbour, where Europeans could live, work and trade in peace and security. The Union Jack was raised at Possession Point, on Hong Kong Island, on January 26, 1841.

Hong Kong was established specifically to facilitate trade. Not surprisingly, therefore, the authorities depended a great deal upon the support of business houses in the early days of the colony. Some of these early trading houses are still trading here today.

By the end of 1843 there were 12 large British firms in Hong Kong, ten British merchants trading on a smaller scale, and about six Indian companies. The following year there were said to be about 100 foreign firms doing business, half of which were British and about one-quarter Indian or Parsee. Russells, an American firm, had six partners and eight griffins (assistants), Dent and Company (British) five partners and eight assistants, and D. and M. Rustomjee (Parsee) fifteen partners. Jardine Matheson employed

about 20 headquarters staff. Shortly before Hong Kong was founded, in the 1830s, this company controlled one-third of all foreign trade with China.

### **Jardine's**

Today, the best known of Hong Kong's traders is still Jardine Matheson, which predates the birth of the colony by nine years, although some say there has been an over-concentration on Jardine's history at the expense of other firms. Nonetheless it is the oldest, still thriving, western trading house in the Far East, having been established in the reign of William IV (1830-7).

In 1817 William Jardine decided to enter commerce, and, on an introduction by Hollingworth Magniac, from 1822 to 1824 he took charge of Charles Magniac and Company (Charles and Hollingworth were brothers) which was in financial difficulties. James Matheson arrived in Canton in 1820 and formed Matheson and Company. In 1828, Jardine and Matheson joined forces. The name Magniac was dropped, and the new enterprise was established by the two Scotsmen in 1832. The name remains the same to this day.

William Jardine had been a ship's surgeon in the Honourable East India Company from 1802-16. He retired to Scotland in 1838 (some records say 1839) and died in 1843. Matheson left the East in 1842 and took an active part in running the firm from Britain. He died in 1878 aged 82. Both were Members of Parliament in the 1840s. William Jardine had already returned to Scotland when the firm set up business in Hong Kong. When the first land sales were held in Hong Kong on 14th June 1841, Jardine's built godowns (warehouses) on land purchased in what is now Queensway. In 1842, these were sold to the Royal Navy for stores. Immediately Jardine's started to build an office, wharves, a slipway for ships, workshops, stables, houses, and a junior mess at East Point, on an isolated promontory. They also built godowns which had thick walls of granite blocks. The site was close to the present Yee Wo Street (怡和) which takes its name from the Chinese name of the company (meaning 'pleasant harmony'), although the Chinese name for the firm is more often romanised as Ewo. All the original buildings have been demolished.

Other places named after the company include Jardine's Bazaar

and Jardine's Crescent, both in Causeway Bay, and Jardine's Corner on the Peak. Bulkeley Street market, and streets named Perceval, Irving, Anton, Landale, Matheson, Paterson, Johnstone and Keswick are named after Jardine taipans.

There is also Jardine's Lookout. It was from this 433 metre high vantage point that observers galloped down by 'pony express' to head office, in the days before modern communications, with the news that a Jardine ship was approaching. In early Hong Kong the company is said to have had a fleet of 12 ships which were faster than those of rival firms.

The late Richard Hughes, wrote that, of the two founders, Jardine was the older and tougher, and the planner. He was respected and even feared, and nicknamed 'Iron-headed Old Rat', in Chinese, because of his insouciant attitude when attacked and hit over the head with a club in Canton (Hunter, 1844). Except for the one on which he sat, there were no chairs in his office. Visitors were not encouraged to dally.

Matheson was more genteel, although not of exalted stock, and some of his family had been clergy and others army officers. He was more liberal, suave and affable, and even, so it is believed, regarded with some affection. Unlike most businessmen at the time, he was a person of some taste and culture. In 1827, he supplied a small hand printing press so the *Canton Register*, an English newspaper, could be published. He owned the only piano in Canton or Macau. But as Hughes writes, '... no one laughed when he sat down to play'. He was elected a Fellow of the Royal Society (UK) on the 19th February 1846.

Matheson was a good organiser and administrator. He could draft a dry, caustic minute as the following illustrates:

''The 'Gazelle' was unnecessarily delayed at Hong Kong in consequence of Captain Crocker's repugnance to receiving opium on the Sabbath. We have every respect for persons entertaining strict religious principles, but we fear that very godly people are not suited for the drug trade. Perhaps it would be better that the Captain should resign.''

Incidentally David Matheson, a member of the 'clan', did resign some years later to become chairman of the executive committee of

the 'Society for the Suppression of the Opium Trade'.

A romantic web has been woven around Jardine's, far more than any other western firm in the Far East. This romanticism stretches to fiction, and *Taipan* and *Noble House*, both written by James Clavell, are reputed to be based on the 'Princely Hong'. Also a play named *Poppy*, about the Opium War of 1840, with comic Gilbert and Sullivan style songs, was staged in London in the early 1980s.

Another better known song, 'Mad Dogs and Englishmen' written by Noel Coward in 1932, has it that:

"In Hong Kong  
They strike a gong  
And fire a noonday gun ....."

There is no agreement, however, from where the Hotchkiss Mark I, three-pound, quick-firing naval gun came. Some say documents prove that before 1961 it was owned by the Hong Kong Marine Police. Others believe it came from the Royal Navy although Jardine's maintain the Senior Service has no record of the gun.

The colourful myth that appears in guidebooks is that a penalty was imposed on Jardine Matheson by an irate British admiral because the firm fired a salute to its chief manager as he sailed into the harbour. Another tale has it that the gun was fired to honour the arrival of its opium-carrying fleet. From then on, so both stories go, the Navy compelled Jardine's to fire a gun daily. As A.I. Diamond, previously of the Public Records Office in Hong Kong, wrote:

"Neither version explains by what authority the Navy could have compelled Jardine Matheson and Company to fire a gun at all let alone daily at noon, presumably in perpetuity."

The true account is quite different. In the British Empire the armed forces used to fire guns at set hours to signify the time. In Hong Kong this practice stopped in 1869 because, by then, many people owned watches, and to save the cost of gunpowder. An extract from the *Hong Kong Daily Press*, dated January 3, 1870, records:

"It is interesting and just to note that the renewing of the

twelve o'clock gun firing is due to the liberality of Mr Magniac (a partner) of Messrs. Jardine Matheson and Company, who, when the Home Government ceased to provide this small return for the heavy Military Contribution forwarded annually from this Colony, purchased a gun, etc. and had it fixed up at Messrs. Jardine's, where it is fired daily.'

Although their gun is still at East Point, not far from where Jardine's started trading in 1841, their head office moved to Central District as long ago as 1864. It has been said there is not one field of commerce in which it does not hold a prominent position and its 'tentacles' extend to interests in many other firms.

### **Hong Kong Land**

The Colony's leading businessmen have usually had considerable interests in land, and it was thus fitting that two of them, Paul Chater (later Sir Paul) and James Johnstone Keswick, should be prime movers in the Hong Kong Land Investment and Agency Company which was incorporated in 1889. The latter, as Taipan of Jardine's, following in the footsteps of his great-uncle William Jardine, was also founding chairman of Hong Kong Land. James was the first of six Keswicks, spanning five generations, to hold the position.

The company soon began buying sites and erecting office buildings. Between June 1904 and December 1905 it erected Hong Kong's first 'skyscrapers', five major buildings each of five or six storeys, which dwarfed the two and three-storey structures surrounding them.

Hong Kong Land acquired Humphrey's Estate and Finance Company, which owns residential property in Mid-Levels, in 1972, and for 14 years 'Land' had a controlling interest in the Dairy Farm, Ice and Cold Storage Company. Today, the latter is once again an independent public company. In its centenary year Hong Kong Land owned some six-million square feet of commercial space of which five-million is in the so called 'Core Central' area. The firm has been described as '... perhaps the most valuable property company in the world and certainly in the region ...'. Whether this is true is not known. Certainly, today, some Japanese companies hold considerable interests in real estate on a global scale.

## **The Hong Kong and Kowloon Wharf and Godown Company**

Another important associate company of Jardine's until the mid-1980s was 'Wharf', which was a pioneer in the development of Kowloon. The firm was established in 1886 by Paul Chater and Kerfoot Hughes. About the same time Jardine's started a wharf at West Point, but largely because of labour difficulties with Chinese lightermen Kowloon Wharf and Jardine's Wharf amalgamated. In 1887, they acquired the P&O (Peninsular and Oriental Steam Navigation Company) wharf at West Point although this was later sold.

### **Sir Paul Chater**

It is appropriate here to say something about Anglophile Catchick Paul Chater, born of Armenian parents in 1846, who came to Hong Kong from Calcutta at the age of 18. He started work as a clerk in the Bank of Hindustan, China and Japan, but soon branched out on his own as an exchange and bullion broker. Chater later became a business associate of the Sassoons, who were Jewish merchants. Chater's interests were many and varied. In addition to Hong Kong Land and Kowloon Wharf they included substantial real estate holdings, Hong Kong Bank, Dairy Farm, Star Ferry, Hong Kong Tramways, and Hong Kong and Shanghai Hotels. Chater was also a pioneer in the 57 acre Praya reclamation scheme, in Central District, which included Des Voeux and Connaught Roads, and is now one of the most valuable areas of land on earth.

Although he was sometimes accused of showing indecent regard for Royalty and all things British, including cricket, others believed, 'Where Chater goes today Jardine's follow tomorrow'. Venturesome in business, few men have contributed so much to Hong Kong as he did, and he worked closely with the British for several decades. One of the busiest roads in Central, as well as Chater Garden and Catchick Street, is named after him. As a self made man with considerable foresight he was generous, and he became a public benefactor and patron of the arts. Unfortunately, the Chater collection of paintings was lost during World War II. Sir Paul, who served on both the Legislative and Executive Councils, died in 1926 an honoured and respected man.

### **Butterfield and Swire**

Another of the great Hongs, Swire's, is Jardine's competitor, even

if the wife of Swire's Taipan, accompanied by two pipers, did fire Jardine's gun to salute the arrival of 1967. Although 1967 saw several months of 'Disturbances' (spillovers from the Great Proletarian Cultural Revolution in China), it was also Swire's centenary in the East and a nice gesture on Jardine's part to invite the Taipan's spouse of the rival firm to fire their cannon.

Originally, the company was a textile firm, founded by John Swire (1793-1847), in Liverpool in 1816. It was inherited by his two sons, John Samuel (1825-1898) and William Hodson (1830-1884), by which time the firm was involved in the import-export trade. An office was opened by Richard Shackleton Butterfield (a Lancashire mill owner) and John Samuel Swire in Shanghai in 1867, and in 1870 a trading and shipping branch was established in Hong Kong. Even until 1974 the company was still known as 'B&S' (Butterfield and Swire). Its Chinese name, *Taikoo* (太古), means great and ancient. The partnership did not last long. John S. Swire wrote:

"Mr Butterfield retired (in 1868) from our firm at my suggestion; he was grasping and bothered me."

The asute, disciplined, sarcastic, autocratic John Samuel Swire was proud of his Yorkshire origins. Common expressions of his were:

"I told you so!"

"I write as I speak, to the point."

"I aim to be strong enough to be respected, if not beloved."

It was maintained by an American contemporary that he lived by and for business alone. He was addressed as 'The Senior' by his partners. Like many taipans, John Samuel Swire did not remain long in the East.

He was said to have been single-minded, forthright, ruthless and energetic, and drove himself and his staff, whom he discouraged from taking part in civic affairs. After his successes on the Yangtze he decided to expand into coastal trade. Here he used the same tactics — a vigorous attack that disheartened his rivals.

A residence had been constructed on the Peak for the B&S taipan and messes for the young 'gentlemen' officers of the firm by the late



19th century. In 1891 the *Hong Kong Telegraph* spoke of the firm in less than complimentary terms:

“... the everlasting Bugbears of Eastern commerce, the nigger-drivers, the sweaters, the Jews - worse than Jews, for no Jew was ever so full of hatred and persecution and intolerance of all others ...”

Yet Swire's was sometimes also accused of having more liberal racial views, and comments were rife when B&S invited Chinese brokers to a dinner. A recorded comment was:

“... the Swire lot blustering away among the Chinamen ... (hobnobbing) with every unwashed devil in the place ...”

John Swire died in 1898, wealthy and prestigious.

During World War I Governor Sir Henry May accused Swire's of reluctance to help the war effort for failing to provide volunteers for the defence of the Colony. Today, with people in their employ like Lady Lydia Dunn, Howard Young and others, Swire's can certainly no longer be accused of lacking in community spirit.

From 1878, Jardine's acted as agents for the China Sugar Refining Company at East Point. But after going East, Swire soon started to diversify. John Samuel's first marriage was to the owner of a sugar refinery, and not only did he consider he knew something about the business but a study conducted in Hong Kong satisfied him there was potential for two refineries. Consequently, Taikoo Sugar Refining Company was first registered in 1881, although it did not commence production until 1884, at Quarry Bay, in a refinery based on a design of a factory in Scotland.

By the early 1900s Taikoo was the largest sugar refinery east of Suez, with a turnover of approximately 2,000 tons a week. At one stage it was said to be the largest in the world under one roof. The company was the first in Hong Kong to provide living accommodation on site for its staff. A new factory was completed in 1925. This had to be refitted after World War II, but in the early 1950s there were about 650 workers and it was still the largest sugar refiner in the Far East.

228

By the 1970s, it was no longer such a competitive and profitable organisation and its operations were scaled down. A purpose-built factory was completed on Tsing Yi island in 1991.

Although the Swire Group over five generations has always had its head office in England, it has interests throughout Asia and the South Pacific, as well as in North America and Australia. Its China Navigation Company began operations on the Yangtze River in 1872. In World War II, more than half of Swire's ships were lost. A dockyard (of which more later) was established in Hong Kong at the turn of the century.

The group, which adopts a relatively low profile, has about 28,000 employees in 1988, and is the second largest employer in Hong Kong after the Government. Its complement included, up to 1990, 78-year old Madame Ho Sau-King who had worked at Taikoo Sugar Limited since 1928.

In 1981 John Bremridge (later Sir John), Taipan of Swire's, became Government Financial Secretary for a term of five years. This was an unprecedented appointment as previous 'PSs' had been promoted through the ranks of the civil service. Like the son of the founder of Swire's, Sir John Bremridge writes and speaks 'to the point'.

The conglomeration of interests of this (still largely) family firm and private limited company includes an elite collection of Hong Kong enterprises. Swire's has a controlling interest in Cathay Pacific Airways, founded in 1948, as well as in HAECO aircraft maintenance company. Property is also big business and about 45 per cent of the group's net asset value is in bricks and mortar. Other interests include container terminals, technology, engineering, air catering, investment banking, travel and general trading. Sir Adrian and Sir John Swire have a family fortune estimated at HK\$6.3 billion, and in 1989 Sir John was quoted by the *Sunday Times Magazine* as being Britain's 12th richest person, a position he held jointly with his brother.

### **Dodwell's**

W.R. Adamson and Company (later, Adamson Bell and Company), the forerunner of Dodwell's, was founded as a result of the efforts of a group of Cheshire weavers who needed to increase supplies of

raw silk for their mills. Adamson arrived in Shanghai, on their behalf, in 1852. In 1858 he formed his own firm, exporting tea and general merchandise, and set up branches in Hong Kong, Foochow and Hongkow. There were ten European employees.

In 1872, the firm appointed a shipping clerk in its Shanghai office named George Benjamin Dodwell. He was 20 years old, born in Derby, and was paid 400 pounds for the first year of service, with a room, fire, light and medical bills met by the firm. Dodwell was allowed five per cent of all profits of the shipping business on everything earned above 700 taels per annum (equivalent to 2,100 sterling). He also had a share in other profits in an attempt to stop him branching out on his own account. Another condition of appointment was that he should 'not indulge in racing of horses and pienes'. This contrasted with the conditions of service for Jardine's who were not against their employees having a wager.

In 1876, Adamson Bell and Company's tea shipments (at the end of the nineteenth century nearly 60 per cent of China's exports consisted of tea and silk) were only marginally behind those of Jardines and Butterfield and Swires. For much of his work Dodwell was assisted by the firm's compradore. Nonetheless, a considerable amount of financial risk was involved. Dodwell and A.J.M. Carlill finally took over the bankrupt Adamson Bell Company [which is still known as *Tien Cheang* (天祥) meaning heavenly prosperity] on May 1st, 1891.

Canadian Pacific Railways (CPR) chartered sailing ships to import goods from China and Japan. Dodwell had entered into a three-year contract with Sir William Van Horne of CPR. But, as business was good, CPR decided to run its own fast mail line in place of hiring old Cunarders.

Dodwell was told his contract would not be renewed, but he was asked to continue to manage the CPR services at the Far Eastern end. Van Horne was impressed by Dodwell as a man, and he offered him full control of the new CPR shipping line if Dodwell would abandon his newly established firm and join CPR as an employee. He was offered a salary and commissions totalling at least 4,000 pounds a year. Dodwell declined, preferring to head his own new enterprise which he had rescued, and would rebuild, from bankruptcy.

"It is the worst day's work you have ever done, Dodwell",

230

Van Horne threatened, "I will crush you. Don't you attempt to start a steamship line of your own. If you do, we will run you off the Pacific."

Dodwell retired from the East in 1899, the year his firm became a limited company.

It has continued to prosper. But much of its success in earlier days was due to the personal contribution of Dodwell himself. Profits increased from his shipping department. He also played a prominent part in the shipping world as a whole. G.B. Dodwell, a man of high principles, died in 1925.

### **Gilman's**

Richard James Gilman, a tea-taster, who worked for the old established company of Dent's in Canton, set up a partnership, known as Gilman and Bowman, in a Canton factory in 1840. By 1863 the firm was also represented at Kiukiang, Hankow and Tientsin, employing 21 staff. In many ways the firm was similar to Dodwell's, but on a smaller scale, and it was substantially involved in shipments of tea from Shanghai and Foochow in the 1870s.

Gilman's was also active in the import-export trade and shipping, and in 1862 it was appointed agents for Lloyd's at Canton, Hankow, Foochow, Hong Kong and Macau. In these ports its reputation in shipping circles was high, especially after the famous tea race of 1866. '*Taeping* (sic) *Yeung Hong*' (太平洋行) (Great Peace Foreign Firm) chartered the '*Taiping*' (named after Gilmans) which beat '*Ariel*', the rival ship, by 20 minutes over a 99-day voyage from Foochow to London.

Gilman's also played an important part in promoting the Hong Kong and Shanghai Bank, when it was established in 1864, and it was represented on its Board in its earlier days.

Gilman's failed, however, to heed the warning that there was a growing preference for Indian and Ceylon teas in Britain, and, heavily indebted to its London agent Ashton & Company, it came close to bankruptcy. Gilmans had to abandon its Shanghai and Hankow branches in the 1880s. But, with the huge demand for joss sticks in Southern China, the agency for the Australian Sandalwood Company helped

it to recover. Gilmans was taken over by Duncan Paterson of Perth, Western Australia, in 1917, and converted into a private limited company incorporated in Hong Kong. It suffered, however, during the depression in the 1930s, although the backing of the Hong Kong and Shanghai Bank helped it to expand and prosper especially up to the Japanese invasion in 1941.

### **Gibb Livingston**

Gibb Livingston, which — like Gilmans — may be seen as a smaller yet similar version of Dodwells, is the second oldest (after Jardines) trading firm in Hong Kong. It was founded by two Scotsmen, Thomas Augustus Gibb and William Potter Livingston, in Canton, in 1836. There it occupied one building which served as an office, a warehouse and a residence. The firm imported English cottons and woollens and exported tea and silk. Silver bullion was used as payment. The two founders soon started to diversify into such fields as shirtings, velveteen, leather and tin plate, and acted as agents for a large number of sailing ships. At an early date four Gibbs worked in the firm. Branches were opened in Hong Kong (1841), Amoy and Shanghai. In addition to the import-export trade Gibb Livingston acted as agents for Ben Line steamships, although, unlike Dodwells, it also acquired its own tea clippers. Then, in 1899, it purchased a fleet of steamers which sailed as the Gibb Line.

Gibb Livingston is said to have diversified earlier and more successfully than Gilman's. By 1908, it was one of the most important business houses in Hong Kong. Here, as in Shanghai, it specialised in shipping, and, later, in insurance. At the turn of the century it had interests in Hong Kong Electric Company, Shanghai Land Investment Company, and a number of other firms. It also branched out into engineering and manufacturing. In 1921, Gibb Livingston was acquired by Gray, David and Company.

Jardine's and Swire's are by no means the only old British firms in the Far East. Dodwell's, Gilmans and Gibb Livingston have also been trading here for many years, although now all three are within the Inchcape Group which was formed as recently as 1958.

### **Caldbeck, Macgregor and Company**

A fourth firm in the Inchcape fold, Caldbeck, Macgregor and

Company, was originally established in Shanghai after John Macgregor and Jack Caldbeck purchased the business of George Smith and Company. Macgregor had come East to seek his fortune after serving in the Royal Navy in the Crimean War. Caldbeck had been the P&O agent in Singapore. Unlike other firms, Caldbeck Macgregor specialised in wines and spirits. From its original base in Shanghai, which started in 1864, it opened branches along the China coast with outposts in Peking and Tientsin doing especially good trade.

In 1882 an office was established in London, and a branch opened in Hong Kong in 1889. The latter was started partly because of the popularity here of horse racing. Although employees in some firms, such as Dodwell's, had been discouraged from taking part in the sport, the partners of Caldbeck Macgregor were able to investigate the potential of various wines and spirits at race meetings. It soon became the best known firm in the liquor business in the Far East. Caldbeck Macgregor was much more of a family concern than most organisations until this control was lost in the late 1960s.

### Hutchison's

In 1877 John Du Flon Hutchison, aged 22, came to Hong Kong to join Robert S. Walker and Company who were merchants in Gough Street. Known as *Wo Kee* in Chinese (和記), the firm opened for business about 1860. Probably in the 1880s he began trading on his own, as John D. Hutchison, and, in 1893, with one assistant named W.M. Watson, his company operated from Stanley Street. Hutchison died in Shanghai in 1920, although he had sold his firm in 1917 to T.E. Pearce.

John Douglas Clague (much later Sir Douglas) had been captured by the Japanese in Hong Kong in 1941, but managed to escape from Sham Shui Po prisoner of war camp in 1942, and, with the help of Chinese partisans, Clague made his way over the hills into China. There he served with the British Army Aid Group.

With a brilliant war record behind him Colonel Clague became *Taipan* of Hutchison's in the late 1940s. It expanded rapidly taking over many other companies which had interests in a variety of fields. But the Group over-extended itself and ran into financial difficulties in the 1970s. As a result an Australian businessman who had lived in

Hong Kong for several years, Bill Wyllie, was seconded to Hutchison in 1975 by the Hong Kong and Shanghai Bank, as 'company doctor', to put the business house's finances in order. After he had achieved this he left Hutchison's in 1981.

Then in the early 1980s Li Ka-shing, believed to be the richest man in Hong Kong, became the largest shareholder in Hutchison's. His company, *Cheung Kong* (meaning 'long river' and signifying 'everlasting'), held a 37 per cent stake. With a Chinese Taipan the company was no longer the bastion of British management that it had been in earlier days. However, under Chairman Li Ka-shing there is an English Group Managing Director, Simon Murray.

Today Hutchison-Whampoa is thriving, and its activities range from general trading, including importing and exporting, to property, engineering and building materials. The group also has major interests in such subsidiaries as Hong Kong United Dockyards (in the past Hong Kong and Whampoa Docks), Hong Kong Electric Holdings, and A.S. Watson and Company of which more later. These firms, which in the past were basically British, are thus now largely Chinese controlled.

### Dockyards

The first Hong Kong built vessel, the 80-ton *Celestial*, was launched from a slip at East Point on 7th February 1843, and a Royal Naval Dockyard started in 1854 (this was phased out in the late 1950s). Docks were also built by Douglas Lapraik and J.Lamont at Aberdeen in 1857.

Nevertheless, it has been claimed the first 'great firm' to be established in the Colony was really the Hong Kong and Whampoa Dock Company, although the industry had its origins, regionally, in Canton. That is why the word *Whampoa* (a place in Canton) is included in the above name. The firm is No.1 on the Register of Companies. Austin Coates maintains in his book, *Whampoa, Ships on the Shore*, that the formation of Union Docks (which was absorbed into the Hong Kong and Whampoa Docks in 1870), in 1863, was

“... the most significant commercial and industrial moment in Hong Kong's history.”

When it opened, in 1868, it gave the Colony a new orientation. The first vessel the Docks built was the 46-foot launch, *Duncan*, for their own use, which affectionately became known as *Old No. 1*.

Certainly a considerable outlay of capital and expertise was involved, and the Docks were well supported by the P&O line, which ran a service from Hong Kong to Shanghai from 1849, and by Jardine's.

“From Rangoon to Shanghai there is nothing equal to that great concern (the Docks); nor along the entire Pacific Coast of North and South America is there any undertaking equipped with better facilities ...” (MacMillan, 1925).

The Cosmopolitan Docks (later purchased by Hong Kong and Whampoa Docks) began at Tai Kok Tsui in 1880, and by the 1890s the main docks at Hung Hom had built up rapidly. The local community (even by 1881 the population of old British Kowloon numbered only 9,021) was among the largest industrial settlements. It worked day and night for years with queues of ships waiting to be repaired. *The Hong Kong Guide 1893* records:

“The Docks ... are the most extensive of any in Asia ... Vessels of 550 feet in length and 30 feet draft of water can be docked at Kowloon.”

Extra dividends were awarded to shareholders twice a year, and sons of skilled craftsmen from Hung Hom followed their fathers into the Docks. The village was never asleep as journeymen worked on shifts around the clock. It was one of the most prosperous places in the Colony.

With a population of only 260,000, at the turn of the century Hong Kong was the second largest port in the world. By then her own ships sailed the Pacific Ocean and the seas of Asia. Easterners (the Chinese) and Westerners (the expatriates were mostly Scottish) had joined forces in the Dockyard, and the Board was representative of many nations of maritime importance. A strong sense of pride and community spirit existed. During World War I, ships of more than 5,000 tons were built.

Butterfield and Swire started to construct their dockyard at Quarry Bay, on Hong Kong Island, in August 1902, and work was



completed in 1908 on a site of 53 acres. These were more impressive and more modern than the Kowloon Whampoa Docks, with larger machinshops and greater electric power. But public opinion still supported the Whampoa Docks and many people considered the new establishment to be a direct and unwarranted attack on one of Hong Kong's most esteemed institutions. Like Kowloon Docks, Taikoo Dockyard also had a built-in clientele, including Butterfield and Swire's China Navigation Company, Blue Funnel line, and other shipping connected with these two lines.

Quarters and other facilities were provided for staff at Quarry Bay, and the aim was to make them into a 'big friendly family'. The 88 year old F.K. (Uncle Pat) Pattinson recalled (in 1989):

"We were a separate 'colony' within the community. We worked, lived and breathed ships and shipping."

The author visited Taikoo Dockyard and had continuous contacts with its staff in the 1960s and early 1970s and endorses Pattinson's remarks.

Long before the days of cross-harbour tunnels the hammerhead crane, erected in 1937 in the docks at Hung Hom, provided a landmark as one traversed the harbour by ferry. Even though, in the early 1990s, Hong Kong has the largest container port and is one of the busiest ports in the world, and dockyards are still situated in the Territory (but moved to another site), the harbour looks empty to some old residents without that crane.

Today, Hong Kong United Dockyards (HUD) operate on the west side of Tsing Yi Island, and the two old sites — Kowloon Docks at Hung Hom and Taikoo Docks at Quarry Bay — have been developed as vast housing estates. This was after the merger of Hutchison International and the old Hong Kong and Whampoa Docks. This was the combining of two of the largest commercial enterprises in the East. The Hutchison group of companies is now known as Hutchison Whampoa Limited. A decision was taken to build no more ships. Ferries and other vessels for Hong Kong's needs are now constructed elsewhere. HUD concentrates on conversions and repairs. The last vessel built was a tug, appropriately listed No.1066 on the Company building register. It is hoped a smaller, scaled-down, dockyard will be viable.

## The Dairy Farm Ice and Cold Storage Company Limited

The supply of ice for the preservation of food is obviously important in the tropics. George Wingrove Cooke, correspondent for *The Times*, in 1857 provided a vivid picture:

“In Hong Kong and Shanghai, a dinner table in the summer season is a melancholy spectacle of spoiled food. The creatures to be eaten were necessarily killed the same day, and the tough tissues are as hard as death stiffened them.”

In the 1850s, large expatriate households often owned at least one cow, and a block of ice bought from George Duddell prevented the milk from going sour. The selling of ice was one of the earliest trades in Hong Kong, and the first consignment of ice was imported by Jardine's in 1843. The Ice House Company was established in 1845. The price fluctuated depending upon the season and the demand and varied, in 1849, from three to six cents a pound. The ice was stored in a specially constructed building at the corner of Ice House Street at the southern side of Queen's Road. Importers often lost money. Although the Tudor Company imported ice from North America in the early days, by the 1870s ice manufacturing apparatus was shipped into Hong Kong, and, in 1874, the *Hong Kong Times* reported the ice making establishment at East Point was completed. In 1881, the Hong Kong Ice Company was founded with its headquarters at East Point.

Later the Hong Kong Ice Company was taken over by Jardine's, although Butterfield and Swire was the first company to diversify into selling Australian butter, and, later still, frozen foods including poultry, pigs, and the provisioning of ships. B&S was also the first to sign a contract to supply the armed forces. The frozen food business was taken over from Butterfield and Swire, by Dairy Farm, in 1904.

### Dairy produce

In those early days milk was obtained from native buffaloes and a few sickly cows. Then, John Kennedy a veterinary surgeon who died in 1902, imported cows from Britain, and, in 1880, the dairy (established 1856) stood next to the Horse Repository close to where the Peak Tram is now situated in Garden Road. At a time when expatriates

would not usually condescend to undertake manual work the dairy created quite a stir by employing milkmaids from England. However when the Scottish parasitologist, Dr. (later Sir) Patrick Manson, arrived in Hong Kong he was appalled by the unsanitary living conditions and took a special interest in the local milk supply. This led to the founding of the Dairy Farm (well known today for its chain of 'Wellcome' supermarkets), in 1886, in spite of the fact that the Chinese had no place for dairy produce in their cuisine and many found the taste offensive.

In addition to Dr. Manson, W.H. Ray, J.B. Coughtrie, Granville Sharp, Phineas Ryrie and Sir Paul Chater were directors. The aim was to provide a hygienic supply of milk from cows kept on about 300 acres of good land in the neighbourhood of where the Wah Fu housing estate now stands, on Hong Kong Island. Although the site is exposed to the south-westerly breezes in the hot summer, which helped to keep the cows in better condition, all food-stuffs and building materials had, in those times, to be shouldered from the sea shore to the top of the hill by coolies. The subtropical climate affected the imported animals and the bulls were not keen to perform their duties during hot weather. After a disappointing first year of trading, nonetheless, in spite of disease among cattle and plague among citizens, a profit was recorded.

Meanwhile Dr Manson returned to England, in 1889, to help found the London School of Hygiene and Tropical Medicine.

A bad outbreak of plague struck the Colony in 1894 when Dairy Farm was brought to a standstill. This was followed by a rinderpest epidemic which affected most of its herd. Cheuk Yau, a cowman, had the initiative to drive 30 animals away from the infected area, and he brought them back later when the danger had passed. Ah Cheuk died soon afterwards but his widow received a special allowance from the company, and his two sons were given jobs with the firm.

The herd was later replenished with Frisians from Scotland, and a farmer, James Walker (also Scottish), was sent out by Dr. Manson in 1890 to be the first manager of the farm. He remained in the post until 1920 (some records say 1919).

By 1918 (some records say 1916), the original Hong Kong Ice

238

Company joined Dairy Farm and became known as the Dairy Farm, Ice and Cold Storage Company Limited, following the merging of the food sections of Lane Crawford and Dairy Farm.

Because records were lost little is known of the company's history between 1920 and 1942. The directors who were not killed fighting the Japanese in 1941, however, did manage to hold a minuted board meeting, on June 1st, 1942, in Stanley prison camp. They later held a joint meeting with the directors of Lane Crawford's when it was suggested the two firms should co-operate after hostilities ceased.

This idea materialised in 1960 with limited success. In 1972, Hong Kong Land acquired Dairy Farm in the first contested takeover bid in Hong Kong. The old building on Lower Albert Road, used by the Dairy Farm Ice and Cold Storage Company Limited until 1978, now houses the Foreign Correspondents' Club and the Fringe Club. In the late 20th century milk is tankered into Hong Kong mainly from China.

### Watson's

Another of the few firms that is as old as Hong Kong itself is A.S. Watson's. It is connected with the Canton Dispensary which operated from 1828 to 1858. The Hong Kong Dispensary was opened in a matshed at Possession Point by Doctors (Peter) F.H. Young, a naval surgeon, and Alexander Anderson. The latter became the first Colonial Surgeon of Hong Kong. Doctor John Morrison, son of Doctor Robert Morrison who founded the Canton Dispensary with Doctor Livingstone, was also involved. In July 1841, a bad typhoon destroyed the Dispensary's matshed at Possession Point as well as other structures in Hong Kong.

The main purpose of *Di Yeuk Fong* (大藥房) (big medicine shop as it was then called) was as a dispensary for soldiers and sailors. On 1st January 1843 it moved to Captain Morgan's Bazaar, and the same year a Doctor Samuel Marjoribanks, a surgeon, joined as a partner. In 1845 the dispensary moved to permanent premises, in Queen's Road, and Doctor James Hume Young (a relative of F.H. Young) became manager.

The first member of the Watson family to go East was Thomas

Boswell (1815 to 1860), a graduate of Edinburgh University, who set up in private practice (previously owned by Doctor Anderson) in Macau in 1845. He was a physician and his wife, Elizabeth (née Stedman), joined him the following year. Watson was also an amateur artist and a friendship with the famous George Chinnery lasted from 1845 to Chinnery's death in 1852.

Watson wrote to his sister in Scotland, in 1848, about Macau:

“Counting ourselves, there are just four families and one or two Americans and French. There are Portuguese of course, but I do not class them as foreigners as it is a Portuguese settlement.”

Life out East for Watson meant 14 years of hard work, ill health, and a constant struggle to make enough money for him and his family to go home. Nevertheless, in Macau he was surrounded by a happy family; he lived (as he phrased it) in a

“... sweet abode ... the prettiest spot on earth ... with a spacious open terrace and a wonderful view.”

Watson sold his practice to a Doctor B. Kane (it took time to dispose of it as Macau was on the decline), and he moved to Hong Kong in 1856 where he became part owner of the Hong Kong Dispensary. His rent for a house on Queen's Road then was \$1,200 a year. Watson was also involved with the Victoria Dispensary but this closed in 1857 because of lack of business. It appears there were too many British doctors competing for custom. Watson was said to operate the most successful practice in the Colony.

In 1857, he was closely involved when patriots of China attempted to poison Europeans by putting arsenic in the bread at the Ah Lum Bakery. He managed to rush home to warn his family before they had eaten breakfast. Fortunately, because the amount of arsenic was excessive, it induced vomiting and nobody died. To the intense annoyance of the European community Ah Lum was acquitted for lack of evidence.

Watson sent his family back to Britain in 1857, and he himself returned to Scotland by the overland route (by ship to Port Suez,

240

overland across Egypt, by ship to Trieste, and overland across Europe), in February 1859, a sick man. He died in 1860 only 44 years old.

The dispensary in Hong Kong was not known as A.S. Watson's until 1870, although Alexander Skirving Watson had taken over in 1858 after changes in management.

The 1897 Watson's Calendar explains that, 'Experienced English Assistants only are employed in the preparation and dispensing of Medicines.' The Calendar also advertises: 'Chairs (sedan chairs), Licensed Bearers Hill District, half hour, two bearers, at \$0.15.' Products available at Watsons in those days included, 'Prickly Heat Lotion, A Sovereign Remedy', and Scotch Whisky was advertised at '\$10.80 per doz. Case'.

The firm also sold aerated waters after a Mr Humphreys branched out in 1876, and the old Chinese term for the product, *Ho Laan Shui* (Holland water 荷蘭水), is still occasionally heard today and indicates the Dutch were the first in the field. Later, the firm also started to sell wines and spirits.

A.S. Watson is now a wholly-owned subsidiary of the Hutchison Whampoa Group, and the company is well known for its 'variety chain stores' and for its Park N Shop supermarkets. In addition to Watson Estate there is also a Watson Road to commemorate the firm.

With the Hong Kong penchant, as the saying has it, 'Greed for the new forget the old', (貪新忘舊 *Taam sun mong gau*) and with most business houses ensconced in new, multi-storey concrete structures, there are few old articles to remind visitors of the past. That is why it is a pleasure, on entering Watson's offices at Fo Tan, Shatin, to see today two antique medicine jars, each about 90 centimetres high, and a large prescription book with entries in longhand, the first of which is dated April 5th, 1937.

### Lane Crawford's

In 1850, Thomas Ash Lane and Ninian Crawford set up a sea-biscuit emporium in a matshed (rush mats covering a bamboo frame). Lane started life as a government clerk, although his family was

engaged in business in Canton, Macau and Hong Kong well before the middle of the nineteenth century. Crawford, who joined T.A. Lane in partnership, was a humble stores clerk.

After the attempt to poison the expatriate population by putting arsenic in the bread, in 1857, Lane and Crawford established a bakery in the 1860s. They also conducted auctions. Later the two men built a wharf, started a towing service with a 35 horsepower launch, and initiated the port's first fresh-water supply. In the early 1880s these water-boats were placed at the service of the Government when there was a serious drought. This branch of the business was later merged with the Union Waterboat Company which continued to operate until after World War II. Lane Crawford's bakery and coal yard went on trading until the early 1960s.

The company opened its six-storey Des Voeux Road department store, opposite Alexandra House and designed by architects Leigh and Orange, in 1905. (This was demolished and a new building erected in 1926). Departments included ship's chandlery, grocery, outfitting, hardware, furnishing, upholstery, tailoring, millinery and musical instruments. Anything was said to be available from a pin to an anchor. Business prospered and branches were later opened in Shanghai, Yokohama and Kobe. Eventually, these were taken over by independent managements.

In the last decade of the twentieth century Lane Crawfords in Hong Kong caters for the affluent local community, and the emphasis is still on quality products. The staff are mainly Chinese. This contrasts with a Lane Crawford staff group photograph taken in 1904, of European shop assistants and floor walkers, on a beach. The 33 members mostly wore long, one-piece swimming costumes, and several sported walrus moustaches. They were said 'to have been accommodated in splendid quarters'. (Another European firm of drapers and outfitters that operated in Hong Kong until the 1960s was Whiteaway Laidlaw).

Today, Lane Crawford is a part of the Wheelock Marden Hong Kong Realty, Marco Polo Group. It is a comparatively recent acquisition of Y.K. Pao's Wharf Company although it has a longer history than the parent company and other associates.

## Chartered Bank

Until 1840 or so banking facilities in Hong Kong were provided by the large hong, such as Jardine's, Dent's and Russell's. However, once the Colony was considered stable enough, bankers came here following the traders, and, after the establishment of the Treaty Port System, starting in 1843, a number of joint-stock banks with their headquarters in India or London opened. The Chartered Bank of India, Australia and China, one of the principal promoters of which was James Wilson MP, the founder of *The Economist*, and a successful businessman, was such a bank. It was established in London in 1853, and its first branches in the East were founded in Calcutta and Shanghai, both in 1858. Only six years after receiving its Royal Charter *Makalee* (麥加利), as the bank is called in China (a direct translation of 'John MacKellar' the first manager in Shanghai), set up a branch in 1859 in Hong Kong.

Since 1862, *Jah Da* (渣打) (as 'Chartered' is usually called in Cantonese in Hong Kong) has issued its own bank notes. It is at present the oldest foreign bank and was the first licensed financial institution in the Colony. Together with the Hong Kong Bank, the Bank of East Asia, and the Overseas-Chinese Banking Corporation, the 'Textile Bank' (yet another sobriquet for 'Chartered' because of its connections with that industry) was one of four overseas banks that was allowed to keep its branch in Shanghai after the People's Republic Government came to power in 1949.

The author recalls opening his first account with the Chartered Bank in early January 1955, not in the building that was demolished in 1986 (which was completed in 1959 and at the time was the tallest building in Hong Kong) but in the one before that. There was a colonial atmosphere about the place, with paddle-type fans suspended from ceilings. Few buildings in Hong Kong were air-conditioned then. The bank did not open its first branch in the Territory until early 1962. This was in Tsuen Wan.

A time-worn adage had it, a little unkindly perhaps, that officers of Chartered were bankers aiming to be gentlemen, and that expatriates in the Hong Kong and Shanghai Bank were gentlemen trying to be bankers. In those days the Hong Kong Bank did not employ Chinese, other than in menial positions, and local staff were mainly Eurasians



and persons of Portuguese descent.

To a degree banks symbolise power, and the People's Republic gained in prestige when its 17-storey Bank of China slightly overtopped the Hong Kong Bank in 1950. The latter then erected a flagpole, so it is said, which gave it a few extra feet. In 1959, however, the then new Chartered Bank rose about three metres above the old Bank of China. With the new 42-storey standard Chartered Bank, completed in 1990, looking down on the Hong Kong Bank — claimed to be the most cost-efficient bank building in the world — it seems that, to some degree, history is repeating itself. Nevertheless, this is well short of the 70-floor new Bank of China (also completed in 1990) which, for a few years, was the tallest building in Asia.

### Hong Kong Bank

Unlike the Chartered Bank which is essentially British, the Hong Kong and Shanghai Bank, which is today the largest bank headquartered in Asia outside Japan, has always prided itself on being international. Nevertheless, the original prospectus of the 'Hong Kong and Shanghai Banking Company Limited' stated the aim was:

“... for an institution to be operated on sound Scottish banking principles.”

Most of its senior staff have, from the outset, thus been British.

The Hong Kong Bank was founded in 1864, on co-operative lines. Business commenced in 1865 (by which time six banks were already established in Hong Kong), and nearly all the principal firms in the Colony were represented. The purpose of *Wayfoong* (滙豐) (meaning 'Abundance of Remittances' which first appeared, in Chinese, on bank notes in 1881) was to serve the needs of merchants of the China coast and to finance the growing trade between China, Europe and North America. The traders of old felt their needs would be served better if they had a bank (in Hong Kong it is often spoken of as *The Bank*) which was owned, managed and operated locally.

Although the provisional committee was chaired by the British firm Dent and Company its members were far from being exclusively British. They included Americans, Germans, Scandinavians and

Parsees. At one time, with a German Chairman and an American Deputy Chairman, the Board had no British members. The financial failure of Dent, in 1867, had the effect of freeing the Bank from dependence on any one enterprise and brought about more independent management control. Within months of setting up its headquarters in Hong Kong a branch was opened in London, and further branches were established in San Francisco (1875), New York (1880), Lyons (1881) and Hamburg (1889). By the 1880s The Hong Kong Bank had become banker to the Hong Kong Government, and to this day it is, in effect, the Central Bank of the Territory.

World War I proved a difficult period, and its German directors resigned shortly after hostilities commenced. The Bank resumed its leading position in China and the Far East in the 1920s and 30s. Like the Chartered Bank, the Hong Kong and Shanghai Bank's branch in Shanghai operated without interruption all through the Cultural Revolution.

Today 'Wardley' is the name of an investment company associated with the Hong Kong and Shanghai Bank. In 1864, Wardley House (demolished in 1882 when its new bank building was completed) was the first premises of the Bank. William Henry Wardley was a staff member of Gibb Livingston. He started his own firm about 1850. Although the company was taken over by F.B. Johnson and James Bowman the name was retained. It stopped trading about 1861, before the Bank was established. But the name, Wardley, has been perpetuated.

### **The Mercantile Bank**

The old Mercantile Bank can be traced back to October 1853, with the founding of the Mercantile Bank of India. Within two months it had become the Mercantile Bank of India, London and China, a co-partnership of four Indian proprietors and four British. An office was opened in London almost immediately, and other offices, in 1854, in Madras, Colombo and Kandy. In 1855 branches started at Calcutta, Singapore, Canton, Shanghai and Hong Kong. Comparing these dates with the Chartered Bank, Mercantile got off to a quicker start, although both banks were established in the same year. Mercantile had a branch in Hong Kong, for example, four years before Chartered.

Skipping a century, in 1958 the name was shortened to 'Mercantile

Bank Limited', partly to remove the impression, prevalent at the time, that it was an Indian, and not a British, bank. In the same year, a share exchange took place with the Hong Kong and Shanghai Banking Corporation for the entire share capital of Mercantile.

In 1967 in Hong Kong, the 'Disturbances' (spill overs of the Great Proletarian Cultural Revolution in the People's Republic) resulted in a flight of capital which reduced deposits in banks — fortunately only temporarily. The following year, as a number of members served on both the London Committee of the Hong Kong Bank and Mercantile's counterpart, it was decided to disband the London Committee of 'Mercantile'. Finally, the full amalgamation of the Hong Kong Bank and Mercantile took place in 1982-3.

### Insurance

In the early days of trading in Canton insurance posed something of a problem for the small European community. Members formed a local underwriting syndicate (on the Calcutta pattern) to provide facilities for marine insurance. The Canton Insurance Office was established in 1804 (other records say 1805), and for the first 30 years of its existence it was managed alternately by Jardine's and Dent and Company, changing every three years. A great deal of trust appears to have existed between the Chinese hong merchants and the European traders, and a document shows that *Chinqua*, a Chinese businessman, promised to make good any loss suffered by a merchant in France, to whom he was shipping tea, without having to prove loss by the return of goods.

The Union Insurance Society of Canton was established in Canton in 1835, by a number of far-sighted British Merchants under the guidance of Dent and Company. After Dent's went into liquidation, in 1864, Union Insurance became a separate entity. It had already moved its headquarters to Hong Kong in 1842, which is still its home even though it has offices and representatives in many cities in the Far East and agencies throughout the world.

In 1861, Hong Kong had 73 merchant houses and 18 of these acted as agents for insurance companies. Jardine's has retained its early interest in insurance, and, in 1868, when the Hong Kong Insurance Company was formed, it became the agent. This, a century

246

later, made up part of the Lombard Insurance Company.

### **Hong Kong Hotel Company**

The Company started in 1866, and the Hong Kong Hotel opened in 1867 on the site of the defunct Dent and Company's offices on the then waterfront at Queen's Road Central. In 1893, in addition to the 'Hong Kong', other leading hotels included 'Windsor' and 'Victoria', in Central, and 'Mount Austin' and 'Peak' hotels, both on the Peak.

### **The Professions**

As well as traders, a few British professionals set up practices in Hong Kong in the last century. Victor Hobart Deacon, for example, arrived in the Colony in 1880 to join a firm of lawyers that was already 30 years old. In the 1840s, the nearest lawyer was said to be in Calcutta.

At about the same time there were a number of people who described themselves as architects, but they were probably only draughtsmen. One such man was named Langer, who arrived in 1842 to supervise the erection of buildings for Jardine's. He was stricken with fever after only working for two months. The civilian architects produced nothing of the calibre of the military architects who designed such structures as Murray House and Headquarters House.

Wilson and Salway, architects and engineers, were established in 1872; and Leigh and Orange, although not the first, was among the early practices to be set up. This latter firm dates back to 1874, under the name of Sharp and Danby who were engineers, and in 1894 it became Leigh and Orange. The 'founding fathers' were ex-Public Works Department employees. The Ohel Leah synagogue in Robinson Road, completed in 1902, is one of their buildings, as were the old Queen's Building and the old Prince's Building, both completed in Central in 1904.

Other structures, since demolished, were the entire premises of the Hong Kong and Whampoa Dock Company, at Hung Hom, and the wharves and premises of the Hong Kong and Kowloon Wharf

and Godown Company. 'Monuments' still standing include the Helena May Institute (completed 1916), Saint Andrew's Church (foundation stone laid 1904) and Church Hall, and the Peninsula Hotel (official opening 1928) which — along with the Taj Mahal in Bombay, Raffles in Singapore and a few others — was classified, before World War II, as one of the 'great hotels of the East'. Another of Leigh and Orange's edifices is the main, 'Renaissance' style, building at Hong Kong University which was completed in 1912 and extended in 1952. It has been gazetted as an historical monument. The now demolished Sir Paul Chater's 'Marble Hall', generally accepted as the most luxurious residence in Hong Kong before World War II, was another example.

The Colony's first, full-time, chartered accountant was Arthur Lowe, who came to Hong Kong in 1902. Joseph Bingham became his partner in 1905, and Frederick Mathews (Lowe, Bingham and Mathews) in 1909. There were other accountants in the Territory before 1902, but few had professional qualifications and auditing was usually a subsidiary activity to their main lines of business. For instance, Linstead and Davis were mainly property agents, but they also sold bicycles, and, up to 1926, they had an agency for Manila cigars. The partners audited the accounts of various companies. The senior partner of Gibb Livingston was one of the two Hong Kong Bank auditors, and so on.

Lowe Bingham (*Lo Bing Ham* 羅兵咸 in Chinese) became part of the international firm of Price Waterhouse in 1974.

### **Hong Kong and China Gas Company**

William Glen, who had no knowledge of the gas industry in 1861, obtained from the then Governor, Sir Hercules Robinson (when the population was 123,281), a concession to supply gas to the city of Victoria. The company was incorporated on May 31st 1862: most of the shareholders lived in the United Kingdom, although 500 shares were offered locally.

Then, on December 3rd 1864, Hong Kong was lit with gas for the first time by about 15 miles of mains and 500 lamps, in Queen's Road extending up the hill to Upper Albert Road. Previously, the only street lights had been installed voluntarily by residents, and burned peanut oil. The residents of Caine Road complained that they

248

were still in darkness. Kowloon had to wait another 28 years before gas lights were turned on. The inhabitants there continued to depend upon candles and oil lamps.

The board of directors set up their office in London, and from there they engaged staff and ran the company. The first manager in Hong Kong was R.C. Whitty. It was he who erected the plant, which came from Britain, on the waterfront at West Point (near Whitty Street). It was the first gas utility in the Far East. Jardine's office, the Hong Kong Dispensary (A.S. Watson and Company), and the Hong Kong Hotel were the first buildings to be lighted by gas. Gas cookers and waterheaters were still unheard of.

The first plant could manufacture 120,000 cubic feet of gas a day, and for 80 years coal was used as fuel. The Ma Tau Kok gasworks used to ring a brass bell at hourly intervals, like ships of old using the marine system of two, four, six and eight bells over a four hour period, for timing the charging and discharging of furnaces. This bell was a familiar sound to Ma Tau Kok residents.

For 90 years the company was managed directly from Britain. Then, in 1954, majority control was purchased by George Marden of Wheelock Marden. In 1982, transfer of the company's corporate registration from England to Hong Kong made it a local firm. These moves brought about more effective management control.

For 100 years there were gas lights in Hong Kong. Today only four remain. These are situated at the head and foot of the broad granite steps, built between 1875 and 1889, which lead from Ice House Street into Duddell Street in Central. The lamps were installed at the turn of the century when they were lit manually. These steps and the four street lights have been gazetted as historical monuments. Once there were over 2,000 street gas lamps. But in spite of the loss of business the Gas Company learned to adapt and emerged stronger than ever. In the late 1980s it had over half a million consumers. After 1981, Towngas has been produced entirely from eight naphtha plants.

### **Hong Kong Electric**

The first power station in Hong Kong was in Star Street, Wanchai.

and at six o'clock on December 1st, 1890, 50 electric lights were switched on in Queen's Road Central, Battery Path, and Upper Albert Road. All testing had been done in secret so nothing would mar the excitement of that first night. On the second night a fault put the electric lights out and sceptics were saying, 'I told you so!' A week later, during rain, the lights went out again, and they were not restored for two days. There were no more breakdowns from then on for 26 years.

Later, all streets west as far as Bonham Strand and Caine Road at Mid-Levels, and, later still, along Queen's Road East and Wanchai Road to Mission Hospital Hill (the present site of Ruttonjee Sanatorium) were lit. Hong Kong and Shanghai were the first two Asian cities to have a public electricity supply, and Hong Kong Electric is the only surviving company of the many that pioneered electric power throughout the Far East. It is one of the oldest suppliers of electricity in the world.

Of the three chief men who pioneered the Hong Kong Electric venture, Bendyshe Layton is credited with providing the momentum, and Sir Paul Chater, who was a director for 37 years, was responsible for finance. Capital amounted to \$300,000, divided into 30,000 shares of which half were offered to the public. The third person was William Wickham the electrical engineer. He designed and supervised the building of the first power station and remained as manager of the company until 1910.

Interest in electricity soon developed, and, in the 1890s, the first private homes were wired up and electric fans began to replace punkas. Also, by 1898, the first substation was constructed to service the new tall buildings, which had electric lifts (elevators), along the newly reclaimed waterfront. By 1905 the company was supplying power for 15 lifts, hundreds of fans, the equivalent of 34,500 lamps and street lighting. The Royal Naval Dockyard, near where Queensway now runs, was a blaze of light.

Power was later extended, underground, to West Point, then the centre of the colony's busy night life. Subsequently electricity reached the Peak and Shau Kei Wan, and, by 1916, Aberdeen and Ap Lei Chau were supplied. Gradually large organisations like Dairy Farm, Taikoo Docks, the Peak Tram and the University, which had been

250

generating their own supplies, switched to Hong Kong Electric.

In 1924 there were 1,369 gas street lights, compared to 469 electric. By 1936, few gas lights remained.

During the invasion, in December 1941, a small group of Hong Kong Electric engineers and other staff, a few of whom were veterans of Britain's past wars, held the Japanese at bay in the epic defence of the North Point Power Station. Casualties were heavy. Of these, Vincent Sorby, the general manager, later died of wounds in prison camp.

Except for early days and the war years, blackouts have totalled only two hours 50 minutes. One was caused by a fire at North Point Power Station in 1930, and another when a shoal of fish was sucked into the cooling system in the same year.

### **China Light and Power**

China Light and Power is 'younger' than Hong Kong Electric, and until it was established, apart from a few lamps, the streets of Kowloon went lightless at night. Robert George Shewan registered the company in 1900 (some records say 1901). His main business was as a partner in Shewan, Tomes and Company. Its predecessor was Samuel Russell and Company (liquidated in 1879), which started business in Canton in 1818, an American trading firm originating in Boston which merged with Perkins and Company, another American company, in 1842.

Lawrence (now Lord) Kadoorie, Hong Kong's first peer, was born in Hong Kong and raised in China. His father, who became Sir Elly Kadoorie, arrived in Hong Kong, via Bombay, in 1880 from Baghdad where his was one of the leading Jewish families. Lawrence Kadoorie joined the board of China Light and Power in 1930. Since then, he has been one of the driving forces in the company.

China Light and Power commissioned its first power station, at Hung Hom, in 1903. In 1989, the company supplied electricity to nearly 1,400,000 customers in Kowloon, the New Territories, Lantau, and some outlying islands. 'China Light' is not dealt with at such length here as Hong Kong Electric because it did not come into



being until this century. In the last decade of the 20th century, however, it provides three-quarters of the electricity consumed in Hong Kong. Not long after the Company placed what was reported to be the largest ever single order with British industry, in 1980, six members of the board were made Commanders of the British Empire. There have also been two Knighthoods in the Kadoorie family.

## Transport

Motor transport was mainly introduced into Hong Kong in the present century, and, by 1909, the Colony boasted five private cars. Steam power was, however, used at sea before it was employed on land, and by 1876 there were nine steam launches operating in the harbour, and the first regular cross-harbour ferry, employing steam launches, commenced in 1880. In 1898, the Star Ferry was incorporated and took over from Dorabjee Nowrojee the previous ferry owner.

British firms were, nonetheless, involved with transport, and a proposal was made by Jardine's, in 1881, for a system of trams on Hong Kong Island. The same year another proposal was made for a tramway to Victoria Gap, and in 1885 the original promoters sold their rights to Phineas Ryrie and Alexander Findlay Smith (Findlay Path on the Peak is named after him) for \$2,000. The latter, a merchant who arrived in Hong Kong in the 1860s and who had been an employee of Scotland's Highland Railway, was the driving force. In 1881, it was he who requested approval from Sir John Pope-Hennessy, for this innovative scheme.

According to Mrs Maud Grant-Smith, the Governor told her late husband's uncle, Findlay Smith:

“My dear chap, you are simply throwing your money down the drain. Do you imagine anyone wants to go to the top of the Peak?”

Because His Excellency would not help, Smith brought his own engineers from Scotland. As early as the 1840s Doctor William Morrison, the Colonial Surgeon (1847 to 1859), recommended spending the summer on the Peak. He also suggested a sanatorium be built there to alleviate the effects of heat and humidity. This was constructed but by 1868 it had fallen into disrepair, and had been rebuilt as

'Mountain Lodge', the Governor's summer residence. Smith was convinced the Peak Tram had a future.

The original promoters included F.B. Johnson of Britain, F.D. Sassoon of Hong Kong, C.V. Smith of Shanghai, and W.K. Hughes of Hong Kong. Capital for the new company amounted to \$125,000 in \$100 shares. Construction began in September 1885, when 30 to 40 families customarily spent their summers on the Peak. The Peak Hotel was opened in 1873.

The Peak Tram consulting committee included Phineas Ryrie, Findlay Smith, A. McIver, J.B. Coughtrie, and McEwen and Company. The project was completed and opened on 30th May 1888. The original tram had 30 seats, the front two of which were reserved for the Governor until two minutes before departure. The steepest gradient is one in two, at May Road, and the original steam engines were not replaced by an electrically powered system until 1926. The ten minute journey on the cable car provided the only mechanical form of transportation to the 1305-foot high Victoria Gap until Stubbs Road was completed in 1924.

In 1905, the original firm was sold to the newly-incorporated Peak Tramways Company which included entrepreneurs such as Sir Paul Chater, H.N. Mody (Mody Road is named after this Parsee merchant), Abraham Jacob Raymond, Charles Wedderburn Dixon and Creasy Ewens. The Kadoorie family has been connected with the Tramway since 1905.

### **Trams and trains**

In spite of the original 1883 Ordinance, mentioned above, the tramway scheme along the North shore of Hong Kong Island was delayed. It finally opened in 1904. In those early years trams were a prestige form of travel.

Similarly, although Jardine's and the Hong Kong and Shanghai Bank formed a company in 1898, which was granted rights to build a railway from Kowloon to Canton, construction did not begin until 1906 and was undertaken, in the event, by Government. The British section was completed in 1910. By October 1911, the railway opened for through traffic to Canton.

### **Other firms**

As mentioned earlier this article is by no means exhaustive. Other old firms still exist. They include Lammert, Atkinson and Company, which was founded by George Rhinegold Lammert, who opened the firm in Stanley Street. Lammert Bros. (as they are now known), present advertisements claim, have been auctioneers in Hong Kong since 1855, and in 1870 the firm was advertised as a naval and general store, auctioneers and commission agents. Some sales were conducted in the medium of Chinese, which was unusual at the time.

Another old, still-existing, establishment is George Falconer the Jewellers. The founder of the company had previously worked for Douglas Lapraik and Company, watch repairers. Lapraik came to Hong Kong from Scotland, in 1843, and before starting up on his own account worked for L. Just, watch and chronometer makers, in D'Aguilar Street. Lapraik started the Douglas Steamship Company in 1883. He also built the unconventional Douglas Castle, at Pok Fu Lam, now used as a hostel for university students.

Another early shop in the Colony was Kelly and Walsh, established in 1885. Kelly, the printer, was Irish, while Walsh, the bookseller and publisher, was Scottish. There were about 20 shareholders. The first shop was in Queen's Road. It then moved to York Building (Chater Road), then to Prince's Building (Chater Road), to Swire House, and finally to its present location in Ice House Street. There were branches in Shanghai, Singapore, Hankow and Japan. Their printing presses were in Shanghai and Singapore, and Kelly and Walsh published about 500 titles all told.

### **Liquidated firms**

Many fortunes were made and lost in early Hong Kong, and some once thriving companies ceased business long ago. Not all taipans went back to Britain on retirement as rich men. Recessions can be traced at intervals throughout the history of the Colony and a number of firms were badly affected.

One of the most important houses to go out of business was Dent and Company (already briefly mentioned), which was founded by William Dent at the end of the 18th century. By the time the three

254

sons, John, Lancelot and Wilkinson, were running the firm from Canton and Macau, in the 1820s, it was very successful, and, later, it was Jardine's main rival.

The company continued to do well for a number of years but it failed in 1867 at the time of an economic recession. Some believe that Swire's, with their ruthless trading tactics, helped to destroy Dent's although it is not known how much truth there is in this. Another firm that failed about the same time was the Agra and Masterman Bank.

There are many other once successful organisations that fell by the wayside. Names like Burd; Holliday and Wise; Humphreys; Lyall and Still; Murrow; and Turner; are no longer with us. Bard, in his 1988 report, lists 37 enterprises with English sounding names (some could have been American) of which, although listed in directories between 1845 and 1900, little is known.

## BOOKS AND JOURNALS

### SOURCES

Unless stated otherwise the following books, journals, brochures, leaflets, magazines, reports, newspapers, supplements, periodicals and letters were published or drafted in Hong Kong.

- Adventures and Perils, The First Hundred and Fifty Years of Union Insurance Society of Canton Ltd*
- Bard, Solomon, *In Search of the Past: A Guide to the Antiquities of Hong Kong* (1988)
- Boulnois, L., *The Silk Road* (London, 1966)
- Braga, J.M., *Hong Kong Business Symposium* (1957)
- Briggs, Tom and Colin Crisswell, *Hong Kong: the Vanishing City* (1977)
- Briggs, Tom and Colin Crisswell, *Hong Kong: the Vanishing City, Vol. II* (1978)
- Burgoyne, J., *Far Eastern Commercial and Industrial Activities* (1924)
- Cameron, Nigel, *Power* (1982)
- Cameron, Nigel, *The Milky Way: The History of Dairy Farm* (1986)
- Chambers, Gillian, *Super Traders, The Story of Trade Development in Hong Kong* (1989)
- Coates, Austin, *A Mountain of Light* (1977)
- Coates, Austin, *Quick Tidings of Hong Kong* (1990)
- Coates, Austin, *Whampoa: Ships on the Shore* (1980)
- Collis, Maurice, *Wayfoong* (London, 1965)
- Crisswell, Colin N., *The Taipans, Hong Kong's Merchant Princes* (1981)
- Endacott, G.B., *A History of Hong Kong* (1958)
- Gillingham, Paul, *At the Peak, Hong Kong between the Wars* (1983)
- Graham, John, *The Lowe Bingham Story (1920-1977)*
- Historical and Statistical Abstracts of Hong Kong 1841-1940*
- Hong Kong Going and Gone, Western Victoria* (Royal Asiatic Society, Hong Kong Branch) (1980)
- Hong Kong* (Government year books, various)

- The Hong Kong Guide 1893* (republished 1982)
- Hughes, Richard, *Borrowed Place Borrowed Time, Hong Kong and its Many Faces* (London 1968, reprinted 1976)
- Hunter, W.C., *The "Fan Kwae" at Canton Before Treaty Days 1825-1844* (republished 1965)
- Hutcheon, Robin, *The Blue Flame, 125 Years of Town Gas in Hong Kong* (1987)
- Hutcheon, Robin, *Wharf, The First Hundred Years, 1886-1986* (1986)
- Ingrams, Harold, *Hong Kong* (London, 1952)
- Jardine, Matheson & Company ... *an historical sketch* (undated)
- Jarrett, *Old Hong Kong*
- Jones, Stephanie, *Two Centuries of Overseas Trading, The Origins and Growth of the Inchcape Group* (England, 1986)
- King, Frank H.H., *The History of the Hong Kong and Shanghai Banking Corporation*, vols. I to IV
- Lawrence, Anthony, and Frederick Amentrout, *The Taipan Traders*
- Liu Kwang-ching, *Anglo-American Steamship Rivalry in China 1862-1874* (Harvard 1962)
- Luff, John, *Hong Kong Cavalcade* (1968)
- Luff, John, *The Hidden Years, Hong Kong 1941-1945* (1967)
- Luff, John, *The Hong Kong Story* (circa late 1960s)
- MacMillan, Alistair, *Seaports of the Far East* (1925)
- Morris, Jan, *Hong Kong, Xianggang* (England, 1988)
- Murray, Simon, *Legionnaire* (England, 1980)
- Peak Tramway 1888-1988*
- Present Day Impressions of the Far East and Prominent and Progressive Chinese at Home and Abroad*, Managing Director W.H. Morton-Cameron, Editor-in Chief W. Feldwick (1917)
- Royal Asiatic Society, Hong Kong Branch, journals, various
- The Thistle and the Jade, A Celebration of 150 Years of Jardine, Matheson & Co.* Editor Maggie Keswick (London, 1982)
- Twentieth Century Impressions of Hong Kong, Shanghai, and Other Treaty Ports of China*, Editor in Chief Arnold Wright (1908)
- Wong Siu-lun, *Emigrant Entrepreneurs: Shanghai Industrialists In Hong Kong* (1988)

## UNPUBLISHED BOOKS

- Book I, *The Canton Dispensary 1828-1838*
- Book II, *The Hong Kong Dispensary 1841-1862*
- Book III, *A.S. Watson and Company 1862-1886*

## COMPANY BROCHURES, LEAFLETS AND MAGAZINES

- A.S. Watson & Co., Limited*
- Brief History, The Hong Kong and Shanghai Banking Corporation*
- China Light and Power Co., Ltd.* (annual reports)
- Deacon's*
- The Elements of Power, China Light & Power*
- History of Hong Kong & China Gas Co. Ltd*
- Hong Kong Bank Group Magazines*
- Hong Kong Land 1889/1989*
- Hong Kong's Noonday Gun* (Jardine)
- Hutchison Whampoa Limited* (annual reports)
- Inchcape: The International Services and Marketing Group*
- A Pictorial History of Hong Kong Electric*
- Standard Chartered News*

256

*The Swire Group*

*Swire News* (various)

*Union Corner*, (booklet of Union Insurance Society of Canton Ltd.)

*Watson's Calendar 1897*

#### REPORTS, PAPERS AND FACT SHEETS

Bard, S.M., *Foreign Trade and Traders in Early British Hong Kong* (1988)

*Hong Kong: The Facts* (various Government fact sheets)

Leeds, P.F., *The Development of Public Transport in Hong Kong — an Historical Review* (November 1974)

#### NEWSPAPERS, SUPPLEMENTS AND PERIODICALS

Art catalogue, excerpts mentioning the Watson family (undated, details unknown)

*The Asia Magazine*

*Asian Finance*

*Building Journal*

*Hong Kong, Inc* (no. 2 Feb. 1990)

*Hong Kong Standard* (various)

'A New Era for Swire Travel', *Hong Kong Standard* Special Publication (31 October 1974)

'New Lane Crawford House', Souvenir Magazine to Commemorate the Opening of New Lane Crawford House, *Hong Kong Standard/Sing Tao Jih Pao* (June 1977)

Newspaper clippings, Hong Kong Public Records (various)

*South China Morning Post* (various)

*South China Morning Post 75 Years* (1978)

'139 Years of Temptation', *South China Morning Post Supplement* (15 March 1989)

#### LETTERS TO THE AUTHOR

From: Mr Rupert S.C. Li (Swindon Book Company)

The Royal Society, London

Standard Chartered Bank