

Keeping a Foot in the Door: Britain's China Policy, 1945–50

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Based on *Britain and China 1945–1950* (DBPO, 2002), this article examines four major themes in Britain's China policy between 1945 and 1950: British attitudes towards Chinese communism and China's civil war, Anglo-American relations over China, attempts to restore and sustain British commerce in China, and the future of Hong Kong. The central feature of policy was to 'keep a foot in the door', even under a communist government, to protect British interests. Only modest success was achieved. British officials were divided over the issue of Chinese communism and Britain miscalculated the timescale in the ending of the civil war. The US administration proved largely uncooperative over China, and British commerce was eventually squeezed out. Hong Kong survived as a British colony. Amidst the considerable thought given to the future of Hong Kong, and to Britain's ability to defend it, intelligence reported that the communists had no plans to seize the colony.

In July 1945 the Far Eastern Department of the Foreign Office (FO) completed a policy paper for postwar relations between Britain and China. The document was a rework of a paper first produced in March of that year. Arguing that with a worldwide imperial interest Britain could not afford to be indifferent to nearly 500 million Chinese, the March version suggested Britain should pursue in China policies of economic and financial aid, together with technical assistance and military training. It recommended that the package as a whole should be endorsed by cabinet and publicized in parliament.

The recommendations of March 1945 never reached cabinet or parliament. Within the department two assistant under-secretaries expressed reservations. Edmund Hall-Patch, formerly of the Treasury with prewar experience as financial adviser at the embassies in Peking and Tokyo, suggested that in the postwar years Britain's financial resources – he described them as 'desperately small for our

great responsibilities' – would have to be husbanded for use in more important areas.¹ His sentiments were echoed by Victor Cavendish-Bentinck, who was also chairman of the Joint Intelligence Committee: 'After the war we shall have to cut our coat according to our cloth, and I doubt very much whether there will be sufficient cloth to do much towards clothing a strong and united China.' British investments in China were said to be worth £300 million but Cavendish-Bentinck continued: 'I trust we shall not overrate our interests in China. China is not vital to the maintenance of our Empire and we can do without our China trade. So long as we maintain control of seaways, a direct threat from the direction of China is not serious.'²

The memorandum that emerged in July 1945 was thus a more modest document. It was not intended to be seen by cabinet or paraded before parliament. There was no suggestion in it that the UK should play a role in China's postwar reconstruction, still less that Britain should compete in this respect with the US, or involve itself in China's civil conflict. To the extent that it recommended a more active China policy, the memorandum confined its recommendations first to the recovery of Hong Kong and the restoration of the British property, plant, and equipment that had been lost under the Japanese occupation, and then to the negotiation of a new commercial relationship with China's nationalist government. The weakness of Britain's position in China was said to be offset by a number of advantages, principally British experience of Chinese conditions and the natural inclination of Chinese nationalism to resist domination by any single outside power. It was expected that China would welcome good relations with Britain as a means both of protection against Soviet encroachment and avoidance of over-dependence on the US. Insofar as British influence continued in China, it would therefore be possible to overcome any potential friction that might be caused in Sino-British relations by such long-standing issues as the status of Tibet, Chinese communities overseas, the demarcation of the border with Burma, and especially the future of Hong Kong.³

The official view of Britain's interests in China was limited and pragmatic and it remained substantially unchanged over the next five years. To determine the extent to which these limited expectations were realized, this article addresses four main themes: first, Britain's view of China's civil conflict and the nature of Chinese communism; secondly, Anglo-American relations; thirdly, the future

of British commercial interests in China; and finally, the question of Hong Kong. Each will be examined in turn.

THE CIVIL WAR IN CHINA AND CHINESE COMMUNISM

Sir Percy Craddock's history of the Joint Intelligence Committee – *Know Your Enemy* – claims as one of the JIC's main successes its forecast that communist China would not become a Soviet satellite. Early assessments had of necessity to be cautious and Craddock refers to a JIC report of April 1949 to the effect that it remained to be seen whether the Chinese communists would stay loyal where China's national interests came into conflict with Kremlin policy.⁴ Another assessment was forwarded to the chiefs of staff on 30 September 1949, the day before Mao Tse-tung proclaimed the People's Republic. While strategically the JIC now calculated that communist China would support the Soviet Union in its goal of world revolution, this did not automatically mean direct Soviet control over China and the report anticipated that it would be several years before China could be counted as a major industrial asset to the Soviet bloc.⁵

Yet these JIC assessments should not be seen in isolation. They were preceded by four years of lively debate between the FO in London and the embassy in China on the issue of Chinese communism and its relationship with Moscow. Perhaps the best illustration occurred at the beginning of 1948 when the FO took exception to an embassy assessment of what China might be like under a communist government. Ambassador Sir Ralph Stevenson's analysis took as its starting point the New Year messages issued by Chiang Kai-shek and Mao Tse-tung. Little time was devoted to the tired and worn message of the former and the ambassador's despatch concentrated almost exclusively on Mao Tse-tung's message, which by contrast, exuded confidence in 'the imminent triumph of the Chinese Communist Party.' It was also said to represent a significant tactical shift. By advocating conciliation towards the rich peasants and small businessmen, and a 'United Front' strategy to attract support from disillusioned liberals who had hitherto backed the KMT – the Kuomintang, China's ruling Nationalist Party – the communists were now actively 'diluting the pure milk of Communist doctrine.' The analysis highlighted important cultural differences between China and the Soviet Union and suggested that the process of turning China into an orthodox communist state would be slow; collectivization

was unlikely to flourish in the 'land of rice fields at all levels.' The ambassador concluded with the observations that there was no reason to believe there would be more communist hostility towards Britain than there would towards other powers; that US interests were likely to suffer more, even though they were smaller; and that Soviet depredations, not only in Manchuria but also in the north-western province of Sinkiang, would turn the Chinese communists against Moscow.⁶

With most of this analysis the FO was in diametrical disagreement. While admitting that on occasions in the past Britain had complicated relations with China by supporting for too long a tottering regime,⁷ the FO was insistent the time had not arrived to decide what sort of relations Britain should have with the communists if they took power. FO concern on this latter issue was twofold. First, the ambassador's analysis led to the suspicion that the embassy was displaying partiality towards the communists and backtracking on its earlier view that in 1946 they had undermined American mediation in China's civil war. Secondly, within Britain an unlikely alliance was being forged between left-wing intellectuals and business leaders with interests in China, both of which groups were urging that Britain should distance itself from America's China policy and come to terms with the communists.⁸ Further exchanges took place with the embassy. The latter refuted any suggestion of partiality and agreed it would be both premature and counterproductive to recognize the communists. But while conceding communism was the same the world over – 'a vile and destructive ogre' – the embassy adhered to its position that there were forces inherent in China which would render futile any attempt to impose Soviet-style orthodoxy. China's conservatism, individualism, and inertia 'may emasculate even a force as virile as Communism.' Moreover, as it was still in Britain's interests to maintain trade with China, the UK should not be squeamish about 'reddening hands' and doing business with the communists in the areas they controlled.⁹ For both sides in the argument the extent of Soviet control over the communists remained uncertain. The FO at first assumed the leadership was Moscow-trained but doubts were cast when an investigation was conducted into whether Mao Tse-tung had ever visited the Soviet capital.¹⁰

If officials were at odds over relations between the Chinese and Russian communists, they were also caught off-guard when deliberating over the outcome of the civil war. Two assessments, commissioned

separately by the Joint Intelligence Committee in May 1948 and the embassy in Nanking the following November, reached broadly the same conclusion.¹¹ While, on a long-term basis, the embassy found it difficult to envisage anything other than communist domination of the whole of China, both assessments concluded this was not expected to happen immediately or even soon. A line was drawn at the Yangtse. Communist control north of the river was not in question. To the south, however, the expectation was that the communists would be faced by problems of overextended lines of supply and communication. They would be further handicapped by not having sufficient party members with the necessary administrative skills. A more likely outcome in the foreseeable future was thought to be either, in the south, a return to the days of provincialism and local warlords over whom a shadowy KMT government at Nanking would have no control, or, over the whole country, a coalition government dominated by the communists but in which a rump of the KMT might still be represented. Neither assessment anticipated any threat to Hong Kong. The year 1948 ended with the ambassador asserting that 'the days of the present Chinese Government are numbered,'¹² but the speed of its collapse took everyone by surprise. British assessments in 1949 proceeded from that of March ('Communist domination of China must be regarded as inevitable'¹³), to that of mid-May ('some months may elapse before a properly constituted Central Government is established by the Communists'¹⁴), to that at the end of August ('it appears probable that a Central Government will be set up in the autumn'¹⁵). The August estimate coincided with the receipt of a message allegedly from Chou En-lai. Arriving secondhand through sources deemed untrustworthy, it suggested that the leadership of the Chinese Communist Party was split between those who believed in the inevitability of a third world war and who wanted to align China with Moscow, and those (like Chou En-lai) who wanted an accommodation with the West. The former faction was said to control the party's propaganda machine while the moderates were in charge of policy, and the message therefore argued that the communists should be judged not by their words but by their deeds. Ernest Bevin, the foreign secretary, dismissed it as a ploy 'in accordance with standard Soviet tactics.'¹⁶ No reply was sent.

One final aspect of the British view of Chinese communism deserves mention. While ultimately it was accepted, on the one hand, that nothing could be done to prevent the communists coming

to power and, on the other – as we shall see – that it was in British interests to recognize a communist government, there were still differences on the issue of whether Britain should indulge in anti-communist propaganda. Concerned that the communists had the field more or less to themselves in the area of propaganda, at the beginning of 1949 the FO wanted to use Asian intellectuals in China itself but more particularly in neighbouring countries to get across the message, first that the communists always put the interests of communism before those of China, secondly that they were an instrument of Kremlin imperialism, thirdly that the Russians had designs on Chinese territory and were using divide and rule tactics in areas such as Manchuria, Mongolia, and Sinkiang, and finally that, as in Eastern Europe, the Chinese communists would employ a ‘cuckoo-in-the-nest strategy’ by entering coalitions with other political groups and then pushing them out at the first opportune moment. The embassy in China was more cautious in its approach. Ambassador Stevenson’s concern was that destructive propaganda might invite communist retaliation and place in danger not only British interests but also British nationals. Ultimately – in March 1949 – Stevenson was persuaded to accept a propaganda campaign designed to emphasize Soviet encroachment of China’s border regions, communist opposition to the Islamic faith of the central Asian communities on China’s borders, and the communists’ subservience to the Kremlin. The campaign was aimed, however, not at China itself but at the governments of neighbouring countries.¹⁷

ANGLO-AMERICAN RELATIONS

An area of China policy that constantly frustrated British ministers and officials was their failure to agree a common line with the US. From the outset the Americans were reluctant to share information about their negotiations for a commercial treaty with China,¹⁸ and in 1947–48 Bevin was blocked when he proposed bilateral Anglo-American talks on the Far East, an area hitherto occupying his attention only intermittently. Covering everywhere from Afghanistan to the Pacific, Bevin’s geographical definition of the Far East was extensive. He argued that in the west (Afghanistan to Hong Kong) British influence was greater than that of the US and could be used as a counterpoise to US influence in the east (Korea, Japan, and China).¹⁹ The talks the foreign secretary wanted were never held,

at least not in the form he had intended. An immediate problem arose when prime minister Clement Attlee insisted that Australia and New Zealand would have to be involved because of their shared interest on matters concerning the Far East. This introduced additional complications. The Americans were reluctant to talk to the Australians because they harboured doubts about security within the Australian government. And the Australian government did not want to engage in talks with the US because it disagreed with almost every aspect of American policy in the Far East.²⁰

More serious Anglo-American differences emerged in March 1949 when the State Department responded to an FO analysis of developments in China. Here it had been suggested that in order to protect trade and to keep China and the Soviet Union apart, Britain should maintain a foot in China's door and encourage others to follow suit.²¹ US officials suggested that more emphasis should have been placed on the growing strength of nationalism in South and Southeast Asia and its incompatibility in the long run with communism. The Americans also criticized as 'repressive' the emphasis placed in the British analysis on the need for adequate policing and intelligence in those countries to the south of China – especially the European colonies – with substantial Chinese populations. Finally, having outlined the scale of American aid already squandered by an incompetent leadership in China, they made clear that large-scale US regional aid could not be expected and would never be a substitute for self-help.²² The British embassy in Washington described this response as 'a lament' on the failures of US policy and argued that the views expressed on policing and intelligence were difficult to reconcile with the McCarthyite campaign then underway in the US to root out communism in public life. To the FO the response was 'a mixture of defeatism and pious advice,' but as there could be no coordinated China policy without US involvement the only way forward was to keep 'pegging away at the Americans, on the principle of the steady drip wearing away the stone.'²³

The expectation, expressed more in hope than in anticipation, that the US might be persuaded to become more cooperative, never materialized. As a communist government appeared increasingly inevitable, Britain and America moved further apart over China. On fundamentals the approach of the two governments was entirely different. Moving inexorably towards a complete withdrawal from the country, the US wanted to impose more rigorous restrictions

on trade with a communist China than Britain thought necessary or desirable.²⁴ Especially worrying to the Americans were early indications that Britain would be prepared to extend recognition to the communists. US concern led in July 1949 to a State Department proposal for Anglo-American talks about China. The irony of this development was not lost on the FO. Bevin visited Washington for talks at the State Department in September. Secretary of state Dean Acheson acknowledged that British interests in China were more extensive than those of the US. Upon this basis he said the two countries were separated by ‘a difference in situation rather than a difference in policy.’²⁵ As long as their objectives remained the same it did not matter if they diverged over tactics. This formula papered over cracks that reopened when the British government announced its intentions about recognition in the autumn. President Truman expressed the view that Britain had ‘not played squarely with us.’²⁶

Britain finally extended recognition to communist China on 6 January 1950. To the arguments about protecting what remained of British commerce and keeping China at a distance from the Soviet Union, a third important reason for British recognition must be added. Throughout the summer of 1949 the British colonial authorities in Southeast Asia – in Singapore and Malaya – had expressed concern that if, as a result of recognition, they had to receive consuls from communist China in their territories, this effectively would mean they would have Trojan horses in their midst.²⁷ This concern never entirely disappeared but by the autumn of 1949 these same authorities accepted that if Britain did not recognize communist China, their own Chinese populations might be sullen and resentful.²⁸ Within the Commonwealth, India was the first to extend recognition while Australia, like the US, insisted that the communists should first accept China’s international obligations and guarantee the territorial integrity of China’s neighbours.²⁹ Within Europe, Britain found itself at odds with France over China, Paris arguing that recognition would increase the pressure on Bao Dai, the former Vietnamese emperor installed by the French as the head of a new state of Vietnam in June 1949.³⁰

THE FUTURE OF UK COMMERCIAL INTERESTS

The policy of keeping a foot in the door was a failure. It did not enable Britain to establish diplomatic relations with communist

China, and ultimately it could not protect British trade and investment in China. The withdrawal of British firms from China was not announced until May 1952 and thereafter total losses were put at between £200 million and £250 million. The firms were not driven out of China by threats or by force, and their assets and properties were never expropriated or confiscated. Instead they were forced into such debt by taxes and regulations that they had to close, leave China voluntarily, and hand over what remained of their assets to the communist government.

Promotion of trade *with* China was never a government priority during the postwar years. China was not a hard currency country and could only buy from Britain on credit. A trade mission of British industrialists visited China on a fact-finding basis in the autumn of 1946. When it reported back just under a year later officials at the Board of Trade were concerned to emphasize that its findings represented not a statement of immediate opportunities but rather a forecast of long-term possibilities. Both the Board of Trade and the Treasury were adamant that any expansion of the China trade under prevailing conditions could only be at the cost of a growing deficit in the UK's balance of payments.³¹ And on the issue of a new commercial treaty, when negotiations stalled and China's political crisis deepened, even the China Association (the lobby group in London representing and acting on behalf of the firms) agreed with the view expressed by the ambassador in October 1947 to the effect it would be better to have no treaty at all rather than one that was unsatisfactory. As one FO official put it some six months later, 'we propose like Brer Rabbit to lie fairly low and say nuffin.'³²

Within the FO views were expressed revealing at times a distinct lack of sympathy for those trading interests trying to reestablish themselves in China in the years after 1945. Articulating what was required from the 1946 trade mission, a senior FO official injected a Darwinian note. In the sense that it would be exploratory, the mission would also be educational. 'New methods and new men' were required in postwar China. The days when the China trade was conducted by 'rather costive firms' had gone. Firms now had to face 'the full blast of competition' and 'Oriental guile' without the 'convenient buffer of extra-territoriality & impartial justice in British courts.'³³ Similarly, in 1949, when representatives of UK firms petitioned the government to take vigorous action to break the nationalists' blockade of Shanghai, one old China hand at the FO

was moved to comment that they were complaining because ‘somebody else’s war is being allowed to interfere with their business.’ Parallels were drawn with the encounters between Britain and China at the end of the eighteenth and in the early nineteenth centuries. The Shanghai merchants were cast in the role of the Imperial Proconsuls – Lords Macartney, Amherst, and Napier – who came away from China empty-handed. Their ‘grey coolie uniform notwithstanding,’ the communists shared many of the prejudices of ‘the late-lamented Empress Dowager’ and were in the ‘classical Chinese tradition.’ They concentrated on ‘humiliating’ the foreigner and ‘making him lose face.’³⁴ An attempt at the end of the year to get a relief ship into Shanghai had to be abandoned when the Treasury refused to indemnify the ship’s owners against loss or damage.³⁵

THE FUTURE OF HONG KONG

Finally, where perhaps some success in the Far East was in the containment of Chinese communist expansionism. Hong Kong remained a British colony and, notwithstanding the Malayan Emergency, the Chinese communities in Southeast Asia did not become, as the colonial authorities and the JIC feared they might, ‘a potentially dangerous fifth column.’³⁶ But success in this respect was negative as it rested on an assumption that the communists harboured expansionist intentions. Documents in the official British records offer no support for such a view. Before the end of 1948, much of British thinking about the Chinese communists was based on speculation. It was placed on slightly more solid foundations when documents were captured during two police raids on communist premises in Hong Kong in December 1948 and April 1949.³⁷ Documents from the second raid suggested the communists had no plans for Hong Kong in their economic strategy.

Prior to the revolution of 1949, the future of Hong Kong was the most contentious issue in Anglo-Chinese relations. Chiang Kai-shek raised the issue at a meeting with the British ambassador in June 1946. He maintained relations with Britain would not be ‘satisfactory’ or conducted with ‘mutual confidence’ while the question of Hong Kong remained ‘without some solution.’ The Generalissimo did not elaborate but hinted that the problem was ‘to some extent a psychological one.’ Clarification of what this meant was provided when the outgoing Chinese ambassador in London met the minister of state at

the FO. China wanted sovereignty over Hong Kong, leaving Britain in control on such matters as business and defence. The ambassador was informed Britain had more pressing matters to settle first in India, Egypt, and Palestine.³⁸

Throughout much of 1946 the FO was engaged in a major policy review about Hong Kong involving consultation with the Colonial Office, the embassy at Nanking and the colony's governor.³⁹ China's case for the restoration of Hong Kong was based, according to one FO official, on the analogy of a foreign power occupying the Isle of Wight. A school of thought within the FO suggested that a settlement over Hong Kong was needed in order to secure Chinese cooperation and goodwill in the recovery of Britain's position in China itself, and in Southeast Asia more generally. The best defence for the British position in Malaya was said to rest in an accommodation with China over Hong Kong. A number of options were examined and a recommendation made that a settlement might involve restoring to China sovereignty over the New Territories – transferred to the UK on a 99-year lease in 1898 – leaving Britain in possession of Hong Kong itself. In any such arrangement safeguards would be required for Hong Kong because its airport and water supply were located in the New Territories.

Senior officials in the FO questioned many of the assumptions underlying this recommendation. They were not persuaded by the Isle of Wight analogy. Would it, they asked, apply to Gibraltar to the benefit of Spain? Particular exception was taken to the argument that policy towards Hong Kong should be designed primarily to secure Chinese goodwill. If Britain surrendered the whole or part of its position in Hong Kong, the FO mandarins suggested it would be for one of two reasons, or possibly a combination of both. Either Britain would no longer possess the military and financial means to sustain its position, or a government of China would sooner or later hold the UK to ransom by paralyzing Hong Kong's trade and administration. The balance of the argument shifted as the debate was extended to include other interested parties. Questions were now raised as to whether there should be negotiations at all with China over Hong Kong, whether (if they were to be held) Britain should assume the initiative, and what line the UK should take. Predictably the Colonial Office and the colony's governor wanted no change. A proposal for international administration was put forward but rejected because it would provide scope for 'Soviet mischief-making.'

All of these arguments were weighed in a joint memorandum about Hong Kong presented to an Official Committee by the FO and Colonial Office in November 1946. The purpose was to determine a recommendation to be put to ministers. The joint memorandum argued that if a settlement had to be found Britain might offer a review of the terms of the 1898 lease. On balance, however, it concluded Britain should not assume the initiative in starting negotiations. Instead, given the uncertainty about the colony's future existing in business circles, it suggested it would be desirable to issue a statement to the effect Britain intended to remain in Hong Kong. The Official Committee thought the submission too defensive as it seemed to assume that eventually Hong Kong would have to be given up. In suggesting amendments it recommended stating more clearly the reasons for staying permanently.⁴⁰

The final version of the memorandum put before the Official Committee in November 1946 was drafted by the Colonial Office, but over one issue in particular the two departments held widely differing views. As a means of restoring business confidence, the Colonial Office wanted an early announcement of Britain's intention to remain in Hong Kong. Uncertainty was said to be delaying the colony's rehabilitation and holding up investment and loan capital, especially for a new airport.⁴¹ The FO considered the question from the wider viewpoint of China policy more generally. This in turn be consultation with the US. FO officials argued that China was in no position to cause trouble over Hong Kong because China itself was almost on the verge of economic and financial collapse. A statement by Britain would be resented by the Chinese government because it would be tantamount to 'kicking them when they are down.'⁴² These differences over Hong Kong resurfaced in May 1947, and again at the end of the year. The FO continued to argue that a statement about Hong Kong would be 'out of context and gratuitous.' Politically it would also be inexpedient because no government could commit itself to a future course of action which might prove embarrassing and possibly even dangerous to Britain. There was no intention to surrender Hong Kong but equally the government could not say the territory would never be given up. On the matter of restoring business confidence, the FO took the view that investors would have to decide for themselves whether Hong Kong represented an acceptable degree of risk.⁴³ With the two main departments so divided, Hong Kong was kept off the cabinet agenda.

Until 1949, and as in the case of China policy more generally, Bevin's interest in Hong Kong was intermittent. In October 1948 he expressed concern about Hong Kong's vulnerability to communist-inspired unrest. Its defences seemed inadequate because troops had been sent from the colony to reinforce the British position in Malaya following the declaration there of an emergency against communist insurgents in June.⁴⁴ The department informed the foreign secretary that there was in effect a stand-off in Hong Kong. On the assumption they recognized the colony as a valuable entrepôt and as a base from which they could direct overseas propaganda,⁴⁵ the communists were said to be anxious to avoid conflict with the colonial government. For its part the colonial government viewed communism as a menace but it did not want to provoke the communists into outright hostility. An uneasy truce existed which suited both parties. For Britain there was the further consideration that action against the communists in Hong Kong might disrupt the military effort in Malaya.⁴⁶

At cabinet level ministers did not in fact discuss Hong Kong until the crisis of the spring and summer of 1949 when the colony seemed under an imminent threat from advancing communist armies in southern China. They then had to take account of the views formulated by the chiefs of staff in 1946 to the effect that Hong Kong could not be defended against a major power in occupation of mainland China. The colony was regarded as an undefended port and it was not part of British defence policy to lock up within the territory sizeable forces that might be overrun or lost upon the outbreak of war.⁴⁷

However, in the 1949 crisis, the garrison at Hong Kong was reinforced twice, once at the beginning of May and then at the end of the same month. The details were made public on the first occasion but no announcement was made on the second. British policy was to avoid a statement about the colony. In the words of the cabinet secretary, ministers believed the best way of 'hanging on to Hong Kong is to keep quiet about it.'⁴⁸ That the communists appeared to have no plans to occupy Hong Kong became known as these military decisions about reinforcement were being taken. Guy Burgess was the desk officer at the FO and the first to comment on the documents captured during the police raids. Blaming the intelligence services for their failure to realize the significance of the documents and for the delay before translations of them reached the

FO, Burgess commented: 'One can only hope that the defence plans of the Empire have not been disorganised to deal with a speculative threat while ignoring hard evidence tending in the other direction.'⁴⁹ Certainly there was an element of risk in the Hong Kong deployments. At one point in the planning of the second reinforcement it was assumed it would entail the calling up of that part of the army reserve in Britain on standby, and thus leave the UK effectively for three months with no strategic reserve while another infantry brigade was being armed and equipped. This was overruled by the cabinet's Defence Committee. The planned movement of forces from the Middle East to Hong Kong went ahead, with air support drawn from Germany.

Military reinforcement was only one part of Hong Kong policy in 1949. The crisis raised questions about the role of the colony. The governor, Sir Alexander Grantham, believed Hong Kong could either remain a commercial base or become, like Gibraltar, a military fortress, and he argued it could not be both at the same time. This was also the view from London but shortly after the authorization of the second reinforcement new and secret instructions were issued about command arrangements in the colony. In an emergency the commander of local British forces would take control as military governor with precedence over his civilian counterpart. The instructions made clear that 'the real importance of Hong Kong at present is not so much as a trading post or as a potential fortress but because of the effects of what is done there upon the Cold War. This must govern all decisions.'⁵⁰

Finally, efforts were made to mobilize international support from within the Commonwealth and the US, and the American reaction was largely responsible for a reassessment of British policy towards Hong Kong. The State Department asked what action Britain proposed to take if the communists adopted all measures short of war to force the retrocession of Hong Kong. In response Bevin and Arthur Creech Jones, his opposite number at the Colonial Office, were asked to consider long-term policy towards the colony and to submit proposals.⁵¹

The two ministers reported to cabinet in August 1949 that uncertainty over future developments in China made it neither possible nor even desirable to determine policy for Hong Kong in the long-term. The situation resembled that in Berlin. In both places 'the threat of Russian and communist expansionism necessitates holding what we have and not withdrawing.' Britain was 'impelled to remain' without any clear indication of the extent or duration of the military

commitment. While Britain would be willing to discuss Hong Kong with a 'friendly and democratic and stable Government of a unified China,' there could take place in the near or foreseeable future. In cabinet ministers advised against the inclusion of the word 'democratic' in defining the conditions under which Britain might eventually be prepared to discuss Hong Kong.⁵² A previous proposal to place the colony under international control was also discussed but rejected for the same reason, that it might lead to Soviet mischief-making.⁵³

The cabinet's conclusions did not end the military discussions about defending Hong Kong – the garrison was in fact reduced in April 1950⁵⁴ – or the regular assessments of the extent to which the colony was threatened by the communists.⁵⁵ It remained Britain's military position that in a wider conflict Hong Kong could not be defended against a major power in possession of the mainland. The reinforcements were in a position to deter an attack, not to fight a war. Politically it was recognized that no Chinese government would agree to the renewal of the lease of the New Territories when it expired in 1997. Without the airport and the water supply located in the New Territories, Hong Kong would be untenable and before 1997 the government of the UK would have to consider the colony's status. But the Labour government of 1949 concluded that 'some two generations in advance of the event' there was no justification in attempting to lay down the principles that might govern an arrangement with China. The 'willingness or otherwise' of the British government of the day to reach an accommodation would depend upon how the situation developed on the mainland.⁵⁶

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NOTES

1. DBPO, Series I, Vol.VIII, *Britain and China 1945–1950*, pp.1–2.
2. *Ibid.*, p.2.
3. *Britain and China*, No.1.
4. Percy Craddock, *Know Your Enemy: How the Joint Intelligence Committee Viewed the World* (London: John Murray, 2002), p.164.
5. *Britain and China*, No.99.
6. *Ibid.*, No.37.
7. *Ibid.*, No.41.
8. *Ibid.*, Nos.39, 40.
9. *Ibid.*, Nos.42, 45, 46.

10. *Ibid.*, p.155.
11. *Ibid.*, Nos.44, 49.
12. *Ibid.*, No.54.
13. *Ibid.*, No.59.
14. *Ibid.*, No.74.
15. *Ibid.*, No.94.
16. *Ibid.*, No.90.
17. *Ibid.*, No.55.
18. *Ibid.*, No.2.
19. *Ibid.*, No.35.
20. *Ibid.*, No 43.
21. *Ibid.*, No.51.
22. *Ibid.*, No.62.
23. *Ibid.*, p.232.
24. *Ibid.*, No.94.
25. *Ibid.*, No.96.
26. *Ibid.*, p.383.
27. *Ibid.*, No.93.
28. *Ibid.*, Nos.108, 109.
29. *Ibid.*, Nos.105, 110.
30. *Ibid.*, Nos.106, 115.
31. *Ibid.*, No.30.
32. *Ibid.*, p.181.
33. *Ibid.*, No.9.
34. *Ibid.*, No.107.
35. *Ibid.*, No.111.
36. *Ibid.*, p.372.
37. *Ibid.*, Nos.59, 85.
38. *Ibid.*, No.11.
39. *Ibid.*, pp.75–7.
40. *Ibid.*, No.18.
41. *Ibid.*, Nos.27, 63.
42. *Ibid.*, No.19.
43. *Ibid.*, No.32.
44. *Ibid.*, Nos.47, 48.
45. *Ibid.*, No.59
46. *Ibid.*, No.48.
47. *Ibid.*, No.8.
48. *Ibid.*, No.71.
49. *Ibid.*, No.85.
50. *Ibid.*, p. 265, No.81.
51. *Ibid.*, Nos. 83, 84.
52. *Ibid.*, No.92.
53. *Ibid.*, No.95.
54. *Ibid.*, p.390.
55. *Ibid.*, No.112.
56. *Ibid.*, No.92.