GALE

Corruption and Reforms in Colonial Hong Kong

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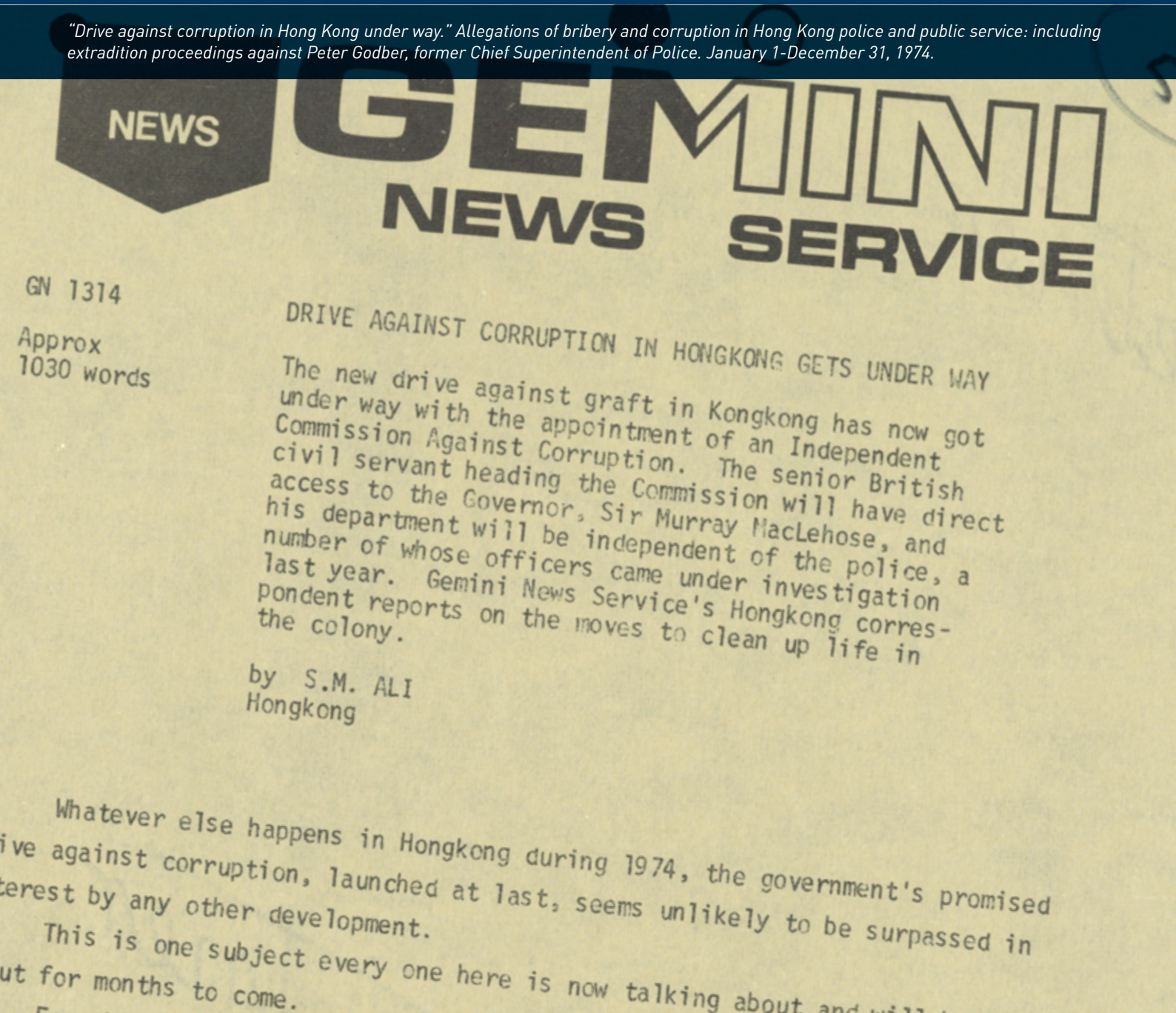
"Drive against corruption in Hong Kong under way." Allegations of bribery and corruption in Hong Kong police and public service: including extradition proceedings against Peter Godber, former Chief Superintendent of Police. January 1-December 31, 1974.



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DRIVE AGAINST CORRUPTION IN HONGKONG GETS UNDER WAY

The new drive against graft in Kongkong has now got under way with the appointment of an Independent Commission Against Corruption. The senior British civil servant heading the Commission will have direct access to the Governor, Sir Murray MacLehose, and his department will be independent of the police, a number of whose officers came under investigation last year. Gemini News Service's Hongkong correspondent reports on the moves to clean up life in the colony.

by S.M. ALI
Hongkong

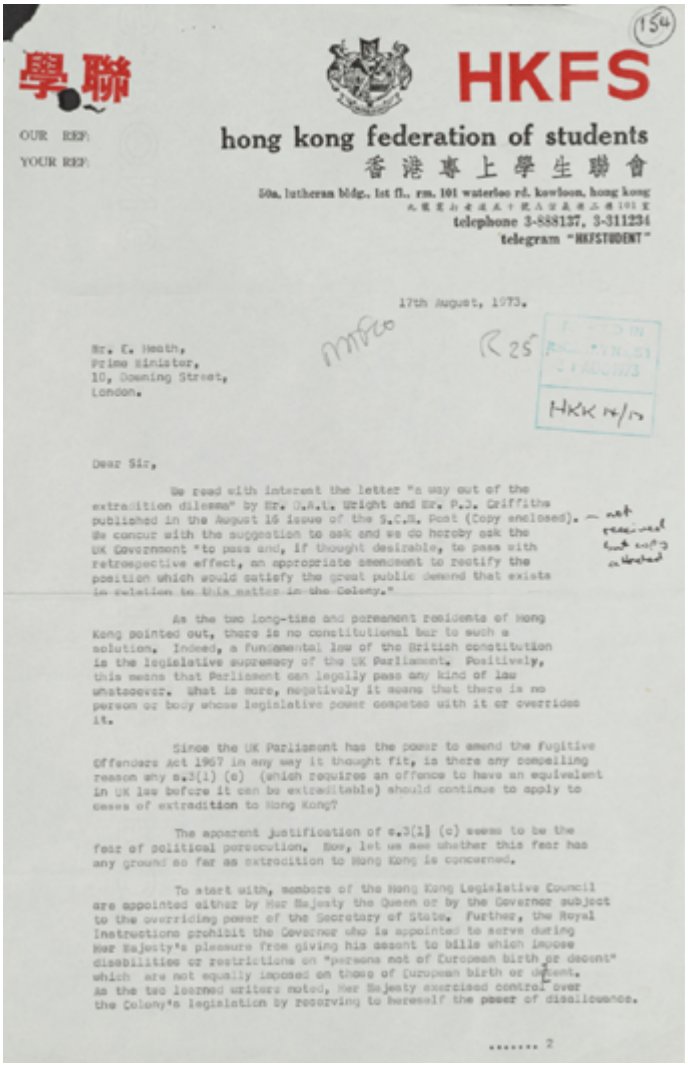
Whatever else happens in Hongkong during 1974, the government's promised ive against corruption, launched at last, seems unlikely to be surpassed in terest by any other development.

This is one subject every one here is now talking about and ut for months to come.

By the 1960s, bureaucratic corruption was widespread in different departments within the British colonial government in Hong Kong. However, many officials believed that corruption was part of the Chinese culture, which derived from the cultural emphasis on 'relationships' rather than 'law and regulations'.[1] The absence of a direct communication channel and language barriers between the colonial government and the Chinese communities exacerbated the problem of corruption, affecting the livelihood of many at the grassroots level. In 1974, the Independent Commission Against Corruption (ICAC) was finally formed with the goal to eradicate corruption in the colonial administration. The reform is considered by scholars to be one of the most important developments in Hong Kong in the post-war period.[2] Major anti-corruption reforms were introduced in Hong Kong only after the emergence of various social movements. This indicates that these legislative and institutional changes were responses to shifting public sentiments. Gale's digital archive *China and the Modern World: Hong Kong, Britain, and China, Part II: 1965-1993* thoroughly covers the prevalence of corruption in post-war Hong Kong, changing public opinion, and why the institutional reform was implemented in 1974.

Changing Popular Sentiments

Since the inception of the post-war period, a number of anti-corruption measures had been introduced to curb the problem. For instance, in 1948, the Anti-Corruption and Narcotics Branch was formed. In the same year, the Prevention of Corruption Ordinance was also enacted, stating that if a person possessed pecuniary resources which were disproportionate to his source of income but failed to explain the wealth, magistrates would consider this as the evidence of corruption.[3] However, corruption remained a serious problem because investigations were carried out by the police force, which were notoriously corrupt. By the early 1970s, as scandals about corruption within the police force caught the attention of the public, there were increased calls in the society for institutional reforms, separating the anti-corruption branch from the police. The public discourse in particular became extremely heated when Peter Godber, the Deputy District Police Commander in Kowloon, managed to escape from Hong Kong when he was put under a watchlist after evidence was found, suggesting that he had a huge amount of unexplained wealth. The shifting popular sentiments were captured by the FCO files on corruption. For instance, in FCO 40/453, we can see the Hong Kong Federation of Students petitioned both the Prime Minister, Edward Heath and the opposition leader in the Parliament, Harold Wilson, and expressed



學聯 HKFS

hong kong federation of students
香港專上學生聯會

50a, lutheran bldg., 1st fl., rm. 101 waterloo rd. kowloon, hong kong
telephone 3-888137, 3-311234
telegram "HKFSTUDENT"

OUR REF:
YOUR REF:

17th August, 1973.

Mr. E. Heath,
Prime Minister,
10, Downing Street,
London.

Dear Sir,

We read with interest the letter "a way out of the extradition dilemma" by Mr. D.A.L. Wright and Mr. P.J. Griffiths published in the August 16 issue of the S.C.M. Post (Copy enclosed). We concur with the suggestion to ask and so do hereby ask the UK Government "to pass and, if thought desirable, to pass with retrospective effect, an appropriate amendment to rectify the position which would satisfy the great public demand that exists in relation to this matter in the Colony."

As the two long-time and permanent residents of Hong Kong pointed out, there is no constitutional bar to such a solution. Indeed, a fundamental law of the British constitution is the legislative supremacy of the UK Parliament. Positively, this means that Parliament can legally pass any kind of law whatsoever. What is more, negatively it means that there is no person or body whose legislative power competes with it or overrides it.

Since the UK Parliament has the power to amend the Fugitive Offenders Act 1967 in any way it thought fit, is there any compelling reason why s.3(1) (c) (which requires an offence to have an equivalent in UK law before it can be extraditable) should continue to apply to cases of extradition to Hong Kong?

The apparent justification of s.3(1) (c) seems to be the fear of political persecution. Now, let us see whether this fear has any ground so far as extradition to Hong Kong is concerned.

To start with, members of the Hong Kong Legislative Council are appointed either by Her Majesty the Queen or by the Governor subject to the overriding power of the Secretary of State. Further, the Royal Instructions prohibit the Governor who is appointed to serve during Her Majesty's pleasure from giving his assent to bills which impose disabilities or restrictions on "persons not of European birth or descent" which are not equally imposed on those of European birth or descent. As the two learned writers noted, Her Majesty exercised control over the Colony's legislation by reserving to herself the power of disallowance.

Letter of petition from Hong Kong Federation of Students to Prime Minister Edward Heath on the extradition of Godber, 17 August 1973 (FCO 40/453/35).

1 Ray Yep, 靜默革命:香港廉政百年共業 (*Silent Revolution: 100 Years of Development of Hong Kong in Anti-Corruption*), Chung Hwa Book Co. (Hong Kong, 2014), pp. 7-8.

2 See for example, Ray Yep, 'The Crusade against Corruption in Hong Kong in the 1970s: Governor MacLehose as a Zealous Reformer or Reluctant Hero?', *China Information* 27:2 (2013), p. 198; and Florence Mok, *Covert Colonialism: Governance, Surveillance and Political Culture in British Hong Kong, cc. 1966-97,* Manchester University Press (Manchester, 2023), chapter 3.

3 Yep, *Silent Revolution*, p. 197.

anger over Britain's reluctance to extradite Godber.[4] The student organisation even tried to cooperate with some local left-wing organisations, such as International Marxist Group, Fourth International, International Socialists, Labour Party Young Socialists, Social Labour League and Solidarity, to mobilise public opinions in the UK and press for the extradition of Godber.[5] The FCO files also recorded actions initiated by the student organisation in Hong Kong. For example, public forums, rallies and signature campaigns were organised, and posters were put up. A satirical poster portrayed Godber as a man who was 'podgy' and had a hobby of 'collecting $500 notes'. He had the power of being 'able to move in and out freely under supervision' due to his 'extraordinary friendship with world's big financial bosses'.[6]

Some politicians also acted as individual campaigners and pressed for anti-corruption reforms in Hong Kong. Elsie Elliott (later known as Elsie Tu), for example, was an active campaigner who started her 'anti-corruption crusade' since the 1960s. FCO 40/554 shows that during her visit to London in 1966, she tried to convince the Labour government to set up a Royal Commission to handle corruption issues in Hong Kong. The trip however was not successful as many MPs at that time considered her demands 'radical', as FCO 40/120 has shown. As Nigel Fisher, an MP in House of Commons described, Elliott was seen by many as 'a very irrational person of somewhat extreme views'.[7] Despite the lack of progress, Elliott still 'publish[ed] anything she received', especially accounts from ordinary citizens who were suffering from corruption.[8] She had a good relationship with a lot of Hong Kong newspapers, such as *The China Mail*, the *Hong Kong Standard*, the *South China Morning Post* and the *Star*. And when the Godber case happened, she petitioned Anthony Royle and pointed out that Godber 'has bought a lot of suffering to a lot of Chinese families, and should not be allowed to use his privilege position as an Englishman to get away with it'.[9] Open letters were also written to appeal for the public's support.[10]

Hong Kong's serious corruption also captured UK politicians' attention, as FCO 40/453 reveals. For instance, MP James Johnson had been a prominent figure in the anti-corruption campaign. As early as 1967, he already argued that appointing a Royal Commission of Enquiry was necessary.[11] In 1973, he even set up meetings with the officials in the Foreign and Commonwealth Office to urge the British government to introduce more effective anti-corruption measures in Hong Kong.[12] In addition, some former police that were affected by corruption also became increasingly vocal, supporting the anti-corruption movement. For example, Alan Ellis, who was dismissed on the ground of his temperamental unsuitability in 1963 became an anti-corruption activist. Similar to Elliott and Johnson, he supported the establishment of an externally-appointed Commission of Inquiry. As FCO 40/451 has demonstrated, he shared his own story and the seriousness of corruption in Hong Kong with newspapers, such as *The China Mail*.[13] He also wrote to MPs and officials in the British government, such as Johnson and Enoch Powell, Anthony Royle and Andrew Stewart.[14]

Government's Reponses

In the early 1960s, the colonial government was already aware of the extent of corruption in Hong Kong. In 1960, Governor Robert Brown Black accepted the recommendation that an expert should be appointed to review how the Anti-Corruption

4 FCO 40/453, Letter from Fung Tze Cheong, Acting President of the Hong Kong Federation of Student to Edward Heath, 17 August 1973.

5 FCO 40/453, 'Godber Case', telegram from Hugh Norman-Walker to the Foreign and Commonwealth Office, 24 August 1973; 'Godber Case', telegram from Hugh Norman-Walker to the Foreign and Commonwealth Office, 24 August 1973.

6 FCO 40/453, Poster enclosed in telegram from M. J. Macoun to Andrew Stuart, Hong Kong and Indian Ocean Department, 23 August 1973.

7 FCO 40/120, Letter from Nigel Fisher (MP) to Malcolm Shepherd, Commonwealth Office, 22 April 1968.

8 FCO 40/554, Letter from A. C. Stuart to Mr. Rushford, 21 January 1974.

9 FCO 40/451, Letter from Elsie Elliott to Anthony Royle, 24 June 1973.

10 FCO 40/1022, Elsie Elliott, 'Open Letter to the Hong Kong Government and Interested British MPs', (undated) 1973.

11 FCO 40/453, 'Call on Mr Amery by Mr James Johnson, MP, 3.00 pm', 9 August 1973, p. 2.

12 FCO 40/453, Letter from R. B. Crowson to M. R. Guest, 8 August 1973.

13 FCO 40/451, 'Corruption in Hong Kong, B.C.C.', Letter from Alan Ellis to Anthony Royle, China Mail, 1 April 1973.

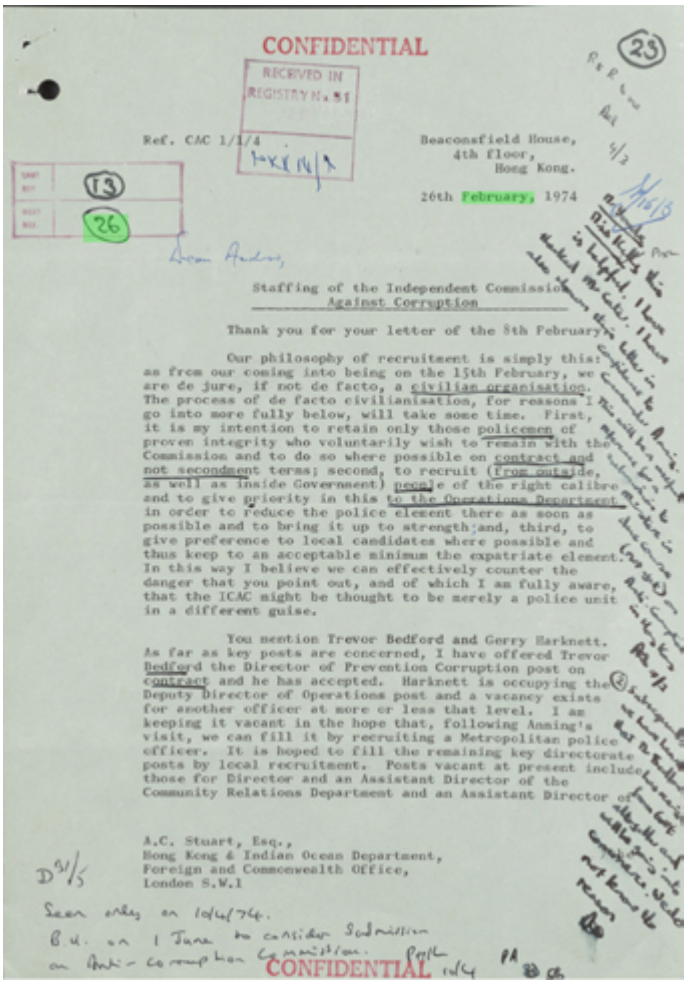
14 FCO 40/453, Letter from Alan Ellis to A. C. Stuart, Foreign and Commonwealth Office, 20 August 1973.

Branch operated. However, the British government was apathetic to such reforms at that time and the idea was dropped.[15]

Throughout the 1960s, the Chinese communities and politicians such as Elliott continued pressing the colonial government to separate the branch from the police force but it was not successful.

It was not until 1973 when Godber managed to escape, this revived demand was considered by the government seriously. As Governor Murray MacLehose observed in FCO 40/451, corruption became 'a subject of raucous criticisms of both [the] informed and uninformed' in Hong Kong.[16] As FCO 40/451 shows, 'the man's escape has caused great disquiet'.[17] And due to the extensive petitioning efforts by the figures and organisations mentioned above, the British government could feel the increased pressure from local residents in the UK, pressing for institutional reforms in Hong Kong. For example, FCO 40/451, FCO 40/453 and FCO 40/457 all contain correspondences from 'complainants' of diverse backgrounds in the UK.[18]

These petitions and voices of discontent targeted the British and colonial governments, triggering new discussions on whether creating an independent Anti-Corruption Branch was needed. In June 1973, with the agreement of the Executive Council, a one-man Commission of Inquiry to investigate corruption and the escape of Godber was set up, led by Justice Alastair Blair-Kerr. This move was welcomed by the public. Understanding that the investigation was of 'considerable public interest', the government believed that it was 'in a position to publish it [the report]'.[19] As FCO 40/452 indicated, the Foreign and Commonwealth Office also agreed that increased administrative transparency in the investigation would 'allay public suspicion that senior officials helped Godber to leave the country'.[20] The Governor similarly acknowledged that it was necessary to 'reassure the public about the vigour and sincerity of police action on corruption'.[21]



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RECEIVED IN REGISTRY No. 81

Ref. CAC 1/1/4

Beaconsfield House,
4th floor,
Hong Kong.

26th February, 1974

Dear Audrey,

Staffing of the Independent Commission Against Corruption

Thank you for your letter of the 8th February.

Our philosophy of recruitment is simply this: as from our coming into being on the 15th February, we are de jure, if not de facto, a civilian organisation. The process of de facto civilianisation, for reasons I go into more fully below, will take some time. First, it is my intention to retain only those policemen of proven integrity who voluntarily wish to remain with the Commission and to do so where possible on contract and not secondment terms; second, to recruit (from outside, as well as inside Government) people of the right calibre and to give priority in this to the Operations Department in order to reduce the police element there as soon as possible and to bring it up to strength; and, third, to give preference to local candidates where possible and thus keep to an acceptable minimum the expatriate element. In this way I believe we can effectively counter the danger that you point out, and of which I am fully aware, that the ICAC might be thought to be merely a police unit in a different guise.

You mention Trevor Bedford and Gerry Harknett. As far as key posts are concerned, I have offered Trevor Bedford the Director of Prevention Corruption post on contract and he has accepted. Harknett is occupying the Deputy Director of Operations post and a vacancy exists for another officer at more or less that level. I am keeping it vacant in the hope that, following Anning's visit, we can fill it by recruiting a Metropolitan police officer. It is hoped to fill the remaining key directorate posts by local recruitment. Posts vacant at present include those for Director and an Assistant Director of the Community Relations Department and an Assistant Director of

A.C. Stuart, Esq.,
Hong Kong & Indian Ocean Department,
Foreign and Commonwealth Office,
London S.W.1

Seen orally on 10/4/74.

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Letter of petition from Hong Kong Federation of Students to Prime Minister Edward Heath on the extradition of Godber, 17 August 1973 (FCO 40/453/35).

Apart from the investigation of Godber's case, both the British and colonial governments were aware of the 'good deal of pressure building for an UK appointed enquiry'.[22] However, according to reports

15 Mok, Covert Colonialism, p. 101.

16 FCO 40/451, 'Escape of Chief Superintendent Godber', telegram from Murray MacLehose to the Foreign and Commonwealth Office, 13 June 1973.

17 FCO 40/451, 'Escape of Chief Superintendent Godber', telegram from Murray MacLehose to the Foreign and Commonwealth Office, 13 June 1973.

18 FCO 40/451, Letter from 'Complainants' to Minister of Foreign and Commonwealth Affairs, 24 June 1973; FCO 40/453, Letter from T. P. Carter to Alex Douglas-Home, 31 July 1973; FCO 40/457, Letter from Robert Moore (Department of Sociology, University of Aberdeen) to the editor of The Guardian, 24 November 1973.

19 FCO 40/453, 'Second Blair-Kerr Report on Corruption', telegram from Murray MacLehose to the Foreign and Commonwealth Office, 27 September 1973.

20 FCO 40/452, 'Parliamentary Question on the Godber Case', telegram from Murray MacLehose to the Foreign and Commonwealth Office, 19 July 1973.

21 FCO 40/452, 'Parliamentary Question on the Godber Case', telegram from Murray MacLehose to the Foreign and Commonwealth Office, 19 July 1973.

22 FCO 40/453, 'Alleged Corruption in Hong Kong Police', telegram from M. J. Macoun to R. B. Crowson, Hong Kong and Indian Ocean Department, 8 August 1973.

generated by Town Talk, it was anticipated that the formation of an external enquiry would be 'a major blow to Hong Kong's amour propre'. And that could also be seen as the British government's lack of confidence in the colonial state's ability to settle its own affairs. MacLehose was therefore 'totally opposed to an outside enquiry' and the idea was dropped in August 1973.[23] Taking public opinion into consideration, MacLehose instead supported the idea of setting up an independent branch in Hong Kong locally.[24]

Driven by changing popular sentiments, the ICAC was set up in February 1974. It was designed to be a 'civilian organisation' with little police elements.[25] It consisted of three departments: the Corruption Prevention Department, the Operations Department and the Community Relations Department. The Commission was headed by Jack Cater. John Prendergast, the former Director of the Special Branch, became the Director of Operations. To ensure efficient operation, the Commissioner now possessed more power compared to any of his predecessors; he was only responsible to the Governor. In addition, new advisory bodies were set up within the ICAC in response to public opinions, in which members of the public were represented.[26] This new institutional reform was generally welcomed by the public.[27] Although the British government refused to amend the Fugitive Offenders Act to extradite Godber, Ernest Hunt, another corrupt police superintendent, was able to provide evidence as a witness for Godber's case, as FCO 40/457 suggests.[28] Godber's return was important in restoring public confidence in the colonial state.

ICAC's Impacts on Local Political Culture

The ICAC had enormous impacts on Hong Kong's political culture. Before this institutional change, the public was reluctant to report cases of corruption for fear that there would be official retaliations. In cases where they made complaints, they usually wrote to newspapers anonymously, indicating political conservatism.[29] However, with the establishment of the Independent Commission, the public felt that the government was now prepared to face up to its shortcomings and held a sincere attitude towards curbing corruption.[30] Although the amnesty granted to the police force in 1977 inevitably affect ICAC's morale and public confidence, the number of case reports received by the ICAC remained stable, as the Table 1 below (FCO 40/1023) has shown. In a MOOD opinion polling exercise conducted by the City District Officers in 1980, it was confirmed that the institutional change did restore people's confidence in the colonial regime and was 'generally successful', with the private sector being an exception.[31] The report also showed there was a gradual change in public attitudes: people showed 'a readiness' to report corruption, with the younger generation in particular, keen on joining the ICAC. This suggests that the anti-corruption reforms successfully increased people's political engagement and reduced their fear towards officialdom.

23 FCO 40/453, 'Mr Royle's Talk with Sir Murray MacLehose', telegram from M. R. J Guest to R. B. Crowson, 19 August 1973; FCO 40/453, Letter to M. R. Guest from R. B. Crowson, 9 August 1973.

24 FCO 40/455, 'Parliamentary Question', telegram from Murray MacLehose to the Foreign and Commonwealth Office, 15 October 1973.

25 FCO 40/558, 'Staffing of the ICAC', letter from J. Cater to A. C. Stuart, 26 February 1974, p. 1.

26 FCO 40/558, Government Information Services, 'New Council to Set Up to Advise on Ways to Fight Graft: Public Widely Represented on New Committees', 30 January 1974.

27 Mok, *Covert Colonialism*, p. 104.

28 FCO 40/457, 'Note of a Meeting held at the Home Office on 27 November 1973 to Discuss the Implications of the Double Criminality Rule in the Fugitive Offenders Act 1957, in Relation to Offences Committed in Hong Kong'.

29 Mok, Covert Colonialism, p. 108.

30 Ibid.

31 HKRS 471-3-2, Home Affairs Department, 'Public Impressions of the Independent Commission Against Corruption', *MOOD*, 4 March 1980, p. 5.

Table 1. Number of Reports Received by ICAC

Reports received	Jan-Jun 1976	Jan-Jun 1977	Jan-Jun 1978
For ICAC consideration (total)	1367 (38.5%)	901 (29.8%)	575 (21.9%)
(monthly average)	227.8	150.2	95.8
Referred to government/departments/public bodies/others (total)	2185 (61.5%)	2125 (70.2%)	2054 (78.1%)
(monthly average)	364	354	312.3

Source: FCO 40/1023, 'Comparative Statistics for the First Six Months of the Years: 1976, 1977, 1978', p. 1.

Conclusion

As these FCO 40 files have shown, there had been voices in Hong Kong, advocating the formation of an independent anti-corruption branch since the 1960s. However, the ICAC was not created until 1974, due largely to the combined efforts of newspapers, student organisations and individual campaigners, all spurred by Peter Godber's escape from Hong Kong. Godber's case showed the seriousness of corruption in Hong Kong and led to changing public opinion in both Hong Kong and the UK, exerting pressures on both the British and colonial governments to introduce changes. And the ICAC was regarded as one of the most important institutional reforms in the colonial era, not only because it helped to eradicate corruption, but it also transformed Hong Kong's political culture.