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## LINEAGE AND URBAN DEVELOPMENT IN A NEW TERRITORIES MARKET TOWN

### *Introduction*

THIS paper is based on fieldwork carried out in Stone Lake Market (Shek Wu Hui), a small but flourishing town<sup>1</sup> adjoining Sheung Shui, the single-lineage village located in the northern New Territories of Hong Kong and already well known to students of Chinese society through Hugh Baker's excellent accounts.<sup>2</sup> A great deal of my research has concerned the urban growth of Stone Lake during the course of the present century.<sup>3</sup> Thus, in offering a tribute to Maurice Freedman, a man whose scholarship did so much to advance our understanding of Chinese lineages, an examination of the role of the local lineage in the development of the Stone Lake Market would seem to be an especially appropriate exercise.

The term 'urban development' is used here to refer to the physical construction of the town—that is, the conversion of land from agricultural use to houses, shops and other forms of urban real estate and the

1. In the Hong Kong census of 1971, the population of the town was recorded as 5,322 persons.

2. See in particular Baker's general examination of the region's largest lineages (1966) and his monograph on Sheung Shui (1968).

3. The findings of this research are mainly contained in my dissertation in progress, which deals with land, urban growth and politics in Stone Lake and its environs from the eve of the extension of colonial rule in the region in the late 1890s to the time when I left the area in 1976. The use of the ethnographic present in the text refers to September 1976.

subsequent renewal of the built-up environment. This important social activity, which constitutes a highly significant feature of the very rapid urbanization that has occurred in many Third World societies since the Second World War, has largely been neglected by both urban anthropologists and anthropologists concerned with the social relations of land.<sup>4</sup> In the New Territories, it is an increasingly significant source of wealth and is often closely linked to local political life. For reasons of space, this article will concentrate on just two major developments taking place in Stone Lake, namely, the introduction of a new market (*xin-xu* 新墟) during the 1920s and the reconstruction of the town (*chong-jian xin-shi* 重建新市) following its almost total destruction by fire during the mid-1950s.

One of the many contributions that Freedman made to general anthropology was his demonstration of the commercial and political sophistication of the large, localized, landed patrilineages of south-eastern China. His analysis prompted Wolf, for example, to advise anthropological students of complex societies to take note of

just how far or little kinship mechanisms can be stretched and bent to accommodate different interests.... Relations may still have kinship form, but no longer primarily kinship functions. Take, for example, the corporate lineages in pre-Communist Southeastern China, studied by Freedman.... These units combined a kinship dogma of organization with the functions of commercial corporate organizations. (1966: 3)

Other observers have been impressed by the adaptability and transformative capacities of the large Chinese patrilineage, especially during the late Qing and subsequently, when the people of south-eastern China became progressively enmeshed in wider networks of relationships as a result of the spread of the international market system to this part of the world. In her general account of social change, Mair (1963) drew upon Freedman's writing in order to emphasise that—in contrast to the situation elsewhere—in south-eastern China the ancestral trust was stimulated by the impact of Western mercantile and industrial capitalism. The selfsame pressures which encouraged the dissolution of ancestral estates and undermined lineage cohesion in numerous non-Western societies served in many parts of Guangdong and Fujian to reinforce the growth of ancestral trusts and thereby encourage the growth of lineages (Mair 1963: 68). More recently, in an interesting study of agnatic groupings in Canton during the late Qing, Baker demonstrates that an urban environment is not necessarily inimical to the development of wealthy and

4. It should be noted that those anthropological writers who deal with this phenomenon are primarily concerned with special problems such as squatting, low-cost government housing projects, and so on. The literature overlooks the rather more central and routine aspects of urban land and real estate and the social relations that have to be entered into in order to secure their development.

successful Chinese lineages (1977: 510–12). In addition, Watson has stressed the flexibility and adaptability of the large-scale Chinese patri-lineage on the basis of his case-study of the Wen lineage of San Tin in the northern New Territories. He argues that the Wen lineage is not only 'ideally suited to the needs of large-scale *chain migration*' (1975: 101), but, in addition, that its members have managed to create a flourishing network of Wen restaurateurs and workers in the United Kingdom.

This paper addresses itself to the notion of the lineage as an adaptable social institution and attempts to identify the reasons behind the failure of the Liao lineage of Sheung Shui to adapt to or take advantage of the urban development possibilities furnished by the rapid expansion of Stone Lake Market.

### *From Lineage to Company*

There is strong evidence that in pre-British times, lineages played an important role in the formation and growth of market towns in the region. For example, Freedman noted the position of the Deng lineage of Lung Yeuk Tau as Masters of the Market (*xu-zhu* 墟主) at Tai Po and observed that from time to time

their monopoly of the right to hold a market in the area was challenged by their neighbours, and in the early 1890s, the matter having been brought to the *xian* 縣 court at Nantou, a ruling was given by the magistrate that only the Deng had the right to build shops in the vicinity of the market. (1966: 82)<sup>5</sup>

Subsequently, the position of the Deng was successfully undermined by another local lineage, surnamed Wen, which organized the now well-known Qi-yue 七約, a complex of seven *yue* 約 or local alliances comprising lineage villages and other settlements. The Qi-yue established a new market at Tai Po in which each *yue* took a share in the form of shops (ibid.: 83).<sup>6</sup> In addition, we should note the situation at Yuen Long where the market 'was dominated by the Deng lineage of Kam Tin. The manager

5. There is considerable evidence that earlier disputes between local lineages and the Deng had mainly concerned the Deng's exclusive control of the right to build shops in and around the market at Tai Po (see Groves 1965: 18).

6. It might be added here that at about the same time as these events were taking place, the Deng lineage was involved in a very large land development project located on the outskirts of urban Kowloon (*SCMP* 1 April 1905: 2). This project was organized by the Duqing Tang, the most powerful higher-order lineage in the New Territories region. The Tang consisted of five major Deng lineage villages, including that of Lung Yeuk Tau.

of the market was himself a Deng of Kam Tin and the profits of the market went to his lineage' (Young 1971: 20). This point is confirmed by Potter, who observes that in late Imperial times 'the market at Yuen Long belonged to an ancestral hall of the Kam Tin branch of the Deng clan' (1968: 32). In addition, the Hong Kong Government's land records for the New Territories in the early 1900s indicate that nearly one-third of the shops in the market were owned by local lineages and lineage settlements (Block Crown Lease 1905-7, s.v. Yuen Long Market). Unfortunately, we do not possess the same kind of documentary evidence that would enable us to consider in any great detail the role of lineage in the development of the intermediate market town of Shenzhen. Nevertheless, it is clear that the market town was established and run by a higher-order lineage<sup>7</sup> and that this agnatic corporation owned many of the shops and other commercial sites in the town.<sup>8</sup>

Stone Lake Market, too, was lineage-controlled during the Qing period (1644-1911). Although precise historical details are lacking—competition from the nearby intermediate market town of Shenzhen caused Stone Lake to fall into disuse in the nineteenth century—during the early and middle Qing it operated as a Liao market. Lineage members had established the market within the Liao's territory, thereby leading to the collapse of another local market operated by several Hou lineage-villages who were traditional rivals of the Liao (see Baker 1968: 190; Palmer, in progress: ch. 2). The Liao lineage was almost certainly the Master of the Market, with its central ancestral hall possessing sole rights to hold the periodic market (*xu* 墟), to collect the public weighing-scale charges (*cheng-yong* 稱傭; *gong-cheng* 公秤) and to build shops in the market. Moreover, Stone Lake contained a large temple which served as the headquarters for the two *xiang-yue* 鄉約 or alliances of the largest and most influential lineages in the northern New Territories area, and the Liao occupied a dominant position in the older and more wealthy of these bodies, with Liao ancestral

7. I refer here to the Yongmu Tang, a higher-order grouping of three powerful lineage-villages bearing the surname Zhang. A brief account of the Tang is provided in *HQRB* 13 Nov. 1972, section 4, p. 1.

8. More generally, we should note the comments of Cecil Clementi, a very knowledgeable colonial officer who served for extended periods in the New Territories and who was one of the few members of the Hong Kong Government to inspect the Imperial Chinese land archives at Nantou, the capital of the *xian* from which the New Territories were leased in 1898. Clementi stressed the ability of the region's lineages to control local urban developments in pre-British times and advised that outsiders would not have been able to initiate development projects without lineage participation: 'negotiations for any scheme of development would under the Chinese regime have inevitably been with the heads of the village clans' (Clementi to Amery, Dispatch No. 387, 1 September 1926: Public Records Office, London, CO129/494, para. 36).

trusts holding two of the four constituent *xiang* 鄉<sup>9</sup> of the compact or *yue*. In addition, the New Territories land records for 1905 to 1907 show that in the first years of British rule, Liao ancestral trusts owned no fewer than ten of the thirteen extant properties in the Market described as 'shops' (Block Crown Lease 1905-7, s.v. Stone Lake Market). Thus, although more or less defunct when the British first occupied the region in 1899, Stone Lake was nevertheless a settlement which clearly belonged to the Liao of Sheung Shui.<sup>10</sup>

The extension of British rule over the large lineage-villages and other settlements of the New Territories brought a number of changes. Among the more important measures which the new regime imposed during the first few years of colonial rule were a relatively intense structure of policing, more effective systems of law and administration, a survey, modification and registration of rights in land, and the construction of roads and railways which joined the Stone Lake area not only to the metropolitan districts of Hong Kong and Kowloon, but also other market towns in the region. These changes served as an impetus to local economic activity and created new employment opportunities for both local villagers and immigrants from other parts who were beginning to arrive in the area in search of work. Although the vast majority of Liao members continued to earn their living as rice-farmers, some emigrated, while others found jobs as construction workers or as labourers at a nearby European golf club. In the early 1910s, some of the shops in Stone Lake were re-opened by members of the Liao lineage, and in the early 1920s a group of lineage members set up a factory for processing locally grown peanuts. During these early years, too, several Liao took advantage of the new types of entrepreneurial opportunity which the changing situation offered. Thus, for example, one prominent lineage member set up a construction company and brickworks, and several others became specialists in the road-haulage business. As the area became increasingly affected by metropolitan Hong Kong, some lineage members found part-time employment as assistants in Hong Kong-based enterprises which arranged the financial and personal affairs of south-east Chinese emigrants to the United States and other foreign parts. The Liao used their knowledge of

9. The term *xiang* is used here in the sense of a unit of local self-government. In general, *xiang* signified an area comprising a large lineage-village and its surrounding territory. However, as a result of local variations in kinship and territorial organization in the Stone Lake Market area, *xiang* was used to refer to several different types of unit and has therefore been left untranslated. See Palmer (in progress) ch. 2: 32-4 for further details.

10. Plotnicov (1972) reports a somewhat similar practice of identifying or associating 'urban' centres with local owners of the land in West Africa, stressing the extent to which this association has been used to justify the claims of different groups competing for political domination and access to scarce economic resources.

local conditions in order to help returning emigrants and to carry remittances across the border to Chinese territory. Another type of activity in which local knowledge proved a valuable asset was service as a guide for Hong Kong sportsmen who found good hunting grounds in the hills around Stone Lake. A particularly important early change, though one of a rather different nature, was the decision of some by the wealthier Liao families to send their children to Hong Kong for Westernized education. In the late 1920s, a number of Liao who had received such education successfully pursued a campaign to create in the lineage's central ancestral hall the first Western-curriculum school in the New Territories. The school was opened in 1932.

These changes were accompanied by a major shop development project—the *xin-xu* or new market—and a revival of the periodic market at Stone Lake. The manner in which the town was thereby resuscitated is somewhat surprising in view of the traditional Liao position in the market, the important role played by lineages in markets in other parts of the region, the close proximity of Sheung Shui village to Stone Lake, the willingness of the Liao lineage to set up the first Western-curriculum school in the New Territories, and the sometimes forcefully expressed interpretation in the relevant anthropological literature of the commercial sophistication and adaptability of the large-scale Chinese patrilineage.<sup>11</sup> Stone Lake's commercial life was revived not by the efforts of the Liao central ancestral hall nor by any other Liao ancestral trust but was rather the result of the endeavours of an *individual* member of the lineage. Moreover, within a very short span of time, the new shop complex in the market had been taken over by a company controlled by merchant interests from the metropolitan area of Hong Kong.

The precise manner in which the development of a new market took place in Stone Lake has been dealt with elsewhere,<sup>12</sup> and an outline account only is provided here. Briefly stated, the process of development began in the early 1920s, when a Hong Kong merchant, attracted by the cheap labour and land as well as the relatively peaceful conditions of the New Territories, constructed a weaving factory at Stone Lake. This

11. It might be worth reminding readers here that the Liao of Sheung Shui constituted one of the largest localized lineages in the New Territories and had a population of 1,441 according to the Hong Kong census of 1911.

12. See Palmer (in progress) ch. 4. The material for this account of Liao Xing's conversion of the factory derives mainly from oral evidence. In addition, however, it has been possible to locate some of the more interesting details by recourse to documents held at the Tai Po Land Office. Most probably, an account of the conversion was contained in the files of the Colonial Secretary's office, a source which proved useful in my account of the region's pre-British surface-subsoil division of proprietary rights in land (Palmer 1987), but the relevant papers were apparently destroyed during the Japanese occupation (1941–5).

business failed and was taken over by a Sheung Shui villager, Mr Liao Xing.<sup>13</sup> The latter was a poor farmer's son who had acquired considerable experience of the outside world as well as a little capital as a result of working as a merchant seaman.<sup>14</sup> Liao Xing converted the disused factory into a complex of approximately forty shops and a tea-house—a key social institution in a Chinese market town. At about the same time, the periodic market at Stone Lake was reintroduced, and the Liao lineage donated its rights in the market's public weighing-scale commission to Liao Xing in recognition of his endeavours in reviving the town. However, the capital expenditure involved in purchasing and converting the property was too great, and, as a result, Liao Xing was forced to borrow substantial amounts from Kowloon-based money-lenders<sup>15</sup> in order to stay in business. The late 1920s was not a prosperous time in the New Territories, and Liao Xing had probably underestimated the extent of commercial competition from nearby Shenzhen. He was unable to earn sufficient rental income to keep up payments on these loans, and in order to alleviate his financial plight he turned the venture into a partnership. His two partners were lineage-mates<sup>16</sup> who ran the area's largest road-haulage concern, the Southern Joy Company (Nan-qing Gong-si 南慶公司). With their assistance Liao Xing was able to repay his earlier mortgages, and the new company, which was called the United Prosperity Company (Lian-xing Gong-si 聯興公司), distributed shares to a small number of other

13. This was the name by which Mr Liao (born c.1884, died 1941) was most commonly known in the village and the market. In fact, however, he employed no fewer than three aliases in the course of his business dealings. The use of several different personal names is fairly common among Chinese businessmen and may be considered to reflect a certain sense of self-importance on the part of the individual who follows the practice.

14. From the 1880s onwards, the New Territories region served as a recruiting area for shipping companies in search of low-wage seamen. The greatest demand for this type of labour occurred in the period between the two world wars, but hiring had already been established on a small scale in the northern New Territories even before the British occupied the region in 1889. The difficult and dangerous life that this sort of work entailed meant that only poorer inhabitants of the area, who had limited employment alternatives, were prepared to serve as seamen. Thus Liao Xing, who came from a poor family, was probably led to his occupation by the meagre resources of his father. However, it is not possible to state this conclusively. It may well be the case that Liao Xing's innovative spirit was not acquired during his time as a seaman but, rather, was itself an important factor encouraging him to take up work on merchant ships.

15. That is, the Li family, who had acquired some land in the area on the eve of the British take-over of the region (see Palmer 1987).

16. In fact, like Liao Xing, these lineage-mates, Liao Xitian and Liao Baishou, were members of the same large segment trusts, namely the Mingde Tang and Zhoujin Zu. Intra-segment ties were very likely a factor encouraging Liao Xing to seek the aid of these men, but I suspect that they were less important a consideration than the success of the road-haulage concern owned and operated by Baishou and Xitian.

Liao, including two ancestral trusts<sup>17</sup> in which all three men were members. Despite this infusion of local capital, however, the United Prosperity Company quickly ran up debts as world trade declined in the early 1930s, and the partners resorted once more to the Kowloon money-lenders and encumbered the new concern with mortgages. Finally, as the project continued to fail, the decision was taken to seek a more permanent solution to the difficulties of the new market. A government land-office clerk described the resulting demise of the United Prosperity Company in the following terms:

The existing market at Sheung Shui<sup>18</sup> is owned by the Lianxing Company, trustee Liao Xitian (who is a native of Sheung Shui). As Mr. Liao wants money to pay off the...mortgages and to do something about the development of the market he is said to sell certain shares of the property to Chen Fuxiang (a Hong Kong man) and when this is done the whole property would then be in a new name, viz., the Sheung Shui Land Investment Company. (Minute dated 28 June 1932, attached to Memorial 90098, Tai Po District Land Office)

There are several points contained in this brief chronological account that deserve further consideration. Perhaps the most important feature to be stressed is the very limited role played by Liao lineage estates. With one exception,<sup>19</sup> the managers of the central and other large ancestral trusts neither controlled nor participated directly in the new market venture. The lineage estates were involved only in the sense of providing a limited degree of assistance to Liao Xing and his lineage-mates/business partners. Thus, the lineage as a whole donated the public weighing-scale rights to Liao Xing and—according to oral tradition, at least<sup>20</sup>—the managers of the two relatively well endowed segment trusts to which Liao Xing belonged donated several small plots of land situated close to the new market building to the United Prosperity Company. These limited acts of assistance do at least show, however, that the leading members of the Liao lineage were fairly well disposed towards the project. This point is perhaps further confirmed by the fact that even today, Liao Xing is talked about by elderly lineage members in most glowing terms as a very imaginative

17. The Mingde Tang and Zhuojin Zu.

18. The use of the village name, Sheung Shui, to refer to the market is itself indicative of the general attitude that Stone Lake belonged to the Liao.

19. I refer here to Liao Xitian who was, however, only a very junior manager of one of the trusts. He participated in the new market venture as an individual, and his involvement in the United Prosperity Company stemmed not from this kinship position but rather from the success of his trucking business.

20. It has not yet proved possible to substantiate this evidence by means of the materials held at the Tai Po District Office.



and capable figure. Thus, it is indeed something of a puzzle that the resources of the lineage were not mobilized on a larger scale in order to control the project from its inception, or at least to prevent control of the area's main commercial centre, the public weighing-scale rights and potentially valuable property that the new market represented, passing into the hands of merchant interests based in metropolitan Hong Kong.

The Liao themselves identify several factors in their explanations of the very limited involvement of the lineage and its major branch estates in Liao Xing's venture. The most significant and obvious of these conditions was capital shortage. Informants whose fathers were involved in shop-keeping in Stone Lake during the late 1920s and who now serve as managers for the two lineage segments which donated land to the United Prosperity Company recall that 'at a that time the price of rice was only HK\$3 per picul,<sup>21</sup> and the trusts lacked the capital necessary for this sort of investment'. Now, there is an important point here, but it is one that needs elaboration, because the trusts did possess substantial land holdings which could have been utilized in support of the project. A choice was made not to involve the trusts in an active role in the market's revival, and in order to understand this decision, it is necessary to examine the social context in which it was taken.

Despite Wolf's injunction noted earlier that we should think of the Chinese large-scale localized patrilineage as a commercial organization, it should be observed that the Liao ancestral trusts were not oriented towards the accumulation of surpluses with a view to reinvestment. Rental income was devoted primarily to the furnishing of lineage-segment sacrifices, the distribution of profits among segment members, the provision of limited credit facilities to indigent members, and so on. Given the relatively small income generated by rice-field rentals noted above, trust income was devoted almost entirely to current expenditure. Of course, unlike joint-stock companies, it was not possible to broaden the capital base of the trusts by selling shares in the organization to outsiders because these trusts were bodies which defined membership strictly in terms of patrilineal descent. As a result, any capital required by the trusts for investment in development of the new market in Stone Lake would have to have been derived from either the sale or mortgage of trust lands. Given the already substantial difference in value between agricultural and urban real estate resulting from the general economic changes

21. That is, a *dan* 擔, Chinese unit of weight equal to 133 lb. 8 oz. The informant's recollection of the price appears to be broadly correct: an early British administrative report observes that 'the price of rice at the end of the year fell to \$2.80 a picul, as against the usual price of \$4.00 or more' (RNTY 1917: para. v).

and urbanization that were taking place in the region,<sup>22</sup> it would have been necessary to utilize large numbers of the trusts' fields for this purpose. There would have been great difficulty in getting all or even a substantial majority of members to agree to commit so much land to a venture involving a high degree of risk and for which there might have been unlimited liability. In addition, of course, trust land was generally regarded as the patrimony of future generations which should not be committed to uncertain and risky investments such as the new market development project.

Thus whereas in pre-British times ancestral trusts clearly did participate directly in the development and functioning of marketing centres in the New Territories region, in the case of the revival of Stone Lake during the late 1920s, the ancestral trust proved to be an unsuitable form for such a venture. Although the large ancestral trust possessed some of the features of a joint stock company—it had a corporate existence, separated management from ownership to the extent of appointing managers primarily on the basis of ability rather than genealogical position, and distributed annual dividends to members—nevertheless, it lacked the structural arrangements and values appropriate to large capital investment. It drew most of its rents from agricultural land and was not oriented to a steady reinvestment of its income. The trust lacked limited liability, could not issue shares and was not in a position to risk mortgaging substantial amounts of land that represented an important part of the economic interests and social identity of members and their descendants.

A second and related factor which Liao informants cite in order to explain the relatively limited involvement of lineage estates in the revival of Stone Lake during the 1920s, despite the presence of a number of conditions favourable to such an involvement, is that lineage members were too 'conservative' (*bao-shou* 保守). In general, the Liao admit that they were very slow to take advantage of the economic opportunities presented by early modern social change in the New Territories. The Liao assert that in contrast to the members of large lineage-villages in the Yuen Long area, Liao farmers showed little willingness to respond to the profits to be made from producing a winter cash crop of vegetables, despite the early provision of direct road and rail links between the Sheung Shui area and the metropolitan region of Hong Kong. In addition, although the

22. The growing difference in value between the two types of land, although subject to local variation, is indicated in administrative reports. See, for example, RNTY 1922: para. iii. The price of the factory Liao Xing purchased for conversion was HK\$12,000 (Memorial 70424, 25 June 1928, Tai Po District Land Office). Even today, some fifty years later, the annual income of one of the trusts concerned (including the income of its twin trust) is only a little more than HK\$12,000 and nearly one half of this income is devoted to the provision of sacrifices. Clearly, then, the resources of the trusts were very limited in comparison to the costs of Liao Xing's venture.

1910s and early 1920s saw several individual Liao open a small number of shops in the slowly reviving Stone Lake, it was immigrant shopkeepers who came to assume a preponderant position in local commerce when the market expanded significantly as a result of Liao Xing's project. Thus, most shopkeepers in the new market hailed from Shenzhen and other commercial centres in Bao'an and Dongguan Counties on the other side of the international border. Mention might be made here too of the establishment of the Liao's Western-curriculum school during the same period. Although this was clearly an important response and one designed to assist lineage youth find their way in the changing world of colonial Hong Kong, it was perhaps not such a break with lineage traditions as might be assumed. It is also worth noting that the creation of the new school is said to have been resisted by a number of lineage members opposed to Western values, and only carried through in the face of their opposition. It succeeded because Liao have always prided themselves on the educational strengths of their lineage, and the development of a school is thus considered to have been not a rejection of the past, but rather an extension of lineage traditions—especially as the operation of the school quickly brought prestige to the lineage in the small world of the pre-Japanese northern New Territories.

There is a third factor which should be seen as a condition underlying limited Liao corporate involvement in the development of the new market—even though informants do not specifically mention this factor in their explanations of the Liao response to the project. I refer here to the attitude of the Liao towards the metropolitan capital interests which purchased the new market from the United Prosperity Company. Now, much of the relevant literature dealing with relations between the urban capitalists and rural peasants during the 1920s and 1930s in southern China lays considerable stress on the rapacity of the absentee urban-based landlords who were buying up rural landholdings and on the conflicts which soon evolved between the peasantry and their landlords (see for example Fei Hsiao-tung 1939; Chen Hansheng 1936). Something similar did take place in the New Territories when antagonisms generated by the early movement of merchant capital from the metropolitan areas of Kowloon and Hong Kong into the region on the eve of the introduction of colonial rule fuelled a spirited and fierce resistance movement against incoming colonial forces (Palmer 1987: 47). However, in the case of the take-over of the new market at Stone Lake in the early 1930s, the metropolitan merchant interests which acquired the property and held it in the name of the new company which they created—the Sheung Shui Land Investment Company (Shangshui Zhiye Youxian Gongsì)—were both restrained and benign in their dealings with the local people. As a result, the loss of ownership and control over the new market was not viewed by the Liao as a change which would necessarily disadvantage them. The general

feeling seems to have been that it was a stroke of good fortune for the Liao that such friendly outsiders should have invested capital in Liao Xing's loss-making concern. It is perhaps not surprising, then, that some accounts of the events surrounding the revivification of the market erroneously describe the conversion of the knitting factory to a new market-shop complex as the joint initiative of Liao Xing and the Hong Kong merchant interests.<sup>23</sup> Thus, although the Sheung Shui Land Investment Company was essentially owned and controlled by urban-based merchants, the Liao came to regard their own interests and those of the Company and its wealthy backers as clearly linked, if not actually coterminous.

A number of factors contributed to the amicable relations which developed between Liao villagers and Chen Fuxiang, the Hong Kong merchant whose major concern, the Land and Sea Communications Company (Lu-hai-tong Gong-si 陸海通公司), became the parent company of the Sheung Shui Land Investment Company (hereinafter referred to as the Sheung Shui LIC). First, by means of the considerable business experience which he gained in the colony's metropolitan area, Chen was well versed in the nuances of company organization. He devised a scheme whereby the Liao were given a small but significant stake in the new company. Individual Liao, as well as the two ancestral trusts which had contributed land to the market redevelopment venture when it was in Liao Xing's hands, were given shares in the new company,<sup>24</sup> and the Liao central ancestral estate as well as their Western-curriculum school were subsequently allocated portions of the public weighing-scale rights. Secondly, the parent company did not use outside figures to run the Sheung Shui LIC but instead appointed Liao Xing to serve as director of the local company and employed him as the local manager. As a result, the day-to-day operations of the market-shop complex remained under the control of an active and capable lineage member. Thirdly, in their subsequent land dealings with Chen Fuxiang, lineage members consider him to have been a fair and honest person. Now it is true that in addition to taking over the new market, Chen used the profits from his urban

23. See, for example, the chairman's speech in the handbook of the celebrations for the rebuilding of the market in the wake of the two fires which destroyed the town in the mid-1950s. I wish to thank Dr H.D.R. Baker for his kindness in providing me with a copy of this booklet (*Shi-hu-xu* 1964).

24. The earliest year for which there is detailed documentary evidence relating to the internal structure of the company is 1947. The records of the Hong Kong Company Registry for that year show that the Liao Mingde Tang and Zhuojin Zu held five and four shares respectively. Three other small Liao ancestral trusts held a total of six shares. Individual Liao owned 113 shares, of which 104 were held by Liao Xing's adopted son. The total number of shares issued by the company was 700, of which 550 were owned by the Land and Sea Communications Company (Hong Kong Registry, Annual Return of the Sheung Shui Land Investment Company Limited, made up to 23 December 1947).

enterprises to buy up land from Liao villagers as well as from members of other rural communities in the New Territories.<sup>25</sup> Nevertheless, the Liao claim that this did not have an adverse affect on their livelihoods and, indeed, assert that they appreciated Chen's willingness to buy their land at reasonable prices, and to give mortgages on favourable terms at a time of considerable hardship.<sup>26</sup> Again, many of the sales and mortgages were arranged by Liao Xing and one of his former partners in the United Prosperity Company who was also employed by the Chen concerns as their local agent. The positive attitude of Chen is contrasted with the difficulties involved in tapping other possible sources of finance, in particular, money-lenders.<sup>27</sup> The two most prominent local usurers, neither of whom was a lineage member, are remembered with contempt for the high interest rates which they levied and their rapacious approach to lending, while the Kowloon money-lenders who advanced monies to Liao Xing in the 1920s were certainly not generous in the interest which they charged. Fourthly, Chen and his companies engaged from time to time in charitable work in the local community, and their acts of philanthropy can scarcely have detracted from lineage members' appreciation of the role of the Land and Sea Communications Company and the activities of Chen in this part of the New Territories.

In view of the good relations which developed between the Chen Fuxiang (and other members of his family who were closely involved in running the Land and Sea Communications Company and related concerns) and the Liao, some consideration should be given to the nature of Chen's involvement in commerce and the place of its investment in the New Territories. Briefly stated, the family was a member of the Californian Merchants' Guild (Jin-shan Zhuang 金山莊), an association of some 250 companies and individuals in the colony specializing in trade with California and meeting various needs of Chinese emigrants to the west coast of the United States.<sup>28</sup> One important activity carried on by these

25. See, for example, Memorial 83558 (Tai Po District Land Office), which records the transfer of ownership of land acquired on Chen's behalf by his local agent Liao Xitian. See also the material on Chen's very extensive New Territories landholdings at the time of his death which is contained in the New Territories Crown Rent Roll (Tai Po District Land Office, Book 72E: 30 49, 51).

26. The more elderly Liao frequently observe that the 1930s were times when the local standard of living was so depressed that many villagers had to eat sweet potatoes instead of the orthodox staple food of rice and were driven to marry their children by means of the low-status mechanism of a minor marriage. See Wolf and Huang (1980) for an extended account of the minor and other forms of Chinese marriage.

27. Prior to the Japanese occupation, there were few banking facilities available in the New Territories, and the most common form of lending, the rotating loan association, was a short-term and expensive source of credit.

28. See Liu 1957 for a general account of the Guild.

firms was the transmission of remittances sent back by emigrants to their native villages (Wu 1967: 37). Chen Ta notes that emigrant money was often banked in and channelled through Chinese banks and trading houses in Hong Kong because the colony enjoyed relatively stable financial conditions (1939: 77). As Chen also observes, 'at times the money entrusted to [Jin-shan Zhuang concerns] for transmission...served to capitalize their own ventures' (ibid.: 79; see also Jones 1972: 47).

In addition to their banking and trading activities, however, Chen Fuxiang's family firm also served as a kind of travel company. It assisted the emigrant to make return visits to his or her home village by providing accommodation in Hong Kong and helped with the various formalities required for the emigrant's re-entry into China. It was in connection with these operations that the Land and Sea Communications Company came to establish close links with members of the Liao lineage, who used their knowledge of local conditions and their experience in the trucking business to assist in the tasks of transporting people and money across the border into Chinese territory. Chen Fuxiang also came to know the area well because of its good hunting-grounds, and as a keen sportsman he relied on the Liao to furnish him with knowledgeable local guides.

Thus, given Chen ownership of and control over substantial amounts of capital, as well as their strong links with various members of the Liao lineage, it is not surprising that the Liao turned to Chen Fuxiang in order to save the new market from bankruptcy. And despite the use of their financial strength to purchase the new market at Stone Lake and to acquire large amounts of land in the area, Chen Fuxiang and his family firm did not display a narrow commercial attitude towards their rural real estate. Indeed, in acquiring property in the area, their purpose was essentially a mixture of three motives: economic security, social status and charity. The Chen regarded their holdings in the northern New Territories as a long-term investment designed to protect the value of their capital. As a result, they were not only prepared to rest content with very moderate rents but were also quite slow to take up the development possibilities of transforming some of their strategically located farmland into urban real estate. Moreover, although Chen Fuxiang and other members of his family had once lived in the United States, they are described by those who knew them well as relatively conservative (*bao-shou*). The Chen enjoyed the dignity and prestige that their substantial landholdings conferred upon them. They were the 'gentlemen' from urban Hong Kong who visited their country friends during hunting weekends. And their elevated social position was buttressed by a reputation for benevolence and philanthropy. It might be added here that the attitude of the Chen was not entirely idiosyncratic but rather seems to have been typical of many of the firms involved in the Californian Merchants' Guild, for the most well-informed writer on the Guild has pointed out that member companies generally

considered themselves to be more concerned with the welfare of the Chinese communities which they served than with making large profits (Liu 1957: 20).

### *The Reconstruction of Stone Lake*

In view of the above, it is not surprising that over the next two decades the Liao came to identify themselves with the Company, which could be relied on to conduct its activities in the area in a manner that would not be inimical to the interests of the Liao. Following Liao Xing's death in the early 1940s, his place in the Sheung Shui LIC was taken by his adopted son, and when another of the former partners in the United Prosperity Company retired from his position as agent in the Sheung Shui LIC, his job was filled by a close agnatic kinsman, Liao Runchen. Thus, the local operations of the Company remained in the hands of the lineage members—indeed, in the hands of two members of the lineage estates which played a minor part in the initial development of the new market at Stone Lake. In the rapidly changing conditions of the northern New Territories in the late 1940s and 1950s, lineage members' links with the company and its parent body, the Land and Sea Communications Company, should have served as a valuable source in the lineage's competition with the area's rapidly rising immigrant population. However, in the context of the town's redevelopment in the late 1950s, the Company's relations with the lineage proved to be more a liability than an asset.

Following the ending of the Japanese occupation of Hong Kong in 1945 and the establishment of the People's Republic on the mainland in 1949, the colony experienced a number of far-reaching changes, many of which affected the northern New Territories. Thus, largely as a result of an influx of refugees, the population of Stone Lake spiralled to reach 5,000 persons in 1955, making it larger than the Liao lineage-village of Sheung Shui, which by comparison had grown quite slowly to total approximately 4,500 persons only. Hong Kong's industrial revolution not only served to increase standards of living throughout the colony but also encouraged a proliferation of small-scale industrial enterprises in the Stone Lake area, as well as in many other parts of the New Territories. An agricultural revolution also swept the region, directly affecting the northern New Territories, and Liao lineage members allowed immigrants to rent and convert their lands into market gardens on which the newcomers made a living by growing fresh vegetables for the urban market. In order to cope adequately with the rapid transformations taking place in the region, the colonial system of administration was made larger and more complex.

And, in response both to local changes and the more general democratization of the empire,<sup>29</sup> a system of political representation was introduced throughout the New Territories. Under this new structure, Stone Lake was not only to become the seat of the local rural committee but in addition was accorded its own village representative.

In particular, the town's reconstruction, following serious fires in 1955 and 1956, served as a vehicle for the political career of Stone Lake's village representative. This man, Zhang Renlong, was the son of an important member of a large and powerful single-patrilineage village located a few miles inside Chinese territory. Zhang's father was given shelter in Sheung Shui by the Liao during the late 1920s when Guomindang forces on the mainland were intent on slaying him for his pro-communist activities. In subsequent years his father built up wealth as a merchant in Stone Lake, graduating from running a beansprout business to being a currency dealer serving the local families of emigrants and seamen. He then took over a petrol supply business which proved extremely profitable at a time in the Korean War when cross-border smuggling was a lucrative occupation. Zhang Renlong was educated at the Liao Western-curriculum school where he excelled in English, and he later studied at a minor university in Canton. Zhang's command of English was an important asset during negotiations between local landowners and the colonial government regarding the rebuilding of Stone Lake following the fires of 1955 and 1956, which burnt down many of the town's buildings. At that time, the administration was only just beginning to take an active role in urban development. Discussions were best conducted in English because many of the relevant concepts of town-planning had not been absorbed into Cantonese or written Chinese. Zhang was not just the only local leader with the necessary command of the English language; he also skilfully presented himself as a man willing to accept Western values and, more generally, to understand the problems of the modern world. As a result, the colonial administration was encouraged to treat Zhang as the key advisory figure in discussions, to give him face and, in particular, to accept his interpretations regarding the nature of local interests. Another important factor in Zhang's prominent role in the negotiations was his success in mobilizing the support of most of the town's 'small property owners' (*xiao-ye-zhu* 小業主), a term used to describe all owners of land in the town other than the Sheung Shui LIC. A key factor here was his adroit use of affinal ties in order to split Liao lineage solidarity. Zhang's

29. According to some well-informed Hong Kong government officers, the introduction of a system of political representation in the New Territories owed much to the initial post-war military administration of the region. The harsh experiences of the Second World War and the Colonial Office's new policies of colonial self-government within the Commonwealth encouraged the returning government in Hong Kong to introduce a measure of democracy in the colony's rural hinterland.



father-in-law was a wealthy and powerful figure in the Liao lineage who possessed one of the most substantial individual holdings of land in the fire-affected area, and this man's third son, a government clerk, was a very active trustee of an ancestral estate which owned land in the vicinity of Stone Lake.<sup>30</sup> Through his ties with these affines, Zhang was able to separate a group of Liao small landowners from their lineage-mates, who continued to display their now long-established loyalty to the Sheung Shui LIC. Moreover, Zhang was a powerful chairman of Stone Lake's Chamber of Commerce and therefore able to draw upon the support of those immigrant merchants who had purchased property in the town.

For their part, the Liao were unable to mount effective opposition to Zhang's moves to secure the role of chief negotiator for the local community in its discussions with the administration. Leading members of the lineage lay much of the blame for this impotence at the door of the region's colonial rulers. They argue that the government was wrong to afford Zhang a position in the rural committee system of local government created during the early 1950s.<sup>31</sup> In the eyes of the Liao, Zhang's position as village representative of Stone Lake was inappropriate in several respects. Thus, Zhang was not a member of any of the area's long-established villages, which were supposed to function as the basic constituent units of the new system. Nor was Stone Lake a traditional village—on the contrary, it was a 'mere' periodic market (*xu*) which, in traditional Cantonese notions of place and human settlement, occupied only a very lowly position. In particular, the Liao believe that they were cheated out of their rightful role in the rural committee centred on Stone Lake. They point to the situation in the neighbouring rural committee located in the Santin area, where each of the eight hamlets (*cun* 村) that comprise the Wen lineage-village (*xiang*) of San Tin was defined by the colonial government as a single 'village' and, as a result, allowed two village representative positions. These sixteen positions give the Wen lineage a monopoly of their rural committee—provided, of course, lineage unity is maintained. In contrast, the British rulers chose to define as one village only eight hamlets (*cun*) that form the Liao settlement (*xiang*) at Sheung Shui. As a result, the Liao have been consigned to a permanent minority position in their local rural committee, which is dominated by the wealthy and adroit Zhang Renlong. In the mid-1950s, then, the Liao had no control over the key formal political body in the area and were

30. It should be pointed out here that this ancestral trust is not one of the estates involved in the pre-war development of Stone Lake and the creation of the Sheung Shui LIC.

31. See *ADR/DCNT 1954-1955*: paras. 42-50, for an account of some of the main features of the system.

unable to utilize it to oppose Zhang's ascent—a far cry from the situation in pre-British times, when they held a pre-eminent position locally.

The Liao objection to Zhang Renlong's position as a village representative for Stone Lake is a response found in many societies to the question of the political rights of immigrants.<sup>32</sup> Liao insistence that they were and still are seriously underrepresented in the rural committee system of local government is a more interesting problem in the context of this essay, because it bears directly on the question of the significance of lineage form. That is to say, the effect of the *form* in which the Liao lineage-village at Sheung Shui was incorporated into the British administration's imposed system of local government has been to restrict significantly the ability of lineage leaders to defend and promote the interests of their lineage in face of the changes that have swept the northern New Territories.<sup>33</sup> The Liao explicitly contrast their unfavourable political position with the automatic monopoly which the Wen lineage of San Tin enjoy on their local rural committee, and they claim that their misfortune owes much to the British administration's felt need to pursue a policy of divide and rule in the area, this being a result of a long-standing British distrust of the Liao.<sup>34</sup>

As a result of the advantageous position he enjoyed, Zhang was able to form under his leadership in Stone Lake a United Association of Small Property-Holders (Xiao-ye-zhu Lian-hui 小業主聯會), in which he was closely supported by his Liao affines and another Zhang immigrant businessman. By means of this organization, Zhang was able to demonstrate that he enjoyed the support of nearly three-quarters of all the small landowners affected by and involved in the reconstruction of the town. He led the local community in negotiations with the colonial administration and successfully obtained not only a large loan from the government to assist the small landowners to meet rebuilding costs, but also special concessions over the financial stipulations normally laid down in land development projects. Zhang's efforts earned him the approval of the region's colonial rulers, and he not only chaired the committee in charge of the major celebrations for the rebuilding of the town in 1964 but was

32. As Lewis notes (1976: 182): 'Everywhere the status of guest is an honoured one, but not if guests overstay their welcome. The laws of hospitality are not infinitely elastic, and the lingering visitor quickly becomes an unwelcome alien. Aliens by definition have political loyalties elsewhere. They are thus not entitled to participate fully in the economic life of their hosts and are expected to return home as quickly as possible, when required.'

33. Thus, for example, the Liao argue that Zhang Renlong has failed to bring pressure to bear on the colonial administration to force it to develop the Stone Lake area in general and to modify certain specific land policies in particular.

34. Many elderly Liao believe that the British consider them to be 'rascals' (*lan-zai* 爛仔), and I have heard them recount a number of stories which do point to a significant degree of strain in their relations with the colonial administration and its police force.

also subsequently awarded his MBE (Member of the Order of the British Empire) well ahead of Liao Runchen, his rival from Sheung Shui village in the local political arena.<sup>35</sup> In addition to inflicting this political defeat on the lineage, Zhang used his negotiating position to keep the Sheung Shui LIC from playing a prominent role in the rebuilding of the town by convincing the British that the company's activities were likely to undermine the interests of local landowners. Thus, a system of redistributing post-fire land among pre-fire landowners was devised in which the company could play only a limited role.<sup>36</sup> The above-mentioned government loan was granted and other concessions were obtained in order to prevent the company from using land development and building costs as a lever for buying up much of the rebuilt town.<sup>37</sup>

And, of course, in so doing, Zhang impressed upon the government that he was not connected with any land investment companies, whereas Liao Runchen was to be seen not as a local village leader and defender of local interests, but rather as an agent of the metropolitan-area capitalism. It is perhaps not surprising that partly as a result of his political success in the rebuilding of Stone Lake and other acts equally unhelpful to the Liao, Zhang is regarded with considerable bitterness by many prominent Liao as a man who has 'turned upside-down the bowl from which he has eaten rice'.

### *From Lineage Alliance to Company*

The reconstruction of the town involved a further political defeat for the Liao. This concerned the rebuilding of the Two Governors Temple (Zhou Wang Er Yuan 周王二院), which had been established at Stone Lake in the early Qing. The Temple commemorated the good deeds of two officials who had been instrumental in persuading the Qing government

35. This status is much sought after in the colony. It primarily confers on the recipient not power but, rather, prestige. It often serves as a mechanism whereby the holder can widen the range of his or her political and economic networks in the colony.

36. In particular, the colonial government allowed pre-fire landowners to re-acquire much land in the town by means of a mechanism known as a restricted public auction. Under this system, outsiders were not allowed to bid for Stone Lake's valuable redeveloped land.

37. As the colonial officer responsible for organizing the redevelopment of the town emphasised: 'It is important that the fire be not made the occasion for ousting the Sheung Shui people who lost by the fire and replacing them by land-sharks who would be only too glad to have the opportunity to build, as a speculation, a market town, in a place where they know there is a demand for a market town' (NT/4/5282/55, District Commissioner, New Territories, to Colonial Secretary, 11 October 1955, para. 22).

to lift the harsh policies which had been imposed on this area and other parts of the south China coast. As noted earlier, during the Qing period the Two Governors Temple came to serve as a centre of operations for two *xiang-yue* or alliances. The Old Alliance (Jiu-yue 舊約), which was the earlier of these two bodies, comprised the Liao central ancestral estate and the Yunsheng Tang (a wealthy Liao segment trust), together with the nearby lineage-villages and the Deng of Lung Yeuk Tau. It served primarily as a club for the elite members of the constituent lineages. The New Alliance (Xin-yue 新約) was a wider grouping which included not only the Hou, the Deng and the Liao central ancestral estate,<sup>38</sup> but also three other local lineages—the Peng of Fanling, the Wen of Tai Hang and the Deng of Tai Po Tau.<sup>39</sup> Again, this was an elite institution in which participation in the main activities was restricted to prominent figures in the member lineages.

In 1955, the Temple building was destroyed in the two fires of that year, and

in accordance with the special arrangements for the redevelopment of Stone Lake Market the temple land was sold back to the managers in 1957... subject to the standard conditions of the Stone Lake Market lots which do not restrict the building on the lot to a temple. (TP/543/1; correspondence: Tai Po District Officer's minute to District Commissioner, New Territories, 12 September 1960, para. 5)

The managers of the Temple, who had always been the appointees of the Old Alliance, proposed to use the Temple site for the construction of a tenement block. The profits from this project were to be used for the welfare of the member groups of the Old Alliance—more specifically, for the education of lineage members' children. The Temple itself was to be re-established on a very modest scale in a small apartment. The Liao lineage leaders and, in particular, the manager of the Yunsheng Tang played the major role in these moves, for they had the most to gain from the implementation of the proposed redevelopment.

The plans did not come to fruition. Leading members of those New Alliance lineage-villages<sup>40</sup> that did not also belong to the Old Alliance successfully raised objections to the project. They placed a notice on the colony's Chinese-language press insisting that none of the New Alliance lineages should be excluded from the project and 'hoping that people from

38. The Liao Yunsheng Tang was not included in the New Alliance. It would seem that whereas the Old Alliance was dominated by the Liao, the New Alliance was largely the creation of the Deng lineage-village of Lung Yeuk Tau. The Liao held only a one-sixth share in the New Alliance (see Palmer, in progress: ch. 2).

39. See Baker (1966) for a brief account of these lineage-villages.

40. See Palmer (in progress: ch. 2) for a more detailed discussion of the composition of the New Alliance.

all walks of life would really look into the case' (*HQRB* 3 June 1960, section 3, p. 23).<sup>41</sup> In addition, and doubtless mindful of the profits to be made from the development of the Temple building lots, the leaders of the excluded lineages petitioned the District Officer to allow the New Alliance to take over the Temple reconstruction. In accepting to a considerable degree the claims of the New Alliance and rejecting for the most part the plans of the older grouping, the District Officer dealt a further blow to the Liao, not only causing them to lose much 'face'<sup>42</sup> in the northern New Territories, but also significantly reducing the profits which would otherwise have accrued to the Liao Wanshi Tang and Yunsheng Tang.

However, the more important point here is that in imposing a solution on the two parties, the District Officer had to resort to the creation of a new form of organization in order to accommodate the interests of both groupings and, even more significantly, to provide a structure which would function satisfactorily in the 'modern' urban environment of the New Territories in general and Stone Lake in particular.<sup>43</sup> The Temple now held valuable urban real estate which would necessarily be the subject of various kinds of commercial transactions and, from the point of view of an administration which believed in government through the rule of law, it was important that some sort of legal control should be exercised over those persons who handled the affairs of the Temple. Thus whereas both groups of lineage proposed to develop, manage and distribute income in accordance with the organizational form of the original lineage-village alliances, the District Officer felt it necessary to find a form of corporate body which would both facilitate local ownership of, and control over, the Temple and provide a mechanism by means of which the administration could supervise the manner in which the Temple property was dealt with in the rapidly developing urban environment.

It is necessary to insert here that this was not simply a case of rural compact or alliance (*xiang-yue*) constituting an inappropriate ownership

41. Informants report that the Old Alliance leaders were also accused of trying to line their own pockets from the Temple redevelopment.

42. In the course of the settlement of the dispute, the Old Alliance managed to extract a public apology from the opposing interests in the New Alliance for the various accusations of malfeasance that had been levelled against the Old Alliance leaders. However, the fact that such accusations had been made was itself sufficient to cause the Liao in particular to suffer a significant loss of prestige.

43. The Hong Kong Government's papers dealing with this case clearly indicate that the administration viewed the restructuring of the Temple's ownership system as a major problem because the Temple 'had been overrun by the urban development of the New Territories so that it was affected by the increase in land values' (TP/543/1, Legal Department to Secretary Chinese Affairs, 30 September 1960, para. 8). In addition, it was observed that 'the temple site...is the best position in the layout plans for the town's post-fire redevelopment' (TP/543/1, District Officer, Tai Po to District Commissioner, New Territories, 12 September 1960, para. 7).

and management body *per se*. In fact, the two alliances centred on Stone Lake both had clear rules of operation, and the booklet of the Old Alliance seems to show clearly that during the Qing times, at least, ownership of the Temple lay in the hands of the Old Alliance. Thus the *xiang-yue* was not in itself necessarily an inappropriate form of organization for the proposed redevelopment.<sup>44</sup> But the manner in which the ownership of the Temple had been characterized in the all-important Block Crown Lease records of 1905–7 created problems because ownership of the Temple was registered not in the name of the Old Alliance but under the appellation 'Zhou Wang Er Yuan'. Thus the Temple owned itself—for in the eyes of the region's colonial rulers there was no group or individual that could be regarded as temple-owner under the laws of the New Territories, and there was nobody that could in law deal with the Temple's property. It was not possible to rely on those provisions of the New Territories Ordinance relating to ancestral trusts because the Block Crown Lease failed to record that the constituent trusts of the Old Alliance were the owners. Moreover, there were problems involved in transferring ownership to the Chinese Temples' Committee, a colonial body which owned and administered urban temples in metropolitan Hong Kong. Not only was there no owner that could transfer proprietary rights in the Temple to the Committee, but, in addition, the Committee took all profits from its temples and applied them to a general colony-wide charity fund, and there were fears that such a solution would be regarded by the local lineage-villages as tantamount to a confiscation of the Temple.

As a result of these difficulties, the colonial administration decided to solve the problem of ownership and to modify the existing lineage-based system of management and control by the next best solution, that is, by constituting the Temple as a limited company. Henceforth the new organization operated within a legal framework laid down by the colony's Companies Ordinance, and its dealings in property could accordingly be regulated by the provisions of that Ordinance and related areas of the law (see Wang *et al.* 1963 for details). Its structure and many of its activities were laid down in a memorandum and articles of association which limited the liability of the members of the new company, provided for a board of directors, specified the rights and duties of the directors, required regular general meetings in which all members were entitled to vote on important matters, and stipulated that the company should have a treasurer and that accounts should be properly kept and subjected to an annual audit. Thus, the urban property of the Temple could in the future be administered in a manner which the colonial bureaucracy considered appropriate for an urban environment. Moreover, there were now mechanisms by which the

44. It might be added here that at least one alliance in the region, the Qi-yue, had been organized with the specific intention of establishing and developing a market.

colonial rulers could ensure that the Temple's affairs were managed in a manner consistent with the interests of most, if not all, the owners.

At the same time, however, the new company was set up in a form which incorporated certain crucial features of the pre-dispute structures of ownership. The new Temple body was created as a company in which membership is defined in terms not of holdings of shares in a capital fund, but rather by means of ancestral trusts or *tang* 堂. Thus, paragraph 5 of the Articles of Association lists the various bodies or communities which participated in the Old and New Alliances as ancestral trusts (*tang*) and states that 'any person who is a member of one of the following *tangs*...and who has attained the age of 21 years shall be admitted as a member of the Company...' (Wang *et al.* 1963). Of course, the future populations of these *tang* could not be predicted, and in paragraph 4 it is therefore laid down that 'the number of members with which the company proposes to be registered shall be unlimited'. Inasmuch as the rules of the Old and New Alliances<sup>45</sup> do not describe the participating communities in such clear kinship terms, these provisions may be thought of as an *intensification* rather than a diminution of the role of kinship corporations in the ownership and control of the Temple. Although it has not proved possible to discover the precise rationale for this change, I suspect that it is closely connected with the compromise between the claims of the Old and New Alliances which was embodied in the company structure. Thus although the company meets and feasts once a year as if it were the New Alliance, nevertheless the extra position in the Old Alliance held by the Liao Yunsheng Tang has been incorporated into the company. So of the eight major *tang* groupings used to define membership in the company, the Liao are the only lineage to possess two *tang* divisions. There seems little doubt that one important reason for utilizing the notion of *tang* in this way was the need to provide a structure that would acknowledge the claim of the Yunsheng Tang to a share of the Temple.<sup>46</sup>

Thus, the proposed rebuilding of the Two Governors Temple at Stone Lake served as the catalyst for a reordering of the Temple structure. In order to meet colonial legal requirements on the one hand, and in the interests of political stability on the other, the District Officer responsible

45. I refer here to the various rules contained in the Old Alliances (*Bao-de-ci* 1923) and the New Alliances (*Xin-yue-hui* 1909).

46. The use of the *tang* as segments within the new company was apparently the idea of the lineage leaders themselves. As the Tai Po Land Officer noted, the parties to the agreement wanted 'to use the *tang* names [in the company]. The reason for this is that, for example, not all the members of the Liao clan of Sheung Shui Village were beneficiaries through this property. Only members of the Liao Wanshi Tang and the Liao Yunsheng Tang have a share in the property. The same applies to the other clans' (TP/543/1, Tai Po District Land Officer to District Officer, 12 May 1961). The only exception to this rule was the case of the Hou who were, however, incorporated into the company in the form of their traditional designation of 𢆐 族 or 'clan' (Wang *et al.* 1963).

for settling the dispute simultaneously imposed on the Temple both a modern company-type of organization and a system of 'shareholding' defined primarily in terms of membership of traditional ancestral trusts. The tenement block, it should be noted, was built in the early 1960s and has since yielded a healthy rental income. However, the principal activity supported by this income is not education, as had been the original intention of the leading members of the Old Alliance, but rather an annual feast which commemorates the memory of the Two Governors. This outcome appears to owe much to the District Officer's characterization of the main purpose of the Temple. He emphasised that the Temple had been established in order to perpetuate the memory of the Two Governors and to commemorate their good deeds. As a result, in the course of his efforts to solve the conflict over the Temple, he insisted that this function should be given pride of place in the new company's Memorandum of Association (Wang *et al.* 1963: para. 3[2]). Although there is elsewhere in the Memorandum and Articles of Association some provision for the creation and administration of schools, the bulk of the Temple's income continues to be devoted to the annual banquet, and no schools have been created. Finally, mention might be made here of the impact of these events on local differences in status between the Old and New Alliances. Prior to the dispute, the Old Alliance, which comprised the oldest and wealthiest lineages in the area, was the more prestigious organization. However, in the years since the restructuring of the Temple's ownership and management, the New Alliance has generally been regarded as the more important body in local circles because of the fairly substantial income it receives from the tenement block and the splendid feast which it finances and organizes in order to honour the two early Qing officials to whom the Two Governors Temple is dedicated.

#### *From Ancestral Trust to Company*

I have already noted that the Zhuojin Zu, a large and wealthy Liao ancestral trust, owns valuable land located in and around Stone Lake Market. This circumstance relates directly to the development of a major dispute within the Zu regarding the manner in which the trust should adapt to the changing environment. In particular, since at least the early 1960s, members of the 許 祖 have disagreed strongly among themselves over the type of structural changes that the trust should undergo as the Stone Lake Market area experiences increasingly close and more complex contacts with the wider society of Hong Kong. It should be added here that although the matter had not been resolved by



the time I left Stone Lake, the points at issue were reasonably clear.

This Zu, and two others with which it is very closely related,<sup>47</sup> was established long before the introduction of colonial rule into the area, and the precise manner in which it was managed in pre-British times is not clear. But whatever the situation in the more distant past, it is clear that the trust was subject to certain modifications when it was brought within the colonial legal framework during the early years of the present century. In common with other ancestral trusts in the region, the Zu was obliged to appoint managers (*si-li* 司理) who were given formal authority to deal in its land 'as if [they] were the sole owners thereof...' (New Territories Ordinance 1910, Section 27). Under the same rule, however, such dealings were made 'subject to the consent of the [District] Officer'. In the period preceding the Japanese occupation, District Officers were probably not too strict in their supervision of estate management, but during the post-war years as the colonial administration became more intense and specialized, they have been less willing to approve important dealings unless they are reasonably convinced that the 'wishes and interests of all the owners, minors included, have been taken into account' (Freedman 1966: 52).

Both Freedman and Potter have observed that the problem of securing universal agreement has led to serious deadlocks elsewhere in the New Territories:

In an important case known to me, the several branches of one 'trust' could not be brought to agree on the principle of dividing the assets realizable by sale; the members of the less numerous branches were in favour of the traditional rule of dividing the assets *per stirpes*, while the members of populous branches were, naturally enough, eager to see some sort of *per capita* division introduced into the scheme for dissolution. (Ibid.)

Potter provides several specific examples of conflicts of this nature which have arisen within some of the larger ancestral estates of the Deng lineage-village of Ping Shan, and he concludes:

Although the same type of conflict was probably not unknown in recent traditional times, it has become so intense in recent years that it threatens the very existence of the kin groups. The conflicts within kin groups can, of course, be largely attributed to the increasing value of land on the one hand, and the weakening of traditional values on the other. As a result of these trends, the villagers are more concerned with furthering their individual economic interests than they are with maintaining the collective interest of the group as a whole. (1968: 111)

These characterizations of lineage-estate disputes catch some of the features of the Zhuojin Zu case. However, they do not provide an entirely

47. That is, the Youbai Zu and the Huajun Zu. Baker provides a brief note on 'joint trusts' (1968: 112).

suitable basis for understanding the nature of the conflict taking place within the Liao trust. In particular, if one were to follow Freedman and Potter and analyse the disputants' motives in terms of narrow financial self-interest, then not only would the complexity of the situation be missed, but also the significance of the kinship and related values which trusts may enshrine for members would be ignored. Most importantly, such an approach would overlook the importance of the differences between the two major forms of trust land, namely common fields (*gong-chan* 公產) and rotating fields (*zheng-chang* 蒸嘗). Now it is true that in the Zhuojin Zu case the main advocates of a rotating or *per stirpes* division of income and other proceeds hail from very small segments of very small branches and stand to benefit most, in financial terms, from distributions along lines of intra-*zu* segmentation. Moreover, the major protagonists of the *per capita* scheme of division are indeed members of the more numerous branches who stand to gain from a system in which every male member of the group has an equal share of the estate and its income. The *zu* in question has approximately two hundred members and is divided into four branches. The branch to which the chief protagonist of the rotating system belongs is subdivided into two segments, and one of these contains just one member—the protagonist himself. Thus when income is distributed on a *per stirpes* basis, this man (Mr Liao Jiu) receives a one-eighth share, but when it is calculated on a *per capita* basis, he is accorded only a 1/200th share. Furthermore, it should be noted here that as a result of mutual suspicions over the possible misuse of funds, each side has been to court accusing the other of malfeasance.

It might appear, then, that the dispute was simply a cleavage between two parties intent on manipulating trust values in order to maximize their share of a valuable economic asset. In reality, however, the conflict consisted of a number of closely related issues, and when these are considered as a whole it can be seen that this is also an argument about the nature of the Zu in the present-day northern New Territories. The main points over which there are serious disagreements are given in Table 1.

Although the dispute is complicated in its detail, it should be fairly clear from the above that tied in with a serious conflict of material interests is a fundamental disagreement about not only the most suitable activities of the Zu, but also the most appropriate form that the trust should take in the coming years. Thus the conflict began as a small argument regarding a tenant's refusal to pay rent to a representative of the Zu,<sup>48</sup> but it became greatly expanded over a number of years as each side mustered a series of arguments in order to press its own case and to refute

48. A tenant working some of the trust's lands, who was himself a member of the Zu, refused to pay his rent to the trust's managers until certain irregularities in the administration of the estate had been settled.

TABLE 1. *Zhuojin Zu: Contentious Issues*

Issues	Members of first and second branches and some members of the third and fourth branches	Some members of the third and fourth branches
1. Categories of property holding most appropriate for the trust <sup>a</sup>	The Zu should consider converting all its properties into common holdings ( <i>gong-chan</i> ).	The Zu should hold all its properties in the form of <i>zheng-chang</i> , that is, a rotating estate.
2. Decision-taking procedures	The Zu should use majority voting in reaching important decisions. Each member of the Zu is entitled to one vote.	Important decisions must be taken on the basis of an agreement between all four branches.
3. Selection of managers	It is very important to choose managers who are wealthy, active and capable, because the value of the trust's holdings is spiralling. Thus, managers may hail from any of the Zu's four branches and must be elected by means of a majority vote of all members of the trust. The fact that the Zu has four managers and four main branches is a mere coincidence and does not in any way imply a system of one manager per branch.	The managers' positions should be hereditary. It is a custom of the Zu that when a manager dies he is succeeded by his eldest son unless there are supervening circumstances. Each branch is entitled to fill one managerial position, and it is for this reason that the trust has four managers.
4. Use of Zu income	(a) The Zu should accumulate capital. Each branch should, at the end of the year in which it has been administering the <i>zheng-chang</i> property, transmit to the next branch the balance of income over expenditure rather than distributing the surplus in equal shares to all members of the trust branch controlling the property for that year.	Each branch should, at the end of the year in which it has been administering the <i>zheng-chang</i> property, distribute any surplus proceeds to the members of that branch in equal shares. The trust already owns valuable property and has no need to accumulate funds.

TABLE I. *continued*

Issues	Members of first and second branches and some members of the third and fourth branches	Some members of the third and fourth branches
Use of Zu income ( <i>contd.</i> )	<p>(b) A substantial portion of Zu income should be devoted to the payment of school fees for the children of Liao lineage. This income is derived primarily from the <i>gong-chan</i> or common fields. In the olden days, the income from such property was <i>inter alia</i> devoted to the provision of ritual pork shares for members, but in the present day and age this is no longer important. Instead, we should follow other lineages which use <i>gong-chan</i> income for the financial support of scholars and apply the monies for the subsidy of our children's education. This innovation is impelled by the increasing cost and growing importance of modern education. In the interests of lineage unity and the increasing role of women in today's world, these educational subsidies should be given not to the male children of the Zu alone, but rather to all children of the lineage—male and female.</p>	<p>This is an innovation which should not be introduced in the Zu. The need to pay the school fees of the children of both sexes is accepted, but it is the large <i>tang</i><sup>b</sup> of the lineage, such as the central ancestral hall, which should subsidize education. The income of the Zu should be used to provide ritual pork shares for members, because this distribution of pork demonstrates trust membership and represents communion with the Zu ancestors.</p>
	<p>(c) Members should be flexible in their attitudes to this trust and its joint trust, the Youbai Zu, and permit a certain degree of functional specialization. Thus, the</p>	<p>This is not merely a matter of administrative convenience. In the past no monies were devoted to education, but under this scheme the entire proceeds</p>

TABLE 1. *continued*

Issues	Members of first and second branches and some members of the third and fourth branches	Some members of the third and fourth branches
Use of Zu income ( <i>contd.</i> )	Zhuojin Zu incomes should be used for educational purposes, whereas the Youbai Zu incomes should be devoted to the payment of land tax and grave-worshipping. This arrangement will facilitate the administration of the trusts.	of the Zhuojin Zu estates are given over to the payment of school fees. In addition, Youbai Zu income now provides funds for the payment of land tax and grave-worshipping expenses for both trusts. As a result, only a small sum of money is left over for distribution to individual members.
5. Accounting systems	The estate is steadily increasing in value, and in response to this development the Zu should retain copies of its rent books for future reference, employ specialist bookkeepers, maintain a regular bank account and keep properly presented accounts to be audited by public accountants. In particular, the Zu should take legal advice on forming itself into a limited company which would administer its properties.	It is not the tradition ( <i>chuantong</i> 傳統) of this Zu to retain written records, let alone contemplate taking such far-reaching decisions as adopting the form of a company.

a. At the present time these properties are divided into two parts. Some property is held in the form of *gong-chan* and the remainder is held in the form of *zheng-chang*.

b. That is, the large, well-endowed ancestral trusts of the lineage, such as the Wanshi Tang (see Baker 1968: 89-98).

those of its opponent. The situation is rooted in a basic structural tension in the Zu between the system of property management and income distribution which benefits the group as a whole, and a system which is more beneficial to

the members of some of the constituent branches of the group than it is to others. Now, it could be argued that, from an outsider's point of view, proponents of a more 'commercially' structured *zu* are 'modernizers' and that those who advocate an expansion of *zheng-chang* property are 'conservatives' or traditionalists. Such a characterization would, however, amount to a caricature of the way in which the two sides view the transformation of the Zu.

In particular, those who advocate the introduction of some form of limited-liability company organization in order to regulate the affairs of the Zu better have not thereby rejected the organizational traditions of the trust. Indeed, their view amounts to a belief that any restructuring of the estate along the lines which they suggest is not an attempt at creating structural change but rather a reassertion of certain traditional principles in modified form. They believe, for example, that their 'reforms' will help both the Zu and more generally the lineage as a whole to maintain group unity in a changing world. It is said that, 'in the olden days',<sup>49</sup> parents firmly inculcated their children with the value of lineage unity, but that nowadays the material benefits of such values are no longer immediately apparent with the decline of the lineage members' commitment to wet-rice cultivation and the concomitant demise of the imperative to co-operate in irrigation matters. As a result, parents no longer stress the importance of lineage unity to their offspring. One response to this change is the attempt to re-establish lineage loyalty among the young by subsidizing their education with funds from the trust. Moreover, because the welfare of the lineage is more important than that of any of its particular segments, the financial resources of the trust should be used to help all lineage children, regardless of their genealogical position. Liao Runchen is one of the four managers of the Zhuojin Zu and a leading proponent of the moves towards placing greater emphasis on common fields and the support of education. Runchen is the most prominent Liao politician in the area and the chairman of the board of governors of the Liao Western-curriculum school. Doubtless, then, the political ambitions of Runchen have a role to play in his 'reform' of the Zu.<sup>50</sup> But I doubt that this is his only motive, or even his most important one, for his actions must also be seen as an attempt to assist the lineage as a whole to cope better with the area's increasing involvement in the wider society of colonial Hong Kong.

In this connection, it should also be noted that in spite of the attempts which he is making to modify the nature of the Zhuojin Zu, the

49. That is, up to about the time of the Japanese occupation of Hong Kong in 1941.

50. That is, his contributions to education in the area are generally considered to have been an important factor in his appointment as a non-official Justice of the Peace, a position 'which is greatly prized by the Chinese community [in Hong Kong] and brings considerable prestige' (Topley 1969: 212).

importance of his position in an essentially colonial system of political representation,<sup>51</sup> the prominent role which he plays in expanding the lineage's Western-curriculum education, and his great love of photography, Liao Runchen is not a straightforward advocate of liberation from tradition. He not only continues to attend the relevant ancestral rites of his lineage and lineage segments, but also has not bothered to learn to speak even one word of English,<sup>52</sup> is a polygynist, has played a significant part in developing a number of Chinese temples in the area, continues to make donations to a number of local Chinese festivals, and was one of the leading figures in the revivification of Stone Lake's Hungry Ghost Festival (Yu-lan Jie 盂蘭節—the annual religious celebration most closely associated with southern Chinese market towns) in the early 1960s. Runchen's involvement in 'both sides of the coin' of the social and cultural change in the area is perhaps most clearly manifested in his promotion in Stone Lake Market of a branch of a flourishing syncretic religious movement centred on metropolitan Hong Kong. He was instrumental in the creation of a temple headquarters for the local branch. Indeed, Runchen and his wife were key figures in the important ritual of transmitting incense from the burner at the movement's main temple to the branch temple's burner in Stone Lake<sup>53</sup> (thereby establishing the new grouping), because it was their personal religious experiences which inspired the creation of a branch of the movement in the northern New Territories.<sup>54</sup> The importance of this close involvement with this group in the present context is that it shows that he is clearly attracted to a religious movement or organization which explicitly sets out to combine the 'traditional Chinese' religions of Confucianism, Buddhism and Taoism with Islam and with the Christianity of the all-powerful West. It is a cultural form new to the area and one in which 'traditional' cultural principles as well as new and foreign ones can find expression.

Thus, the appeal to 'traditional lineage values' contained in the efforts of Runchen and his supporters to modify the form and function of the Zhuojin Zu is by no means a mere legitimating device put forward to attract the approval of those members who might otherwise be lukewarm

51. In addition to his rank of unofficial JP and his status as Member of the Order of the British Empire, which have already been noted, Runchen has for a number of years served as the chairman of the local rural committee, played a leading role in the affairs of Stone Lake's chamber of commerce and attained high position in the body of political representation which serves the New Territories as a whole.

52. His inability to speak even a few words of English is quite unusual among leading New Territories politicians and, as has already been noted, this has proved to be a serious political liability in the colonial environment of the New Territories.

53. A religious practice referred to as 'dividing incense' (*fen-xiang* 分香). See Schipper 1977: 652.

54. Details of this experience are contained in Palmer (in progress) ch.3.

to or even oppose the changes he proposes. There are many other areas of his life in which Runchen makes his choices in terms which do not necessarily or completely reject the values of his forefathers. It seems clear, then, that we should not view the *per capita-per stirpes* tension simply as a matter of material self-interest unleashed by modern socio-economic change, but see it also as another manifestation of a basic conflict in lineage organization between harmony and competition—or as what Freedman (1966: 141) has characterized as

the two faces of a single religious phenomenon...the cult of the ancestors. Each face of the cult presents a distinct configuration of attitudes towards the dead and has different implications for behaviour between agnates.

Freedman's observation that, in the geomancy of burial, lineage members seek to individualize their fate and improve their fortune at the expense of their patrilineal kinsmen has much in common with the points made by Runchen and his associates in expressing the view that rotating estates are an unsatisfactory structural arrangement for ancestral trusts. In particular, once there is a significant imbalance in the membership of the constituent branches of the trust, there is a clear parallel between the system of rotating estates and the notion of fortune as a fixed fund which underlies the geomancy of graves. Unless income from the trust properties is steadily expanding, the gains of members of the less populous branches are indeed the losses of agnates in the larger branches. Like good *feng-shui* 風水 sites, the income from the trust is more or less limited, and members of the small *fang* 房 branches have their income enhanced at the expense of lineage trust-mates in the more rapidly expanding segments. Moreover, as we have seen in the case of Liao Jiu and his associates, who hail from the third and fourth branches of the Zhuojin Zu, those who gain most from the rotating system may well feel that their interests are better served by ensuring that they retain their unequal share of the wealth than by assisting in any expansion of the size of the estate by agreeing to forgo current consumption.

On the other side of the coin, it can be seen that the proposals of Runchen and others to expand the trust's common fields and to strengthen central control of the Zu's properties is predicated on the basic values of ancestor worship. In worshipping their ancestors, wrote Freedman (*ibid.*: 141–2),

the Chinese are stressing harmony and unity instead of competition and individualism. In ancestor worship men are required to come together in peace to pay their devotions to common forebears and to seek solidarity in the shade of that joint religious action.

In the years before the Zu gave its present-day vigorous support to education, it is said that the trust's income from *gong-chan* 公產 lands was utilized in part for the upkeep of temples, charitable purposes such as



making loans to poor members, meeting some of the costs of the *da-jiao* 打醮 ceremony for the exorcism of ghosts from the area,<sup>55</sup> and local public works. That is, it was used for purposes designed to benefit the Zu as a whole. In addition, *gong-chan* incomes were also used to encourage the number of male descendants by means of the distribution of 'male descendants' money' (*ding-qian* 丁錢). It is not surprising, then, that proponents of an expansion of common property assert that their forefathers basically preferred this type of landholding and indeed considered it to be the morally superior form of trust administration.<sup>56</sup> It is a recognized custom of the lineage, they argue, to take a parcel of land (*ding-tian* 丁田, lit. 'sons' fields') from the *zheng-chang* estate to place it into the *gong-chan* properties in order to correct imbalances of population among the various segments of a trust.

Finally, it should be noted that the dispute over the Zhuojin Zu's affairs, which began in the early 1960s, is still unresolved. To a considerable extent this is a function of the nature of the dispute. It is probably the case that Potter and Freedman were encouraged to see the tension between *per capita* and *per stirpes* arrangements in terms of material self-interest alone, because they viewed it primarily in the context of the role of trust lands and the break-up of estates. In the Liao dispute, however, the members of the Zu are not concerned to dissolve the trust but rather to modify its structural arrangements, albeit in opposing directions. As a result, the disagreement does not manifest itself in the form of a straightforward conflict over financial benefits. Instead, it has assumed the nature of a debate between proponents of two conflicting ideas about how best to administer the trust in the face of changing conditions. Interestingly, some of Potter's observations on the Ping Shan Deng point to a parallel to the notion of *ding-tian* noted above (1968: 112–13). However, the juggling of common sacrifice fields in order to correct the effects of demographic imbalance between trust branches which he reports would seem to have been an uncontroversial matter concluded on a relatively limited scale. In the Zhuojin dispute, the size and wealth of the estate, the extreme imbalance between the size of the branches and the scale of the

55. The festival was held in 1946 and, as Baker notes, the costs of holding such an event are often very heavy (1968: 87).

56. The argument here touches on another basic tension in large-scale Chinese lineage organization between wealth and population. On the basis of the social history of the lineages on the northern New Territories, it would seem possible to distinguish between two forms of Freedman's type Z lineage (1958: 132). The first type Z patrilineage, as, for example, the Hou 何 and the Deng of Lung Yeuk Tau, appear to have stressed wealth and scholarship as important values. The second type Z patrilineage, as illustrated by the Wen of San Tin and the Peng of Fanling, has emphasised high rates of reproduction and achieved rapidly expanding populations. I have also touched on the matter in an earlier essay (Palmer 1987) and hope to explore the significance of this contrast in a later publication.

attempt to support the education of lineage children have all contributed to the seriousness and the persistence of disagreement. When I left the field in 1976, Liao Jiu was busily petitioning Her Majesty Queen Elizabeth II about the affairs of the 許, but she, like the District Officer at Tai Po and others who have some knowledge of the dispute, was not inclined to intervene. As a result, the majority members are gaining ground, and unless Liao Jiu is prepared to risk his case in the colony's courts of law, it is likely that the structural arrangements of the trust will in future be further modified in the direction of the ideas of Runchen and the majority group in the Zu.

### *Conclusion*

This paper has considered the major aspects of the participation of the Liao lineage of Sheung Shui in the urban development of Stone Lake Market. The account has attempted to identify those factors which have restricted significantly the ability of the lineage as a whole and some of its major component ancestral trusts to take advantage of the town's real estate development possibilities in spite of conditions seemingly very favourable to the lineage's involvement in such activities on a substantial scale. The major inhibiting factor has been the lineage corporation's 'traditional' or 'indigenous' form—its structural arrangements and related patrilineal values—and the various modifications of that form as introduced by colonial rule. More specifically, at various crucial stages in the expansion of Stone Lake the ancestral trust has proved an inadequate or inappropriate vehicle for the generation of the capital necessary for land development, for the representation of lineage members' interests in the New Territories system of local government during the reconstruction of the town, or for the reward of the entrepreneurial skills required in the most recent phase of Stone Lake's urban expansion. Thus, whilst ancestral trusts have played some sort of role in the major urban developments taking place in Stone Lake, especially during the initial expansion of the early 1920s, they have only done so as bodies encapsulated by wider, non-agnatic organizations in which the trust managers *qua* managers have had little or no control.<sup>57</sup>

In addition, the present essay has briefly alluded to several other problems. Thus, the discussion of the Zhuojin Zu dispute touched on the issue of the tensions generated by the coexistence of unified and rotating

57. A number of trust managers have been or are involved in land development projects, but they have primarily done so and continue to do so as private individuals.

systems of ownership and control within the ancestral trust. It was argued that Freedman and Potter viewed these conflicting systems or principles in the context of estate dissolution, and this led them to place too much stress on the role of material self-interest. I noted the obvious part which self-interest played in the conflict regarding the affairs of the Zhuojin Zu but added that the issue was a much more complex matter. In particular, the competing arguments concerned not the best manner of breaking up the estate but rather the most suitable form which the trust should adopt in the changing world of the New Territories. The problem of the impact of the intrusion of urban merchant capital into the area was also discussed in the course of the account of the opening of the new market in Stone Lake in the late 1920s and early 1930s. It was observed that notwithstanding loss of ownership and overall control of the new market and significant land sales to the company, lineage members considered themselves fortunate to be able to rely on the wealth of outsiders to buttress them from some of the more severe local manifestations of the Great Depression of the thirties. This evidence contradicts the interpretations of the destructive impact of Treaty Ports on the Chinese countryside during the same period put forward by Fei Hsiao-tung (1939), Chen Hansheng (1936) and others. However, it would be unwise to extrapolate from the New Territories material to the wider China scene because the system of land administration and other envioning conditions in the New Territories were (and still are) essentially colonial in nature.

In the light of the findings of the present essay, it may also be necessary to qualify Watson's recent claim (1975) that the Wen case demonstrates hitherto unsuspected inherent transformational capacities in the Chinese lineage. Although Watson has shown the existence of much continuity in the willingness of lineage members to rely on agnatic ties for practical and effective purposes, it does not necessarily follow that such reliance demonstrates that the large lineage *qua* traditional corporate group is an adaptable social institution. The evidence presented in chs. 4-5 of Watson's study reveals that the Wen lineage as an indigenous corporation had only a limited part to play in the emigration process: ancestral trust funds were mobilized for a relatively brief period in order to pay air fares of emigrants, many of whom travelled with an air-charter company founded by a lineage member. From the early 1960s onwards, as Wen lineage members increasingly experienced problems with formal emigration procedures, a very important factor behind their growing migration to Europe appears to have been the lineage's control of the government-sponsored rural committee. As a result of their domination of this body, many of the important formalities of emigration were handled with the assistance of Wen whose power and influence owed as much to their formal position in the colonial system of political representation as it did to their informal role as lineage leaders. In San Tin it is not lineage *per se*

but rather the rural committee which 'performs so many services for the emigrant that he seldom has to leave the village and face hostile bureaucrats in strange government offices' (Watson 1975:95). Thus, in claiming that the case of the Man or Wen lineage of San Tin demonstrates that 'the Chinese lineage is considerably more flexible and adaptable as a social institution than earlier observers have assumed' (ibid.: 200), it seems to me that Watson does not give nearly enough weight to the consequences of the manner in which the colonial administration incorporated the Wen lineage-village into the region's post-war system of political representation. It seems reasonable to suggest that the very favourable manner in which this incorporation took place goes some way to invalidating the use of the San Tin case to make general statements about the south-eastern Chinese lineage's inherent qualities of flexibility and adaptability. These same processes of incorporation have served to deny the Liao of Sheung Shui much of their 'rightful influence' and exacerbated certain inherent limitations in their lineage's ability to adjust to the rapidly changing conditions of the New Territories.

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