

...The laissez-faire British would have stressed that there were limits to what the government could do and should try to do. Where there was genuine hardship, they would have arranged some minimal relief, but they would probably have understood the need to let prices fall. They would have defended companies' right to lay off workers and rebuffed pleas from all sides for help or protection. They would have given short shrift to politicians and vested interests trying to make capital from the downturn by making exaggerated claims of suffering. Above all, they would have been laid-back, visibly confident that Hong Kong would rebound if it let market forces take their course, and sure that everyone would later look back and wonder what all the fuss had been about. Another cup of tea, old boy?

Tung did the opposite. He constantly stressed how hard the government was working to put everything right. He expressed sympathy with every person, group or industry that was affected by the crisis, while rarely if ever pointing out that unemployment was still low by international standards and lower price rises and a lower cost base would ultimately help Hong Kong. When detractors piled on the tales of misery and woe, he went along with it, fearful of causing offence by appearing insensitive. This was not an act. Tung took his Confucian duties as a paternalistic leader seriously. He felt responsible for looking after the people and maintaining social harmony. The coldness with which some of his fellow tycoons fired workers upset him, and he was left feeling helpless when pro-democrats blasted developer Cheung Kong for suing people who had defaulted on payments for flats bought just before the crash. His phrases like 'very regrettable' and 'we must work together' were as sincere as they were depressing, his hopes for a 'better tomorrow' and a 'brighter future' heartfelt and totally unconvincing.

He felt a powerful need to do something, and in this he was not alone. As the incursion into the stock market showed, British-trained civil servants could now convince themselves of the need to intervene in a way alien to Hong Kong's traditional government philosophy. Elsewhere, in the business world, in pro-mainland political groupings and in odd recesses of academia, lurked figures who questioned the superiority of non-interventionism and saw it as somehow negligent. If Hong Kong could thrive like it did under the do-nothing British, think how it could do under the active guidance of capable local planners. For models, they could look to Singapore, 1950s Japan or 1970s Taiwan. People succumbing to the interventionist temptation had mixed motives. For Tung, it was foremost a genuine desire to fix the Hong Kong economy, just as he fixed his company after it got into trouble. For some of Tung's advisors, it was a chip on the shoulder about the Brits and an urge to show that Chinese could do better. For others, it was an opportunity to bind government closer to business interests – their business interests, that is...