



Hong Kong
General Chamber of Commerce

Report
For The Year
1941 - 1946



HONG KONG

General Chamber of Commerce

REPORT

FOR THE PERIOD

1941 - 1946

(SECOND EDITION)

HONG KONG GENERAL CHAMBER OF COMMERCE.

A copy of the Chamber's Annual Report for 1941-1946 is forwarded with the Secretary's compliments.

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HONG KONG,

17th April, 1947.

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COMMITTEES, 1946-1947.

General Committee.

The Hon. Mr. R. D. Gillespie (*Chairman*)
Mr. H. V. Wilkinson, D.S.O. (*Vice-Chairman*)

Succeeded by
Mr. G. Miskin

Hon. Mr. D. F. Landale/Mr. F. A. Pollock	Mr. N. O. C. Marsh (<i>from 18/11/46</i>)
Hon. Mr. A. Morse, C.B.E./Mr. T. J. J. Fenwick	Mr. C. C. Roberts/Mr. E. G. Price
Mr. P. S. Cassidy	Mr. John Robinson
Mr. R. Y. Frost <i>APC</i>	Mr. W. A. Stewart/Mr. A. L. S. Read
Mr. E. R. Hill	Mr. I. W. Shewan
	Mr. R. A. Wadeson (<i>until 14/6/46</i>) <i>Dean</i>

Correspondence Committee.

The Chairman
The Vice-Chairman
Mr. R. Y. Frost

Legal Sub-Committee.

Mr. D. B. Evans
Mr. J. R. Jones
Mr. J. T. Prior/Mr. D. H. Blake
Mr. M. H. Turner/Mr. R. A. Wadeson

Import Sub-Committee.

Mr. E. R. Hill (*Chairman*)
Mr. H. D. Bidwell/Mr. A. T. Dow
Mr. A. R. Brown/Mr. A. L. S. Read
Mr. P. S. Cassidy
Mr. P. Morrison
Mr. G. W. Sewell
Mr. I. W. Shewan

Export & Imperial Preference Sub-Committee.

Mr. F. E. A. Remedios (*Chairman*)
Mr. H. D. Heath/Mr. Wm Wright
Mr. H. Owen Hughes
Mr. R. A. Joscelyne/Mr. A. T. Dow
Mr. W. T. Knox
Mr. A. L. S. Read (*until 26/9/46*)
Mr. A. de O. Sales

Labour Sub-Committee.

Mr. Lawrence Kadoorie (*Chairman*)
Mr. R. G. Craig
Mr. A. J. W. Evans
Mr. A. G. Langston/Mr. F. F. Duckworth
Mr. R. E. Farrell
Mr. J. Finnie/Mr. A. MacIndoe
Mr. W. F. Simmons/Mr. L. F. F. Bellamy, M.C.
Mr. H. E. Stone
Mr. C. E. Terry/Mr. J. Moodie

Wages (Clerical) Sub-Committee.

Mr. G. Campbell (*Chairman*)
Mr. F. C. Clemo
Mr. R. Gordon/Mr. H. Barton
Mr. J. K. P. Hadland
Mr. K. R. Quick
Mr. John Revie
Mr. G. R. Riddell-Carre

COMMITTEES, 1946-1947.—(Continued).

Crown Leases and Piers Sub-Committee.

Mr. H. J. Armstrong/Mr. R. A. Wadeson	Mr. A. S. Mackichan
Mr. J. T. Prior/Mr. D. H. Blake	Mr. C. C. Roberts/Mr. E. G. Price
Mr. C. Bernard Brown	Mr. J. C. Taylor
Mr. T. J. J. Fenwick (until 21.5.46)	Mr. C. E. Terry
	Mr. G. L. Wilson

Secretary.

Mr. M. F. Key, O.B.E.

Deputy Secretary.

Mr. J. B. Kite

Treasurers.

Messrs. Lowe, Bingham & Matthews

Hong Kong General Chamber of Commerce.

Report for the Period from the Liberation of the Colony to March, 1947.

The last Annual Report published by the Chamber covered the affairs of the year 1940. "Adjustment of trade to war conditions and the possibility of extension of the European war to the Pacific" were mentioned in the opening paragraph as "the chief pre-occupations of an anxious year". That possibility became an actuality on December 8, 1941. Throughout that year Hong Kong wrestled with the problems created by a vast influx of population from China seeking refuge from the Japanese invaders. War in Europe had already increased food costs and malnutrition amongst refugees and the poorer classes of the population was acute. On the other hand, deviation to Hong Kong of some of the business previously done through other ports on the China coast had brought about a great increase of trade, done on an ever-rising market. Just before the Japanese struck, Government revenue reached a record level of \$2,000,000 in one week.

Public expenditure had also greatly increased. Air raid tunnels—though incapable of sheltering more than a tithe of the teeming population—had been constructed at a cost of \$8,000,000. Further large expenditure built up a food and fuel reserve, large enough to furnish a siege ration for 150 days for nearly two million people. More than \$1,000,000 was needed to build decentralised stores (58 in number) for this vast quantity of food. Government borrowed \$20,000,000 and took over the rice import trade.

Local dockyards were working 24 hours a day for the British Government; small Chinese factories were being encouraged to adapt themselves to production of simpler requirements of the Forces, and had from thirty to fifty million dollars worth of orders in hand.

The short period of hostilities, the capture of the Colony by the Japanese and the internment of the civilian (European and American) population in Stanley Internment Camp do not fall within the scope of a Chamber of Commerce Report. It is fitting, however, that a word of sympathy be expressed with the sufferers and to note that in the main the greatest hardships were experienced by those who remained nominally at liberty but actually subject to the rigours of Japanese misrule and in many instances to torture and death.

Many heavy losses were suffered by the Chamber amongst office holders on Committees, notably: Sir Vandeleur Grayburn, Kt., and Mr. D. C. Edmondston, starved to death by the Japanese in Stanley Prison; Mr. T. E. Pearce, Mr. G. G. N. Tinson, Mr. H. R. Forsyth and Mr. A. V. Sorby killed during hostilities; Mr. A. C. I. Bowker, died as a consequence of Japanese neglect in

Samshuipo prisoner-of-war camp. Mr. A. L. Shields, an ex-Chairman and the Chamber's representative on the Legislative Council, Mr. J. Owen Hughes, also an ex-Chairman and an ex-representative on the Legislative Council, Mr. K. S. Morrison, Mr. J. Oram Sheppard and Mr. L. E. N. Ryan died during internment at Stanley; Mr. O. Eager, Mr. Searle and Mr. Stopani-Thomson were killed in an air raid at the same Camp. Many member firms also suffered losses by death and to all sincere condolences are extended.

Of Stanley Internment Camp this is not the place for a full account but at least it may be said here that those members of the Chamber who rendered service to the business community through this organisation in time of peace were to the fore in many responsible positions in the Camp (and in one notable case outside of it: Mr. R. Zindel, of the Arnhold Trading Co., Ltd. served the whole community by his untiring efforts in the capacity of International Red Cross representative).

The Liberation.

When the Colony was liberated at the end of August, 1945, a short interregnum occurred during which Colonial Government officials from the Internment Camp, under the leadership of Mr. F. C. Gimson, C.M.G. (now Sir Franklin Gimson) took charge of affairs. To this the Japanese consented. The Military Administration, which was set up on September 1, 1945, therefore found the rudiments of government already begun and the principal public services in partial operation, the Japanese officials and soldiery taking orders from the interim administration and helping to maintain order. Rear-Admiral C. J. H. Harcourt, C.B., (now Vice-Admiral Sir Cecil Harcourt, K.C.B.), was in command of the Military Administration which re-established the public offices, and set up new ones, manned by Naval, Military and Air Force officers, some of them former public officials temporarily in uniform. Brigadier D. M. MacDougall, C.M.G. (Hong Kong Cadet Service) was in charge of Civil Affairs with Col. W. M. Thomson (of the same Service) second-in-command.

It had been announced that for six months there would be no commercial trading but that the Military Administration would be responsible for necessary supplies of foodstuffs and everything else necessary for the maintenance of the life of the people. This came as a surprise to a community which lives by world-trade and gave rise to many and varied problems. Business men who had been in prisoner-of-war or internment camps were advised to "Go, Get Fit and Come Back" (as a newspaper headline summarised the official advice). Large firms were in a position to find substitute staffs: those who owned one-man businesses were naturally loth to withdraw lest business connections should be lost forever. The Acting-Chairman of the Chamber (Mr. G. Miskin) therefore called a meeting of members for September 21, 1945, to consider the position.

In opening the proceedings the Acting-Chairman said it was fitting to record the deep thankfulness of all to the Royal Navy for the re-occupation of Hong Kong, the re-provisioning of the territory, the evacuation of sick persons, prisoners of war and internees and, in fact, for their most efficient handling of the situation generally; and for the generous hospitality the Red Cross organisations had afforded the local population.

Col. H. Owen Hughes, representing the Civil Affairs Department, addressed the meeting in order to explain the official policy. He remarked that it was an encouraging sign to see that the Hong Kong General Chamber of Commerce had already come to life again to assert itself in the interests of rehabilitation. The object of the Military Administration was to put Hong Kong on its feet again and to keep things going until the European community, whether members of the Government or of the commercial community, had been restored to health and were fit to return and resume work. The Military Administration did not know what conditions would be like on their arrival. Certainly they did not count on finding the former Civil Government in office, with the former Essential Services already picking up the threads. To this extent the initial work of the Military Administration had been considerably simplified and they were filled with admiration for the manner in which the work had been grappled with.

It was the policy of His Majesty's Government that every British subject should return to his country of origin as quickly as possible under existing evacuation facilities. It was realised that all business men were anxious to get their firms re-started and that it was to members of the Chamber that the Colony looked to bring back prosperity not only to Hong Kong but also to South China. However, enormous temporary obstacles impeded this desire. Industry at home had been mobilised completely to war needs and consumer goods were in very short supply. Factories which had been turned over to the production of war materials would need time to convert their plant to peace-time production. World demands upon shipping were very great and it must take time to re-establish regular schedules on anything like the pre-war standard. Therefore little chance existed for an immediate resumption of normal trading because merchants would not be able to obtain either the goods or the shipping to import them. The immediate needs of the people in Hongkong were more in the nature of relief than rehabilitation and supply of urgent needs must be the immediate guiding principle.

For these reasons the merchants' best policy was to go home, restore their health, resume their contacts and so fit themselves to be ready as soon as trade was possible. No one would lose by this for it was the policy of the Administration that there would not be opportunities for one until there were opportunities for all.

In reply to questions Col. Hughes said that cable and wireless were already functioning; banks were not yet open but, acting on Government instructions, were making restricted payments. They would open as soon as staff was available from home. In reply to another question, Col. Hughes agreed that, wherever Chinese were, retail business would be carried on, but, he said, it was likely to be on a limited scale. There would be no control by Government except with the object of keeping down the cost of living. Manufacture was likely to be restricted by lack of raw material.

The question of compensation for war losses was also raised at this early stage but has not advanced much further in the eighteen months which have since elapsed.

In the discussion which followed this address, the opinion was widely expressed that a period of six months before ordinary trading could start was much too long; it would result in strangling of commercial business and make the recommencement of trade at a later date more difficult. The academic policy of the Military Administration, laid down in anticipation of the defeat of the enemy, did not necessarily fit in with local circumstances, especially as trade between Hong Kong Chinese merchants, their fellow nationals in South China and the traders in neighbouring countries would revive by means of native craft, irrespective of any action or policy of the Military Administration.

The impact of actualities was brought home to the Authorities at home before very long, thanks to strenuous representations by the China Association and other bodies. The Colony was opened to trade on November 23 and banks were permitted to accept deposits and make advances. They had already re-opened for domestic business early in October and from October 17 no restrictions were imposed on new accounts, although pre-war accounts remained frozen. Exchange dealings within the sterling area were resumed on November 12, and full exchange facilities were made available on December 4, subject to the usual control.

On January 23, 1946, a special meeting was held at which the Chamber was restarted formally and a new Committee was elected comprising Messrs. T. J. J. Fenwick, R. Y. Frost, R. D. Gillespie, E. R. Hill, D. F. Landale, E. G. Price, A. L. S. Read, I. W. Shewan, R. A. Wadson and H. V. Wilkinson. Mr. A. Ritchie acted as Secretary. The Committee later elected Mr. R. D. Gillespie as its Chairman. The Secretary of the Chamber (Mr. M. F. Key, o.B.E.) returned to the Colony early in February from a period of recuperation in Australia. The office was then reopened at the pre-war address in the Hong Kong Bank Building. All the furniture and equipment, along with most of the records, had disappeared and there was evidence that during the Occupation the premises had been used as a dormitory for Japanese troops.

Stimulating Trade.

The Department of Supplies, Trade and Industry was at this time functioning as the principal trading organisation in the Colony. It despatched special missions to all neighbouring countries to obtain necessary supplies; e.g. Borneo for firewood; Shanghai and Hongay for coal and Kwongchow for peanut oil. In December a representative mission, including some business men, went to Australia to explore the possibilities of obtaining building materials, furniture and household supplies. Endeavours were made in January to get cotton yarn from India in order to set local factories in operation. Cotton yarn, however, was found to be one of the world's most acute shortages. India could not spare any, having the needs of her own hand loom weavers to consider. The Department of Supplies, Trade and Industry therefore requisitioned such cotton yarn as the Japanese had left in the Colony and turned it over to certain suitable weaving factories for conversion into canvas so that the rubber shoe industry could manufacture footwear to supply local demand at controlled prices. Their costs of operation were too high to permit them to enter their pre-war markets, principally the United Kingdom and the British West Indies: furthermore the quantities it was possible for them to manufacture barely met local needs. They received further assistance from the Department in obtaining supplies of rubber from Malaya.

The change-over from worthless yen to the Hong Kong dollar (linked with sterling at the former rate of 1s. 3d. to the dollar), was a painful but necessary operation and brought its own problems for the Military Administration. To ease the shock, various emergency measures were adopted, including the allocation of \$150,000 to provide free food for the destitute (never less than 20,000 a day); and the employment of tens of thousands of labourers to clear the streets of refuse. Scavenging was an activity which the Japanese had allowed to get into arrear to a dangerous degree.

Duress Notes.

One of the problems of the early days of liberation is best set forth in the following reference, taken from the speech of the Chairman & Chief Manager of the Hong Kong & Shanghai Banking Corporation (The Hon. Mr. A. Morse, c.B.E.), delivered at the Annual Meeting of Shareholders held on July 12, 1946:—

“During the enemy occupation of Hong Kong a difficult situation was created by the unlawful seizure and issue by the Japanese authorities of certain notes bearing the name of the Bank which had not previously been issued. When information was first received of the irregular issue of these notes, His Majesty's Government issued a warning through the Chinese Government to the effect that the notes might not in due course

be recognised as legal tender in Hong Kong. Subsequently, on the liberation of the Colony, a proclamation was issued by the Military Administration which announced that notes of the Bank of the denomination of \$50, \$100 and \$500 issued during the period of enemy occupation of the Colony would not be treated as legal tender by the Military Administration.

"In the meantime a thorough investigation was made as the result of which both Government and the Bank felt that, having regard to the general effects on the Bank itself, on the Colony and on the general public, of the repudiation of the irregularly issued notes, it was desirable that they should be recognised and validated as bank notes lawfully issued.

"Public uncertainty as to the status of the irregularly issued notes was accordingly removed by joint action by the Bank and by the Military Administration. The Bank announced that, in agreement with the Hong Kong Government, it would honour the notes in question, while the Military Administration repealed the proviso in the previous proclamation under which the high denomination notes of the Bank specifically referred to had been excluded from the category of those that would be treated as legal tender. On the resumption of the Civil Government an Ordinance was passed which declared in effect that all notes of the Bank issued during the period of enemy occupation were to be legal tender.

"Part of the arrangement for the validation of the notes necessitated provision being made by Ordinance for a temporary increase in the Bank's fiduciary issue to the extent of \$16,000,000, but satisfactory arrangements were made between Government and the Bank for providing cover for and eventually liquidating this increase, and it is expected that at an early date the necessary legislative measures will be taken to implement these arrangements.

"The eventual total cost to the Bank of honouring the notes in question should not exceed \$16,000,000 and provision has been made for meeting this liability. This unfortunate loss is one of the consequences of the injuries inflicted upon the Colony by the enemy, but it is fortunate that, as the result of the measures taken and thanks to the aid and co-operation of Government, the interests of the Bank and of the public have been safeguarded at not too great a cost to the shareholders while the stability and prestige of the currency are maintained unimpaired."

Trade Statistics.

The new policy of removing restrictions upon trade quickly justified itself and injected a spirit of hopefulness and enterprise into the business community, as was shown by the trade statistics of the first few months after liberation. The value of imports

and exports in November totalled \$12 millions; in December \$27 millions, in January, 1946, \$71 millions; in February \$64 millions and in March \$93 millions. On account of higher prices it has been estimated that it would be necessary to reduce them by two-thirds before comparing them with the 1939 volume of trade. The figures do not include transshipment cargo nor supplies brought in by the Administration and U.N.R.R.A. During the two months November/December only one merchant ship was unloaded in the Port: the carriers therefore were junks and other small craft which from an early date began to reappear in the waters of the Colony and to unload along the waterfront.

In the early days no supplies were coming forward from the United Kingdom but the resumption of foreign exchange made it possible to obtain much needed goods from the U.S.A. and Canada. Agents for American and Canadian firms naturally pressed for urgent reconsideration of the "no private trading" order. In this they were supported by Chinese merchants many of whom had dollar credits in the U.S.A. Australian trade was also fairly active. Hong Kong's well-known banking facilities and the re-establishment of a stable currency gave the Colony an immediate advantage and has enabled it, from all accounts, to make more rapid progress towards recovery than have other liberated territories in the Pacific.

The Port.

The Military Administration set up for the control of the Port a central organisation known as the Port Executive Committee, to which the Chamber nominated Mr. A. L. S. Read as the member to represent mercantile interests. He was succeeded, when leaving the Colony on furlough, by Mr. P. S. Cassidy. A Port Working Committee dealt with the day-by-day operation of the general policy. "F.E.S.A." (Far Eastern Shipping Agencies) was established to handle ocean and coastal shipping operating on Government account. This organisation came to the end of its activities in March, 1946.

During the period of the Military Administration godown space was extremely scarce, much of it being filled with Japanese military and other equipment and with stores under the jurisdiction of the Custodian of Property. Shortage of lighters and prevalence of looting also made progress difficult. Harbour Naval Patrols and additional guards on docks and wharves gradually brought about a better state of affairs. A Godown Committee did much useful work in finding alternative accommodation for cargo. The railway gradually improved and soon trebled its capacity for transporting goods into South China, thus helping to relieve congestion in the Port.

Two Budgets.

The effect of the war upon the public finances of Hong Kong was startling. In July, 1946, the Financial Secretary (the Hon. Mr. C. G. S. Follows, C.M.G.) introduced the first post-war budget, announcing a deficit of \$115,425,965, and moving a Bill to apply a sum not exceeding \$160,751,665 to the Public Service of the financial year ending March 31, 1947. Revenue for the 11 months (May 1, 1946, to March 31, 1947) was estimated at \$50,000,000. Various new taxes were proposed and the introduction of income tax was hinted at. The Financial Secretary stated that \$80,000,000 of the expenditure represented a first instalment of the sums required to repair the ravages of war. Inflated costs of both labour and material accounted for much of the balance. The floating of a loan was contemplated, but not until early in 1947.

In the succeeding debate the opinion was generally expressed that income tax, usually regarded as the most equitable form of taxation, would not prove so in Hong Kong nor justify the cost of collection. Various alternative methods of raising revenue were suggested.

In March, 1947, the Financial Secretary introduced the Budget for the year ending March 31, 1948, moving to apply \$109,488,433 to the Public Service for that year. He stated that the revenue for the past year had been more buoyant than could reasonably have been foreseen: the original estimate of fifty-one millions was likely to work out in fact at seventy-eight millions. Some of the estimated expenditure could not be spent for lack of supplies and the total was unlikely to exceed ninety millions for recurrent and forty millions for special expenditure. The deficit should therefore be in the region of fifty-two millions. For the coming year revenue was estimated at \$109,833,750, thus providing for a surplus of \$351,317. A sum of \$16,000,000 was expected to be derived from a form of income tax. (The draft Bill providing for this is at present under consideration by the General Committee of the Chamber.) The early flotation of a loan to finance necessary rehabilitations of a non-recurrent character was announced and with that the Colony would no longer be dependent upon H.M. Government in so far as the future was concerned. The Financial Secretary concluded:

“Many important issues remain to be settled and the Colony may be faced with claims for very considerable amounts indeed in respect of past events. We have no surplus balances and no Reserve Fund. There is, moreover, always the danger of a serious slump. But Hong Kong has shown remarkable powers of recuperation, and, if it can only enjoy several years of prosperity, there is no reason why it should not again gradually re-establish its finances on a sound basis.”

Daylight saving was adopted by the Military Administration and apparently caused none of the inconveniences that were anticipated in the discussions which extended over many years in pre-war days.

Aviation.

Enormous advances having been made in aviation during the war, the disadvantages of Kai Tak for the operation of modern aircraft have received much attention, sharpened by a shocking tragedy in the summer of 1946 when a plane failed to clear the hills behind the airfield and crashed with heavy loss of life. The need for a new airfield was generally recognised to enable Hong Kong to continue to hold its position as an important link in international air services. Work was begun near Ping Shan in the New Territories on the construction of a runway 6,000 feet by 150 feet, with room for extension. Discussion in London, however, revealed that a length of 8,500 feet and a width of 300 feet is required to conform to international standards. In February, 1946, a mission on which were represented the Air Ministry, the Ministry of Civil Aviation and B.O.A.C. arrived in the Colony to investigate. After their report had been considered in London the Ping Shan scheme was abandoned. The subject is still very much to the fore and generally admitted to be urgent. It is clear that the Colony cannot carry unaided the heavy financial burden involved: the double problem of ways and means and a suitable site will inevitably take time to solve.

Civil Government Re-established.

The re-establishment of the Civil Government on May 1, 1946, brought forward once more the oft-debated subject of constitutional reform. This question is dealt with at length in a later section of this Report. A Municipal Council is likely to be set up during 1947. The difficulty of finding accommodation for returning Europeans and the tremendous influx of Chinese are questions likely to provide food for thought for some time to come.

Controls on Trade.

Controls on trade have engrossed the attention of Committees of the Chamber and of the whole mercantile community during the period under review. Requisitioning of cotton piece goods disturbed trade rather seriously during the summer and after one distribution of cotton cloth to rice ration ticket holders the Department of Supplies, Trade and Industry held its hand. Rationing of woollen piece goods was contemplated, but the inherent difficulties and the high costs of the material dissuaded the Department from making this questionable experiment. Price control of necessities of life has had the support of the Chamber but extension to luxury goods has been much criticised.

On the whole Hong Kong made remarkable progress towards recovery in 1946 and no doubt the movement will gain impetus as supplies from the principal manufacturing countries become available in greater quantity.

China's Difficulties.

China, with whose fortunes those of Hong Kong are closely linked, has unfortunately found the difficulties of adjustment from a war to a peace economy exceedingly severe. Imports were at first uncontrolled but exports being gravely hampered by high costs and transportation shortages a disastrous financial situation developed, with a phenomenal fall in the value of the currency. Import restrictions were introduced in November, 1946, coupled with endeavours to promote export trade. What success this policy has achieved is still uncertain.

United Kingdom Trade Mission.

The United Kingdom Trade Mission to China—under the leadership of Sir Leslie Boyce, K.B.E.—concluded its two months' tour of the country with a visit to Hong Kong. The members of the Mission were shown over many local industries and promised to do their best to secure yarn for the textile trades, regarding it as unfortunate that the Colony's production of knitted and woven goods should be immobilised by shortage of raw material at a time when the peoples of neighbouring countries are in great need of clothing. It was recognised that it would be in line with general Allied policy for production to be encouraged near the claimant countries rather than for supplies to be shipped from places thousands of miles away, adding to shipping difficulties and accentuating the problems of manufacturers faced with acute labour shortage.

Shipping, aviation and railway problems were discussed and information was exchanged as to measures which promote both British export trade and China's recovery from the effects of war. The Mission was undoubtedly hampered in its objectives by the disorganised economy prevalent in China and China's policy of restricting imports; also by the fact that its main plea on behalf of British industry had to be an appeal for patience while Great Britain gets back to peace-time production.

The whole membership of the Chamber participated in a largely attended and successful dinner given in honour of the Mission.

Broadcast of Trade News.

The Chamber was approached in September by the Postmaster General, as Chairman of the Broadcasting Committee, with a request for co-operation in preparing a weekly broadcast of trade news, thus taking advantage of new equipment which was expected

to extend the area effectively covered by the local broadcasting station. The General Committee was much attracted to the idea and thought it of great value. The principal question which, however, arose was: Could the service be regularly maintained? It was felt that in these days when offices are understaffed and under great pressure of work both on current affairs and the aftermath of War, it would be impossible to rely upon obtaining prompt and regular information week by week. Furthermore, while imports are slow to arrive and the export trade is spasmodic it is more difficult than usual to maintain an interesting news service. Another handicap was the great pressure of work in the office of the Chamber of Commerce, making it impossible to undertake this additional task. In the circumstances, the General Committee regretfully decided that it was unable to co-operate with the Postmaster General in this matter, much as it would like to have done so.

Apprenticeship in Local Industry.

The Child and Juvenile Welfare Committee consulted the Chamber, in a letter written on June 5, 1946, on the difficult task of providing for the future of a number of local-born Eurasian youths and young men whose education had been so badly broken into by the period of enemy occupation that there was little likelihood of their being qualified for the clerical appointments which seemed the natural source of employment of men of this type. It had been suggested that it would be an excellent way of training these youngsters to get them apprenticed in useful trades and industries which would avoid their being white-collar workers with inadequate education. The Chamber was asked to investigate the possibilities of apprenticeship or other non-white-collar employment for youths of this type. Accordingly, letters were addressed to the principal large employers of labour, and the response showed that the Dockyards are the most likely outlet, but they had at the time all the apprentices they could train.

British Industries Fair.

The British Industries Fair will be held in May, 1947, after an interval which has extended since the year 1938. As before, the Fair will be held in two sections, one in London and one in Birmingham. In accordance with past practice, space will be reserved in London for an Empire section composed of official information bureaus but, having regard to very considerable demands for space and the difficulty likely to be encountered in finding room for the United Kingdom industrial exhibitors, it is not possible for the Export Promotion Department of the Board of Trade to promise space for individual overseas firms. The Hong Kong Government was asked if it was prepared to reserve space at the Fair for an official exhibit and invited an expression of the Chamber's views on the subject. The reply was that it

was considered advisable for the Government to contribute towards a general Colonial section in order to provide the public with information about Hong Kong in readiness for the time when trade conditions approach the normal.

Obligations to the Poles.

His Majesty's Government in the United Kingdom (the Chamber of Commerce was advised by the Colonial Secretary) considered that they have a strong obligation to try and find a permanent place of occupation and residence for those Poles who served during the war in units under British command and who now, for political reasons, do not wish to go back to Poland. It was appreciated that there could be no question of settling a large number of Poles in Colonial territories. The Hong Kong Government had, however, been asked by the Secretary of State to examine, as a matter of urgency, whether there was any shortage of professional men, technicians or skilled labour in Hong Kong, and whether it would be possible to meet these shortages by offering employment to such persons. Skilled personnel would probably be available in a wide variety of occupations and a number of these would probably have a sufficient knowledge of English for practical purposes. Government was considering whether it was possible to employ a certain number of Poles in the Administration, and the Chamber was asked if it considered it likely that commercial and industrial undertakings in the Colony would be able to absorb a certain number. After enquiry, the Chamber replied that the experience of public utility companies, docks and other industrial concerns is that they cannot offer employment for the numerous Britishers who have offered themselves, and that there was no prospect of employment in the industrial field for Poles of the classes named. The Committee sympathised with the desire of His Majesty's Government to fulfil the obligations which it felt in this connection and regretted its inability to make useful suggestions.

Legislative Council Representative.

On April 29, 1946, the Hon. Mr. R. D. Gillespie was elected by a general meeting of members to be the Chamber's representative on the Legislative Council vice the late Mr. A. L. Shields who died in Stanley Internment Camp.

Unsatisfactory Deliveries of Old Clothing.

Upwards of twenty local firms (none of them, as it happened, members of the Chamber) were led by an advertisement in the local papers to purchase from a firm in the United Kingdom considerable quantities of secondhand clothing. Each bale was sold as containing 1,000 assorted garments. When the bales arrived, the importers were sadly disappointed, for the goods

consisted of worn out army uniforms and dungarees and, incidentally, no bale contained as many as 400 pieces. Surveyors described the goods as being, in the majority of cases, so badly deteriorated as to be beyond repair: they were not secondhand clothing, but poor quality rags. The Chamber was appealed to and called a meeting of those interested, as a result of which legal proceedings are in progress. It was pointed out to the importers of the shipments that, had they been members of the Chamber and thereby become familiar with Chamber of Commerce practice, the precaution would probably have occurred to them of insisting upon shipments being subject to a certificate by surveyors appointed by the Chamber in the city whence the goods originated. Such a stipulation would have prevented the shipment of unsatisfactory goods: alternatively, the transaction would have fallen through on account of inability to produce to banks a satisfactory report from surveyors. (The shippers had insisted upon business being done on the terms of irrevocable letters of credit.) Local bankers did their best to dissuade buyers from entering into the transactions, but the latter were too greatly tempted by the hope of large profit to be drawn from sales in a market in short supply. An aspect of the case which was adversely commented upon was that the suppliers found it possible to obtain export permits for the goods at a time when the shipping shortage was acute.

Fire Risks.

At the request of the Fire Insurance Association the Chamber issued a circular to members conveying a warning as to the storage of merchandise in office premises and the effect thereof on fire insurance policies. The Association stated that goods of a hazardous nature were known to be stored in some instances, and it was reasonable to suppose that this applied also to extra-hazardous goods. In such cases a breach of the standard storage warranty was involved, and a landlord might find that, should a fire cause damage to or destroy premises, the policy or policies covering the building were null and void. The Association thought it timely to mention the increased danger of loss of life in the event of a fire occurring as a result of unrestricted storage, especially in buildings of old-type construction.

When the Central District is re-developed, as it is likely to be during the next decade, the provision of convenient storage facilities will no doubt be considered, along with the other knotty problem, parking space and garage accommodation for motor vehicles.

Price Control Advisory Board.

The Director of the Department of Supplies, Trade & Industry wrote to the Chamber on October 22, 1946, announcing the formation of a Price Control Advisory Board, membership

of which would be as follows: The Director of Supplies, Trade & Industry (Chairman); The Price Controller (Deputy Chairman); The Deputy Price Controller; One other Government representative; Two members to be appointed by the Hong Kong General Chamber of Commerce; Two members to be appointed by the Hong Kong Chinese Chamber of Commerce; Four members of the consuming public to be appointed by H. E. the Governor.

It was proposed that at least two of the last four should be drawn from the less wealthy section of the population. The duty of the Board would be to advise the Director and the Price Controller on matters connected with price control, operating through an Executive Committee consisting of: The Price Controller; The Deputy Price Controller; One member to be appointed by the Hong Kong General Chamber of Commerce; One member to be appointed by the Hong Kong Chinese Chamber of Commerce; One member of the consuming public to be appointed by H.E. the Governor.

In addition, Commodity Committees would be established to advise the Board on matters related to particular commodities. On these, provision was made for representation of importers, manufacturers, wholesalers and retailers engaged in activities connected with the commodities under review. As its representatives on the Board, the Chamber nominated Mr. P. S. Cassidy and Mr. F. E. A. Remedios.

Pilotage Service.

In August, 1946, the Chamber was asked to comment on a scheme put forward by the Harbour Master for the taking over by Government of the Pilotage Service of the Port. It was proposed that Government should take over all existing pilots and place them on non-pensionable monthly rates of pay calculated in accordance with their present voluntary grading scheme. It was also proposed that each pilot should be paid 10 per cent of the fees for each vessel on which his services are used. The Harbour Master also suggested that Government should assume responsibility for providing pilotage craft instead of continuance of the present arrangement whereby these are supplied by a firm of stevedores; further, that Government should charge pilotage dues on a basis of gross tonnage.

This proposal was circulated to shipping companies through the various Freight Conferences and, with very few exceptions, they supported the scheme in toto. All the views expressed were placed before the Port Executive Committee and in September the Chamber was asked by Government to nominate a member of a small investigating committee set up under the chairmanship of Mr. T. J. Gould, of the Attorney General's Department. Mr. J. A. Blackwood, of Messrs. Butterfield & Swire was nominated and it is understood that, at the time of going to press, the Committee is almost ready to make recommendations to Government.

"Stanley Cheques."

A financial problem of some interest arose from the expedients adopted by those interned in Stanley to put themselves in funds with which to supplement the extremely exiguous rations provided by the Japanese. Money was fairly plentiful in the Camp because some internees brought considerable funds in with them and others had jewellery and other valuables which the Japanese were willing to buy. Some internees set themselves up as traders and bought food from Chinese and Indians who came to the perimeter of the Camp after dark. The money resulting from these transactions, which were highly profitable (except when confiscation occurred), was exchanged with heads of firms and individuals whose credit was good, yen being handed over for sterling cheques payable after the war. The heads of firms distributed the yen to members of these staffs (for whose well-being they felt responsible). The money was spent in purchases of food which soon put the traders in the position of having more yen to sell for sterling. At the end of the war they held between them cheques totalling a very large sum. The rates of exchange were sometimes unconscionable, but people were inclined to be philosophic about this, for if they possessed a few thousand pounds in investments it was worth while to spend a few hundreds to save their lives.

After the deliverance a notice was published to the Camp by the Lieut. Governor. Under the Emergency Powers (Defence) Acts, 1939 and 1940, it was ordered that any person who gave or received any promissory note, or bill of exchange, or any promise, oral or implied, to pay Hong Kong dollars or any other currency for any valuable consideration whatsoever must report the details to the Controller of Currency (*i.e.* the Financial Secretary) and deposit the documents with him. The Order prohibited transfer of such documents, transmission through the mails or export of them from the Colony. It further provided that no banker, unless and until so authorized by the Controller of Currency, should honour or in any way deal with any such promissory note or bill of exchange.

In reply to questions in the Legislative Council during 1946 it was stated that in view of the desirability of a common policy for the disposal of cheques issued in internment camps in British Dependencies all cheques handed over had been forwarded to the Colonial Office. On January 9, 1947, the Chamber's representative on the Legislative Council asked, "In view of the fact that these cheques have now been in the hands of the Colonial Office for well over a year, and many people are being seriously inconvenienced by the lack of a settlement, will Government ascertain from the Colonial Office whether, in fact, it has any policy with regard to these cheques and, if so, what it is?" The Financial Secretary replied: "Enquiries are being made as to the action taken or contemplated by the Colonial Office in regard to these cheques and the result of these enquiries will be communicated in due course."

GOVERNORSHIP OF THE COLONY.

Governors come and Governors go but their movements have not, as a rule, been mentioned in the eighty-five Annual Reports so far issued by this Chamber. The Committee feels, however, that members will expect to see some reference to the change which is taking place at the present juncture.

Sir Mark Young, G.C.M.G., came to this Colony from Tanganyika when the long threatened Japanese attack was about to strike. The final preparations which he, as Commander-in-Chief, made to meet that attack were, in spite of distressing shortages of men and materials, far-seeing and thorough. During the battle of Hong Kong his personal leadership and courage were an inspiration to everyone and he maintained this spirit during the three-and-a-half years he spent in various Prisoner-of-war Camps.

After a short period of recuperation leave, during which it is known that he spent most of his time working in London on Hong Kong problems, he returned to the Colony faced not only with all the special problems concerning its rehabilitation, but also charged by H. M. Government with the duty of investigating and recommending to them methods for establishing a larger measure of self-government. All these problems he tackled with great energy and statesmanship. Judging by the progress made by the Colony towards recovery as compared with other territories in the Far East his efforts have been markedly successful.

The genuine regret felt at the news that this most capable administrator is to relinquish the governorship has been tempered by the announcement of the appointment to succeed him of Sir Alexander Grantham, K.C.M.G., the present Governor of Fiji. He, as a former Cadet Officer in Hong Kong, returns here well-known to many who foresaw a brilliant future for him and with a fine reputation behind him of achievement in the public service since he left here, to which should be added the great advantage of being at 48 one of the youngest Governors ever appointed to this Colony.

The Committee feels that members would desire that the Chamber should convey to Sir Mark Young their appreciation of outstanding and heroic services, good wishes on his retirement; also a cordial welcome to his successor.

RETIREMENT OF THE SECRETARY.

The Secretary of the Chamber (Mr. M. F. Key, O.B.E.) completes exactly twenty-five years' service at the end of April, 1947, and will sail for England on retirement shortly after the Annual Meeting. Mr. Key brought mature experience and unusual ability to the service of the Chamber: he quickly adapted himself to the requirements of a position which calls for judgment, tact, versatility and, above all, skill in expressing on paper an appreciation of any particular subject judiciously combining many shades of committee opinion. His store of knowledge of commercial affairs and his readiness to give opinions and advice has encouraged a steady stream of callers, with the result that he has had to put in many hours of extra work to keep abreast of other branches of the Chamber's affairs.

For fifteen years Mr. Key was Secretary to a Committee which advised the Government on behalf of shipping interests in respect of the application of International Regulations in Far Eastern waters. In the early days of Imperial Preference successive Governors looked to the Secretary of the Chamber as their principal mentor in regard to the intricacies of this most complicated subject. The thanks of the Secretary of State for the Colonies have also been expressed in this connection.

To the Secretary of a Chamber of Commerce come many calls for service not strictly within the duties of the office. Mr. Key has collected and administered relief funds; organised on behalf of Government various mass entertainments for visiting Fleets of other nations; was a member of the Committee of the Sailors' & Soldiers' Home for fifteen years (being chosen to represent the commercial community thereon). He had a great deal to do with the local arrangements for the British Empire Exhibition at Wembley, 1924 and 1925; was Secretary of the local British Empire Fair in 1933; Secretary of the Hong Kong Branch of the China Association since 1925; Sir Geoffrey Northcote appointed Mr. Key to the Committee of the British Fund for the Relief of Distress in China; he was a member of the Committee of the Foreign Auxiliary of the Red Cross and of the Anti-tuberculosis Association. Mr. Key was awarded the O.B.E. in the New Year Honours, 1939, "for public services in Hong Kong".

After the outbreak of the European War, Mr. Key was appointed to various Government Committees concerned with promoting the Hong Kong contribution to the Empire's war effort; he was for a time seconded to Government service as Secretary of the War Supplies Board and, just before the Pacific War broke out, temporarily left the service of the Chamber to become Deputy Controller of Trade with special charge of Lend-Lease arrangements. Throughout almost the whole period of internment in Stanley, Mr. Key kept all the records of the British Community Council.

Mr. Key returned from recuperation leave after internment in order to get the Chamber re-started in February, 1946, but medical opinion was that he had by no means recovered from the effects of malnutrition during internment and now he has been advised to retire and not face another Hong Kong summer. No organisation could have been more faithfully and loyally served than this Chamber with Mr. Key as Secretary. The Committee are confident that all members will wish to join them in placing on record their high appreciation of the zeal and efficiency displayed by Mr. Key during the past 25 years. The warm thanks and good wishes of the whole business community will accompany him on his retirement.

THE CHAMBER: STAFF AND FINANCES.

At the end of 1941 the Chamber's general reserve stood at \$88,779.35. The year had been an exceptionally prosperous one. Through an increase in the membership the subscription income had risen from \$37,950 in 1940 to \$40,850. Rice Surveys on behalf of the Hong Kong Government Rice Monopoly brought in fees amounting to \$6,022. The fact that important industrial countries were at war and had converted their industries to munition-making increased the demand for Hong Kong manufactured goods and for Chinese exports. This was reflected in the Chamber's accounts by a rise in the income derived from certificates of origin and certification of invoices, the 1940 figure of \$13,533 (then a record) being increased to \$21,513—a really surprising result. Outgoings showed practically no increase, with the result that an excess of income over expenditure of \$23,779 was carried to General Reserve, bringing it to the figure stated above.

The accounts for 1945/1946 published in this issue of the Annual Report tell a very different story. There has fortunately been another increase in the membership (income from this source \$46,725 as compared with \$40,850 in 1941) but income from certification has dropped from \$21,513 to \$9,093, not a bad result, however, considering that it covers the period February to December, 1946, only, and it indicates a fairly marked recovery in the Colony's export trade of China produce and locally manufactured goods.

A sum of \$11,359.07 (excess of expenditure over income) had to be deducted from the General Reserve which was further reduced by the item "War period Losses," \$32,220.95. The General Reserve stood, on 31st December, 1946, at \$45,199.33, current account carrying an overdraft of \$6,643.12. The War period Losses referred to in the Balance Sheet comprise principally: contributions to the Staff Provident Fund for the war years and a retiring gratuity to Mr. E. R. Price (Assistant Secretary) who decided, for domestic reasons, not to return to the Colony after a period of recuperation leave in England; also payment of part-salary to the secretarial staff for the three years and eight months of war.

When, in November, 1945, the Home Government was persuaded to depart from its academic theory that private trading was not practicable and the commercial community was encouraged to set the wheels of business in motion again, the Secretary of the Chamber (Mr. M. F. Key, O.B.E.) at once offered to cut short the recuperation leave he was spending in Kapunda, South Australia. The Commander-in-Chief immediately responded to the Chamber's urgent appeal for his assistance in securing a priority passage and so successfully that the Secretary was back in the Colony at China New Year. The former office premises were still available in the

Hong Kong Bank Building. A few records were recovered but the furniture and office equipment had all disappeared. Work rapidly increased in volume: in fact the Chamber had one of the busiest years on record, with new problems arising daily as the Colony gradually adjusted itself to an entirely new set-up—the Military Administration—and later re-adjusted itself to the return of Civil Government.

The Secretary had intended to retire from office in 1943 but internment in Stanley interfered with this plan. He informed the Committee that as he would be 61 years of age in 1947 he would like to retire in that year. Medical advice supported this idea, the doctors expressing the opinion that return from recuperation leave had been much too hasty. Your Committee therefore spent a great deal of time during 1946 searching for successors to both the Secretary and Assistant Secretary. Eventually Mr. J. B. Kite (Private Secretary to His Excellency the Governor) was selected to fill the office of Secretary and Mr. A. W. Mackenzie was engaged (at present on probation) as Assistant-Secretary. It is confidently believed that they will competently serve the Chamber in positions which indubitably call for versatility and ability.

During the year the financial position of the Chamber engaged the attention of the Committee almost continuously. It appeared in early summer that it would be necessary—in view of increasing costs under every heading of expenditure—to ask Members to agree to a 100 per cent. increase in the subscription. However, a steady accession to membership occurred on the part of firms (not hitherto supporters) who came to realise that in the difficult conditions prevailing a Chamber of Commerce is “an ever present help in time of trouble”. The Committee therefore held its hand.

In the last few months the financial position has again been thoroughly examined and a Budget for the next few years prepared. This showed that a \$50 increase in the subscription would not suffice to put the Chamber on a sound financial footing for many years to come, if at all; but that an increase of \$100 would—in five years—replace war losses in cash and equipment and put the General Reserve back to its pre-war total. After that, the question will arise: Shall the subscription be reduced or has natural development and increased activity on behalf of the commercial community made it advisable to maintain the subscription at the new figure and use the additional revenue for the purpose of giving further service? The answer to that question can be left to future decision in the light of circumstances as they appear at that time.

Meanwhile the Committee proposes, at an Extraordinary General Meeting to be held after the Annual Meeting on 28th April, to ask Members to agree to an amendment of the Articles of Association whereby the subscription of individual members

will be increased from \$100 to \$150 per annum and of firms from \$200 to \$300 per annum. To save trouble in collection it is also proposed that these sums shall be paid in half-yearly instead of quarterly instalments. It has been suggested, also, that firms who prefer to do so should declare their desire to pay in one sum instead of in two instalments.

The Committee believes that members, realising that most items of expenditure in their daily experience have increased far more than fifty per cent. will unanimously approve the necessary increase in the subscription now proposed, and thus put the Chamber in possession of the income necessary to meet its commitments and continue its service to the business community.

HONG KONG GENERAL CHAMBER OF COMMERCE.

(INCORPORATED UNDER THE ORDINANCES OF HONG KONG)

Balance Sheet as at 31st December, 1946.

LIABILITIES.			ASSETS.		
EMPLOYEES' PROVIDENT FUND		\$ 51,854.29	PROVIDENT FUND INVESTMENTS, ETC.:		
HONG KONG & SHANGHAI BANKING CORPORATION:			Held by Trustees		\$ 51,854.29
Current Account overdraft as at 31st December, 1946 ...		6,643.11	FURNITURE & FITTINGS:		
SUNDRY CREDITORS		13,046.80	As at 31st December, 1941 ...	\$ 1,000.00	
PASSAGE & LEAVE RESERVE		14,601.00	Purchases during 1946	1,863.00	
GENERAL RESERVE:			Less Depreciation	\$ 2,863.00 283.00	2,580.00
As at 31st December, 1941	\$88,779.35		DEPOSITS		46.50
Less Excess of Expenditure over Income for the period 1st September, 1945 to 31st December, 1946	11,359.07		INVESTMENTS:		
	\$77,420.28		\$62,000 Hong Kong Govern- ment 4% Conversion Loan —at par	\$62,000.00	
Less War period Losses, Ex- penses and Credits—per statement	32,220.95	45,199.18	(Market Value 31/12/46— \$106—\$65,720).		
G. MISKIN, <i>Vice Chairman.</i>			\$13,000 Hong Kong Govern- ment 3½% Loan—at cost ..	12,577.00	74,577.00
R. D. GILLESPIE, <i>Chairman.</i>			(Market Value 31/12/46— \$102—\$13,260).		
M. F. KEY, <i>Secretary.</i>			ACCRUED INTEREST		1,241.87
			SUNDRY DEBTORS		454.00
			PREPAID CHARGES		466.60
			PETTY CASH IMPREST ACCOUNT ...		125.00
		\$131,345.26			
			LOWE, BINGHAM & MATTHEWS, <i>Chartered Accountants, Treasurers.</i>		\$131,345.26

We have audited the above Balance Sheet and have obtained all the information and explanations we have required.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the HONG KONG GENERAL CHAMBER OF COMMERCE'S affairs at 31st December, 1946, according to the best of our information and the explanations given to us and as shown by the books of the Chamber.

(Sgd.) PERCY SMITH & Co.,
*Chartered Accountants,
Auditors.*

Hong Kong, 19th February, 1947.

Hong Kong, 11th February, 1947.

HONG KONG GENERAL CHAMBER OF COMMERCE.

Income and Expenditure Account for the Sixteen Months
From 1st September, 1945 to 31st December, 1946.

1941	EXPENDITURE.	1941	INCOME.
\$ 36,595.00	To Secretarial Expenses, etc.	\$ 46,429.64	By Members' Subscriptions 1946
3,120.00	„ Employees' Provident Fund Account	2,536.61	„ Survey Fees Collected
—	„ Provision for Leave & Passage	9,437.80	\$ 1,808.20
1,306.00	„ Servants' Wages	2,494.00	Less Paid
3,668.09	„ Office Rent, Telephone & Lighting	3,802.11	1,773.20
200.00	„ Audit Fee	300.00	„ Certificates of Origin and Certification of Invoices
17.36	„ Market Report	—	9,093.00
523.00	„ Annual Report	2,480.00	„ Interest Account:
31.20	„ Daily Weather Map	—	Hong Kong Government
135.85	„ Books & Newspapers	145.80	4% Conversion Loan—
1,123.41	„ Printing, Advertising & Stationery	4,986.60	(From 1/9/45 to
509.84	„ Postages & Petties	873.90	31/12/46)
292.09	„ Telegrams	183.30	\$ 3,303.56
34.08	„ Subscriptions to Federation of Chambers of Commerce of the British Empire ...	—	Hong Kong Government
—	„ Hire of Furniture	55.80	3½% Conversion Loan—
.07	„ Hong Kong Government 3½% Dollar Conversion Loan—Fraction of a Dollar written off	—	(From 1/9/45 to
—	„ Written off Furniture & Fittings	283.30	31/12/46)
—	„ Legal Fees	65.80	1,045.17
\$ 47,555.99	„ Excess of Income over Expenditure for the period	\$ 71,593.18	Current Account
23,779.19		—	32.63
\$ 71,335.18		\$ 71,335.18	4,381.36
			„ Shanghai Journals
			—
			„ Excess of Expenditure over Income for the period
			\$ 60,234.36
			11,359.07
			\$ 71,593.43

Local Consequences and Remedial Measures.

The world shortage of textiles—even more acute than the world food shortage—greatly affected local economy during the first eighteen months after the liberation of the Colony, firstly because knitting, weaving and garment-making plants were idle for lack of raw materials, and secondly because the paucity of imports of cloth greatly restricted the Colony's entrepot trade.

All through the war, various Committees were functioning in Washington, their task being, in consultation with producing countries, to estimate the world's production and to correlate demands from the non-producing countries and their claims to a share, on an agreed basis, of whatever textiles were available. One of these Committees was the Combined Textiles Committee and it continues to function in the post-war period.

Various factors have caused the world shortage of textiles. Japan's 12½ million spindles have been reduced to 3 million. Lancashire is permanently faced with a declining labour force in textiles. Sixty per cent of the industry was closed down during the war, and the labour was transferred to munitions. That labour force is not returning and new recruits are not seeking employment in the industry. Careful consideration is being given to the matter by the Government with a view to stepping up the output per operative, which is the only way of returning to pre-war output. India finds herself so short of textiles that for some time during 1946 she prohibited exports. The country's textile machinery needs renewal but new plant cannot be rapidly obtained. The U.S.A., with the adoption of a 40 hour week, is experiencing a decline in production. The contribution of Italy to world textile needs is comparatively un-important.

Great Britain's position is perhaps the most difficult of all because many factories were destroyed by enemy action and others were converted to munition making. In the last months of 1945 the work of re-conversion started in earnest, but all kinds of bottlenecks have delayed recovery. It was difficult to get factories de-requisitioned; there was a spinning bottleneck because too few skilled operatives were demobilised: a weaving bottleneck was the consequence of the spinning bottleneck, and so on.

Added to these facts, the people of Britain had been on a strict textile ration for four years, and wardrobes needed replenishment. Government felt there was a limit to what the population could be expected to stand, so a large part of recent production and war surpluses was allocated to the people at home. It will probably take Britain until 1948 or 1949 to overtake commitments.

The Combined Textile Board.

As to the working of the Combined Textile Board, in about September of each year the producing countries, e.g. Britain, Canada, America, India, etc. are asked to give an estimate of their production during the next year, and at the same time the non-producing countries are called upon for an estimate of their requirements. The claimants are legion because, apart from the military machine of each country which has to be kept supplied with uniforms, there are also the demands of the civilian populations of the producing countries and of all the non-producing countries, e.g. Middle East, West Africa, East Africa, South America and so on. Late in 1944 and in early 1945, the claims of UNRRA had to be added for the re-occupied territories in Europe, whose populations had been reduced to extreme want by the fierceness of air raids, and eventually of direct campaigns.

Generally speaking the demands are made and accepted on a per capita basis, and everything is thrown into a common pool and divided out thereafter. The Textile Board specifies sources, but it does not follow that British territories will be supplied by Britain; for instance the West Indian Colonies (some 17 in number) are supplied by U.S.A. and some of the West African Colonies draw part of their supplies from U.S.A. or Canada. Once the source has been specified it is up to the Government of the claimant country to make arrangements with the Government of the producing country about procurement. This is done on a Government to Government basis.

With reference to the Far Eastern Colonies and Hong Kong, British Territories in the Far East, Siam and N.E.I. came very late into this picture, and their demands, worked out by special Committees in London and based on a per capita basis, throw a further strain on the already over-burdened machine. There were practically no textiles left by August, 1945, and to meet the new demands textiles had to be taken from other sources. India was asked to make a special effort and other British Territories were cut in order to make some yardage available.

The whole question was further complicated by the fact that in Burma and Siam, the two main rice producing countries, the cultivators, as a result of Japanese occupation, had lost all faith in currencies of any kind and were not prepared to sell or produce rice unless they were given in exchange something more tangible than paper money; in Burma, for instance, in many cases only one or two members of the family could work at the same time because they had not enough clothes to wear. In Siam the Chinese merchant who had bought paddy or rice was not prepared to sell unless he got something tangible in return. It became necessary, in fact, to persuade the cultivators, and the inducement goods they wanted were textiles.

Textiles had therefore to be found for the Far East because the food situation, and particularly the rice situation, grew daily more dismal. Finally, a special conference was held in Singapore, and a special body known as the Lord Killearn Committee was set up in order to find ways and means of dealing with the problem. Burma and Siam were given special priorities on the textile availabilities and India eventually helped a little by providing some textiles, but only on condition that these textiles were disposed of on a Government basis and were made to contribute directly to the rice problem. In fact, the textiles were used directly in exchange for rice from cultivators up-country in Burma and even in Siam.

In addition, in Rangoon, in order to get the population there to facilitate the movement of rice and the loading of ships, a distribution of textiles was made on a household basis, and in Malaya, where the production of rubber was necessary for Britain to get gold dollars and to induce the production of additional foodstuffs, Government distributed textiles on a household basis.

The Hong Kong Position.

Hong Kong, up to the middle of 1946, had not done very well in textiles, chiefly because, as far as the world organisation was concerned, the Colony had no bargaining power; it produced nothing and so had no weapons with which to extract its "pound of flesh." However, in theory, for 1946 Hong Kong was supposed to get 1,000 tons covering the first half of the year and 900 tons covering the second. These allocations were worked out on a per capita basis and were agreed in 1945 by the Textile Committee in London.

In practice, these allocations were reduced until Hong Kong could expect only 450 tons from Britain and 25 tons from the U.S.A. for the first half year. For the second half year the promise was that 340 tons would be released from Britain, and from India an unknown quantity; from the U.S.A. Hong Kong could expect a share in ten million yards allocated to Far Eastern territories.

All the above-mentioned textiles were left to commercial importation (except for about 200 tons of the first 450 tons mentioned above). This in fact meant that merchants accepted firm offers from London exporters, who in turn went to the Textile Control Board in Britain to obtain export licences, but every yard exported to Hong Kong was debited against the Colony's quota.

Hong Kong's theoretical allocation on a per capita basis was about 1,900 tons, whereas all that the Colony had been promised definitely was about 800 tons: the balance was later said to be promised from Japan, and a Mission went to that country in the latter part of 1946. If 6,000,000 yards or more was obtained

from Japan, commercial procurement and distribution of what remained of Hong Kong's quota from England for the remainder of 1946 and for 1947 would probably be feasible. Failing this, requisitioning would be necessary to make up the difference, because it was estimated that six million yards would be necessary to make a reasonable ration on a household basis. At the middle of the year the Government had over one million yards in the Colony.

Rehabilitating Industry.

The Department of Supplies, Trade and Industry, set up as part of the Military Administration formed upon the liberation of the Colony, early busied itself in obtaining raw materials for as many local factories as possible. Cotton yarn found in the Colony was requisitioned and as much of it as was suitable was doled out to a number of weaving factories which made canvas for local rubber shoe factories, the Department assisting the latter in obtaining supplies of rubber and chemicals. Every possible source of supply of further supplies of cotton yarn was explored, but the world shortage was so acute that nothing resulted from these efforts throughout 1946. Admiral Harcourt sent a long message as early as November, 1945, outlining the difficult local situation as regards employment and urging as one solution the revival of local factories which formerly employed 70,000 persons and made a wide variety of goods. It was stated that 3,500 tons of yarn in the next six months would keep 50 factories busy for six months and provide the peoples in neighbouring countries with much needed clothing.

The reply was that prospects of obtaining piece goods were poor, and of yarn even poorer, the "basic bottleneck" being spinning. India, in January, 1946, declined to export cotton yarn, either under Government sponsorship or commercially, because of acute shortage. The position of India at that time was described as "desperate" and the 3,500 tons of yarn requested by Hong Kong was stated to be more than could be spared. The Government of India was concerned at that time to supply yarn to 14 million families engaged in the handloom industry. Controls on export were thought likely to be necessary for another five years. In February, 1946, messages from the United States indicated that no cotton yarn was available from there, and that Brazil had prohibited export, at least for a period. Japan, as a possible source of supply, was considered as early as January, 1946. Prospects of obtaining any yarn from the United Kingdom were described in April as "quite hopeless".

Piece Goods (Control) Order.

On July 1, 1946, at a time when the foregoing facts about the world textile situation were little known locally, Hong Kong merchants were greatly perturbed by the publication in the

"Government Gazette" of the Piece Goods (Control) Order, 1946. This provided that "all piece goods" imported from "any country or place whatsoever" were to be placed in public godowns on arrival, pending Government authority for their disposal. Following this came a Requisitioning Order, which still further disturbed the market.

Enquiries elicited that woollen and silk goods would be allowed to move freely: the reason given for specifying "all piece goods" was to prevent evasion of the Order by misdescription. The Government contemplated taking over all suitable kinds of cotton piece goods and issuing them under the rice rationing system. The reason for this course was stated to be that whatever textiles reached Hong Kong were part of its allocation by the Combined Textile Board in Washington and an obligation rested upon the Government to ensure that these goods reached the people of Hong Kong so that any argument urging non-interference with the entrepot trade was irrelevant.

The Chamber protested against publication of the Order without prior consultation with the Chamber and in such general terms as to disturb the market more than was necessary. One outcome of these representations was the appointment of a Liaison Committee to maintain touch with the Director of the Department of Supplies, Trade and Industry. This Committee ironed out many difficulties in subsequent months. On July 11, the Chamber wrote to the Director as follows:

"With reference to the Piece Goods (Control) Order, 1946, published as Notification No. 206 in the "Government Gazette Extraordinary" of 2nd July, the Chamber of Commerce desires to express regret that it was not consulted beforehand because its advice might have prevented publication in such a form as to do the maximum degree of harm to the market and probably have dissuaded the Government from an extension of rationing which seems foredoomed to failure.

"It is understood that the Government contemplates the issue of a length of cotton cloth to holders of rice ration cards, using for this purpose Government stocks and such additional cloth as it can purchase in Japan and requisition from merchants when the returns called for by the Order give the requisite information as to what is available.

"Apparently only a few lines of cotton piece goods such as cotton drill and white shirtings, will be affected by the Order, yet the manner of publication has upset the whole market. If it is true that woollen and silk piece goods will not be controlled, it is most important that this should be made clear, because woollen goods are a chief concern of a great many firms involving large financial commitments. Furthermore, the particular lines of cotton piece goods affected should be defined, in order to keep the dislocation of the market within the narrowest bounds. The Chamber trusts that the Government will issue an early statement on the subject to the Press.

"As to the rationing scheme, it is thought that the difficulties which will arise have scarcely been appreciated. The yardage required to give a population of 1,250,000 a five yard length of cotton cloth—the least that will be of the slightest use—is 6,250,000 yards. Next Spring possibly 750,000 yards will arrive over a period of months through

commercial firms. By the Spring of 1948, assuming increased output from supplying countries, sufficient stock may have been accumulated to make a five-yard issue to holders of ration cards. By that time, however, it may be reasonably hoped that supplies will be sufficient to make a rationing scheme unnecessary. Meanwhile the Government will have incurred heavy charges for storage of the earlier goods arriving, probably experienced substantial losses from pilferage, also probably found great difficulty in acquiring the requisite storage.

"Assume, on the other hand, that by Government purchase, as well as by requisitioning of merchants' importations, the first issue of rationed cloth is made in 1947 to a community still suffering from scarcity. There is no doubt that the greater part of the issue will be re-sold by individuals in the black market, so that effective rationing will not be achieved.

"One of the principal objections to the Order is that legislation of this kind causes Chinese Traders to lose faith in merchants and in the Government. It is understood that importers are to be reimbursed all costs plus a fair trading profit, but the middlemen will also deserve some consideration in regard to compensation for loss of profit. Restrictions such as announced will lead to cancellation of orders, thereby accentuating existing shortages.

"On present information, the Chamber strongly advises against an attempt to ration cotton cloth. If done at all, it should be restricted to such bulk goods as the Government already possesses or acquires from Japan. Inclusion in the scheme of goods arriving over a long period through ordinary trade channels will but add to the difficulties of the scheme. Hence, revocation of the Piece Goods (Control) Order is urged, together with reversion to normal methods of marketing merchants' importations."

Government Statement.

It was later made clear that not only importers but dealers were to be allowed their profit on transactions interfered with by Government requisition. On July 17 the Government issued an explanation of its policy. The salient paragraphs were:—

It must be emphasised that textiles still were and still are under world control. Each territory must state its requirements to the Combined Textile Board, which assesses allocations to the claimants on the basis of such data as population, etc. Such allocations must, therefore, be regarded through whatever channels they are procured as the property of the community, not individual merchants, who must be considered rather as the agents of the people.

The situation as regards allocation in the first month of 1946 was as follows. The War Office, which was supposed to send about 3,500,000 yards for the first six months of the Military Administration, had found itself unable to supply anything; the United Kingdom had given an allocation of about 1,800,000 yards for the first quarter and 2,250,000 yards for the second quarter. The first quarter's allocation had been ordered on Government account, whereas the second quarter's allocation was left to commercial importers; India had made an allocation of about 4,500,000 yards for the first half year; the U.S.A.'s allocation amounted to only 250,000 yards for the same period. It appeared, therefore, that supplies would be, if not ample, at least sufficient.

Recently, however, the position grew worse. India announced a complete cessation of textiles exports and has now lifted the ban only in respect of exports to territories from which she draws her food supplies, while the position in Britain appears to show no improvement;

there has been no further allocation in respect of any period after the second quarter, while against orders placed the Government has received so far only 800,000 yards and merchants nothing. The War Office has, however, now agreed to give first priority to the supply of 1,000,000 yards to Hong Kong while the Combined Textile Board has made a formal allocation of a considerable quantity of Japanese textiles; neither of these allocations may be entirely relied on. A representative of the Government is leaving for Japan to investigate possibilities on the spot. The Government have also been able to secure about 700,000 yards of surplus Australian textiles.

Black Market Danger.

It was obvious, therefore, that, unless the Japanese textiles materialised, there would be little more than 5,000,000 yards available up to the end of 1946. This quantity, while it would, if distributed equitably, be of great assistance to the people of Hong Kong, would certainly, if distributed through normal commercial channels, at once develop a flourishing black market and illicit export trade. In the interest, therefore, of the community, whose textiles these were, it was essential that the Government should take immediate steps to bring all stocks of textiles entering the Colony under its direct physical control, and the Textiles (Control) Order was accordingly promulgated; the scope of the order was of necessity made as wide as possible to prevent all possibility of evasion. Not all types of textiles will, however, be included in any eventual rationing scheme, and in practice this has meant that importers, who had woollen materials, real and artificial silk materials, have been given permits by the Department of Supplies, Trade and Industry to take delivery of their cargo immediately. In the case of textiles taken over for inclusion in any rationing scheme, full compensation will be paid, under the Compensation Regulations, which make allowances for fair profit, etc.

As a matter of comparison, it may be pointed out that Burma, Malaya, Siam and French Indo-China all retain control over the distribution of their textiles and direct the bulk of them to districts where they can be used as an inducement to the people to produce more food. Further the two producing countries to which Hong Kong can look for the bulk of its supplies, United Kingdom and India, both have cloth rationing schemes in force.

It is realised that control of this nature inevitably causes considerable dislocation to normal commercial activities, but in the circumstances such as those outlined above, it is the Government's first obligation to protect the consumer and ensure that he has an opportunity to secure his fair share of these essential supplies. This policy has been put in force in the case of all essential commodities where it has been obvious that the normal action of supply and demand would result in maldistribution, for example, rice, flour, sugar and milk.

The last case is in some respects a parallel to cotton textiles in that an attempt was first made to distribute through normal commercial channels until it became obvious that rationing was essential to secure equitable distribution. As long as such scarcities continue, Government control, to ensure a fair share of essentials to each individual, cannot in justice be relaxed.

China's Position.

On August 2, a joint meeting of the General Committee and the Import Sub-Committee listened to an address by the Director (Mr. W. M. Thomson) who gave a full account of past events and of the difficulties so far experienced in obtaining

textiles for Hong Kong, much of which information is incorporated in the earlier part of this narrative. Objections were largely overcome when the assurance was given that the Government, on requisitioning piece goods, would pay an adequate margin to compensate those concerned for loss of trading profits.

It was explained at this meeting that China has no allocation from the Combined Textile Board but that U.N.R.R.A. takes care of China's requirements. The position is, therefore, that the textile trade with South China which formerly passed through Hong Kong is for the time being at an end. Great Britain can do nothing to help towards the re-establishment of that trade and textiles received under allocation must be regarded as for the community of Hong Kong. Assurances were given that the requisitioning of textiles would not be carried out in such a way as to be detrimental to the rubber shoe industry in respect of supplies of canvas. It was expected that requisitioning would cease when supplies of piece goods were available in substantial quantities from Japan. As a result of this discussion it was decided to postpone for a time any further representations for cancellation of the Piece Goods (Control) Order.

Supplies from Japan.

At the end of July it was reported in the Press that a fully empowered "government to government" trade and purchasing commission, representing six south western Asiatic regions, including Hong Kong, was in Tokyo making arrangements for an interchange of goods between their countries and Japan. An urgent need existed in the Pacific area for Japanese textiles and general consumer goods and in return for these Japan expected to obtain raw materials such as salt, phosphate rock, hides, copra, jute, etc. Hong Kong was seeking to import rayon, cotton and linen fabric, rayon thread and cotton yarn in exchange for matches, fish salt and mat rush. It has been explained that cotton is supplied to Japan by the United States Commercial Corporation through the Supreme Commander for the Allied Powers (SCAP) who directs the Japanese to prepare yarns and cloth. The finished products are returned by the Japanese to the U.S. Commercial Corporation who in turn sell the yarn to South-West Pacific countries, all of whom have been granted allocations by the Combined Textile Committee at Washington.

Considerable quantities of cotton and rayon yarn arrived in Hong Kong from the end of the year onwards. Several hundred knitting and weaving factories—large and small—were registered by the Department of Supplies, Trade & Industry, with particulars of their available machines. Careful calculation was made of the yarn necessary to keep the machinery going to fifty per cent of capacity, allocations of yarn being made accordingly. If any factory was unable, for any reason, to take up the whole of its

allocation immediately the balance was credited to it and the unwanted portion went back into the pool. Later, the factory will be able to draw the credited balance from subsequent shipments.

The yarn costs HK\$1,600 per bale of 400 lbs. and as labour costs are much higher than they were pre-war the anxious question arises whether the resulting product will be competitive in consuming markets. The Department is making enquiries on behalf of the factories in several neighbouring countries. Merchants, naturally, are busy in the same direction through the channel of pre-war overseas connections.

In August it was notified that the Combined Textile Committee in Washington had allocated about two-and-a-half million square yards of American cotton goods to Hong Kong. Assistance was kindly given by the Commercial Department of the United States Consulate General in Hong Kong in obtaining a list of textile exporters in the U.S.A., whose names were furnished by the Chamber to interested importers in the Colony.

POST-WAR BUSINESS CONDITIONS.

The Chamber came to the conclusion early in 1946 that the 2½ per cent buying commission for indent business customary before the War was inadequate under post-war conditions. Importers were asked by general circular to adopt a uniform policy by charging a minimum of 5 per cent as from March 1, 1946, for ordinary business apart from large transactions in such items as metals in which 2½ per cent buying commission was thought still to be reasonable.

The Import Sub-Committee took into consideration in May the terms for the sale of piece goods and sundries to dealers, and suggested that in present circumstances time for taking delivery be substantially reduced. Clearance within 60 days had been proposed, but the Sub-Committee found that some importers had no difficulty in obtaining the terms "delivery to be taken within seven days and balance of cash to be paid before delivery". It was therefore recommended that all importers follow suit. It was mentioned that it was not proposed to recommend variation of the terms with Manchester and Bradford suppliers and so avoid any difficulty in returning to the status quo when conditions became normal.

As to bargain money, the Chamber strongly recommended that, in conformity with the present widely established practice, importers should insist upon a cash deposit from all dealers of not less than 25 per cent of the c.i.f. value of orders placed. It was felt that under present unsettled conditions of business this would be a deterrent to over-trading and speculation. It was hoped that merchants would accept this recommendation and give it the fullest support in their power. It had been reported that some dealers were claiming interest on bargain money paid: it was recommended that such demands should be resisted and in support of such a course it could be pointed out that interest was not being paid by the banks on deposits.

The subject was further dealt with in a circular issued on February 12, 1947, when the Import Sub-Committee stated that some firms had on occasion not stipulated on contracts the clause as to payment of bargain money. It was felt strongly that members should follow the uniform policy already recommended. It was thought there would be general disapproval of clauses providing that bargain money be paid (a) when advice is received that goods are about to be manufactured; (b) when goods are ready for shipment (c) when goods have been shipped. Members would no doubt agree that none of the foregoing clauses afforded the merchant any protection in the event of a slump.

Requisitioned Goods.

It was noted that when cotton piece goods were requisitioned by the Department of Supplies, Trade and Industry, the following sentence appeared in the requisitioning notice: "This debit

note should be based on supplier's invoice converted into local dollars, plus transportation and insurance charges, plus 5 per cent for importer's expenses and plus 20 per cent to provide for your profit and any obligations you may have towards dealers in the event of the goods having been sold under contract." The Import Sub-Committee of the Chamber suggested in a circular to members that uniformity in dealing with these allowances, totalling 25 per cent, was desirable. The importer should retain 15 per cent and pay 10 per cent to the dealer, calculated on the selling price to him. It was hoped that this suggestion would meet with general approval and become the practice while requisitioning continued.

The Import Sub-Committee also considered the question of Receiving, Storing and Delivery Charges which, as announced in the Press by the Far Eastern Freight Conference and the Hong Kong/Australian Freight Conference, were in future to be for consignees' account instead of being paid by the Steamship Companies. It was recommended that merchant members of the Chamber should adopt the uniform policy of recovering these charges from dealers.

Delivery Terms.

The Export Sub-Committee dealt with the question of delivery terms for export cargoes. It had been brought to notice that there were specified in current contracts a great variety of terms, such as the following: "ex dealer's godown"; "delivered to our godown"; "F.O.B. lighter"; "F.O.B. Steamer". The Committee felt that the adoption of one type of terms was most desirable and recommended insistence upon "F.O.B. steamer". It had been the experience of some firms that Chinese dealers were in a much better position than exporters to secure good lighterage terms, and it would seem reasonable from all points of view to encourage the above procedure and thus make Hong Kong export prices more competitive in world markets.

AUSTRALIAN REQUIREMENTS CONCERNING HONG KONG GOODS.

Several Members of the Chamber called attention, early in 1946, to an announcement by the Division of Import Procurement of the Commonwealth of Australia, dated November 27, 1945, which stated that

"Although Hong Kong is included in the sterling area for the purpose of the National Security (Exchange Control) Regulations, goods imported therefrom are subject to non-sterling treatment under the Customs (Import Licensing) Regulations. Licenses issued on a non-sterling basis are therefore required to cover the importation of all goods the produce or manufacture of Hong Kong."

The Chamber on April 8, 1946, asked the Chief Civil Affairs Officer, Hong Kong, to take up this matter with the Commonwealth Authorities. This was done and an explanation of the situation was obtained by His Majesty's Trade Commissioner, Martin Place, Sydney, from the Acting Director, Division of Import Procurement. This was to the following effect:

"Hong Kong is now, and has been since the inception of the import licensing system in 1939, regarded as a non-sterling country. The reason is that, although it is within the sterling exchange group, goods exported from Hong Kong could not to any significant extent, be considered as sterling origin goods. They were, to a very large degree, re-exports of Chinese and possibly other non-sterling countries goods, and therefore were basically non-sterling products. The fact that Australia made sterling payments for them to Hong Kong did not in any way alter the original non-sterling exchange commitment. This subject was given thorough consideration before the decision of 1939 was made, and the Governor of Hong Kong was consulted to ascertain whether a suitable Hong Kong authority could issue a certificate for any goods which contained a sufficiently high percentage of Hong Kong material and/or labour to enable them to qualify for sterling treatment. It is understood that the Governor considered that practically no Hong Kong exports would qualify for such a certificate, and in the interests of non-sterling exchange conservation by the sterling area as a whole, it was decided that Hong Kong should be treated as a non-sterling country.

"I would add, however, that notwithstanding this ruling, any applications which may be received for licenses to import goods from Hong Kong will be carefully considered so that whatever assistance to reconstruction and trade expansion is possible under the existing non-sterling exchange position will be given."

The Chamber on August 17 addressed the Director, Supplies, Trade & Industry, commenting as follows on the information thus divulged:—

"It is greatly to be regretted that H.E. the Governor of Hong Kong in 1939—without consulting the Chamber of Commerce—expressed the opinion that practically no Hong Kong exports would qualify for a certificate for any goods which contained a sufficiently high percentage of Hong Kong material and/or labour to enable them to qualify for sterling treatment.

"It could have been pointed out that at least two industries so qualify. At any rate the product contained a high percentage of British materials. The Export Sub-Committee has in view the canvas and rubber shoe trade in which British canvas and rubber were exclusively used, and the better class socks and singlets which were manufactured from Lancashire yarn.

"When these industries are resuscitated, it may be possible to take advantage of the statement that, notwithstanding the above ruling, any applications which may be received for licenses to import goods from Hong Kong will be carefully considered, so that whatever assistance to reconstruction and trade expansion is possible under the existing non-sterling exchange position will be given. Members of the Chamber will be advised accordingly."

A circular to members was issued on August 19 conveying the above information, and on August 22 the Director of Supplies, Trade and Industry wrote assuring the Chamber that should there be any evidence, during the continuance of the present restrictions imposed by the Australian Government, that the export of goods which might qualify as of sterling origin was being in fact hampered, the Department would be glad to take up the matter again.

PRESERVED GINGER TRADE.

Protracted negotiations were conducted during the year with a view to re-starting the export to the United Kingdom of preserved ginger. In June, 1946, the London Chamber of Commerce advised that the Ministry of Food was considering the importation of this commodity, and wished to have particulars of quotations, qualities and stocks available. This information, which dealt only with old crop ginger, was collected and transmitted to London, prices being very much higher than pre-war owing to vastly increased costs of materials, fuel and labour. The quotations were: stem, £27.10.0; cargo, £22.6.0. The position as regards new crop was at that time in doubt owing principally to uncertainty about the availability of the right type of sugar for preserving. The ginger preservers emphasised that the prices quoted showed no more than 15 per cent for overheads and profits. It was pointed out that this industry has existed in Hong Kong ever since the foundation of the Colony and it was hoped that the Ministry of Food would find it possible to permit a small importation of ginger into the United Kingdom this year, more for the moral effect than for any profits which the preservers might make. Unless business began to move again, the cultivators in Kwangtung, who had switched to other crops during the war years, were not likely to resume planting ginger.

On July 19, the Department of Supplies, Trade & Industry notified that the Ministry of Food was agreeable to export to Hong Kong 200 tons of white sugar per annum, for the preserving of ginger, provided that prices offered (for the finished product) were satisfactory. Following upon this the preservers reduced their prices by 12 per cent (assuming that the white sugar would cost 40 cents per pound). In October a conference of all exporters was held with Mr. U Tat Chee, of the Hong Kong Preserved Ginger Distributors, Ltd. when it was agreed that the factories should keep their profit to 10 per cent and the exporters to 5 per cent. The following quotations were then forwarded to London:— stem, £16.10.1; cargo, £13.7.4; medium, £10.18.7. per cwt.

The Government was notified that exporters arrived unanimously at the conclusion that these figures represented the utmost possible reduction in price. The quotations were telegraphed by the Government to the Secretary of State (October 16) and in November the reply came back that the Ministry of Food would prefer that future negotiation should be along trade channels. Importers in the United Kingdom were being given import licences endorsed with ceiling prices which were lower than those quoted from Hong Kong, the ideas being that importers should buy what they could within the ceiling price by individual negotiation. The Ministry's information was that prices quoted through trade channels were already below those set forth in the Government's telegram of October 16. The Hong Kong

Government promised that if negotiations through trade channels proved that no business could be done within the Ministry of Food's ceiling prices, a cable would be despatched, urging that they be raised.

Another meeting of exporters was held on December 2, when Mr. U Tat Chee wrote that the Department of Supplies, Trade & Industry having given a reduction in the price of sugar to 27 cents a pound, and with coal at controlled price, a further reduction in the price of preserved ginger could be offered. A cable was despatched to the London Chamber of Commerce, stating, "This Chamber is satisfied present C. & F. prices for Stem 310/1, Cargo 247/4, Medium 198/7 are lowest possible without serious loss to manufacturers stop Difference these prices from Government's wire dated October 16 due to Government's concession prices of sugar and coal".

A few days later a cable came from London stating that lower prices than those mentioned above were being quoted. Enquiry locally threw no light on this nor was London able to give further information. It was assumed that any such quotations were purely speculative.

As a result of further negotiations the authorities in the United Kingdom raised ceiling prices and granted licences to importers in proportion to their pre-war trade. These, however, were based on c.i.f. instead of c. and f., so that Exporters were faced with insurance charges. The factories then undertook to cover leakage or give an allowance in lieu. Up to the time of going to press about 3,000 casks had been booked—a happy result—as it means that encouragement has been given to all concerned in the rehabilitation of a long-established industry.

RUBBER CANVAS FOOTWEAR.

Before the War Hong Kong enjoyed a large trade with the United Kingdom and other markets in locally manufactured rubber canvas footwear. High costs of manufacture have so far made it impossible to resume these exports, but a moderate output has been maintained for local consumption. This has been made possible by the efforts of the Department of Supplies, Trade & Industry in obtaining supplies of rubber and in arranging that cotton yarn found in the Colony after the surrender of the Japanese was supplied to local weaving factories for making into canvas for the rubber shoe trade.

As early as January, 1946, the Association of Hong Kong Rubber Footwear Importers in London cabled the Chamber stating that the Board of Trade required immediately information as to the Hong Kong factories which could operate immediately, the number of pairs which they could manufacture individually and ship to the United Kingdom monthly, with date of commencement of such supplies. This message was referred to the local Association of Rubber Footwear Exporters who advised that the only reply possible was that Hong Kong factories were not yet ready to export on account of shortage of raw materials.

It came to notice that during the Occupation a large number of new rubber footwear factories—most of them small—had been established. Nearly thirty factories, represented at a meeting held on January 25, claimed that, if raw materials were made available, they could produce as many as sixty million pairs of rubber shoes by the end of the year. These claims were thought to be greatly exaggerated and, at any rate, throughout the year, canvas, rubber and chemicals were in such short supply that the total output was extremely small by pre-war standards.

The Chamber wrote to the Government on April 10, stating that the factories established before the war—although three had suffered war damage—were still amply sufficient to cope with all the business that would be possible for some time to come, restricted as it would inevitably be by shortage of supplies. The letter continued:—

"During the war years, and subsequently, numerous rubber manufacturers and so-called rubber manufacturers commenced operations. These new concerns looked to the Military Administration for a share of the controlled raw materials as they became available. This was natural and right, but it appears to the Chamber that safeguards are necessary in order to ensure that new and untried concerns do not, by exaggerated claims as to possible output, obtain a larger quantity of materials than they can legitimately consume and then sell the surplus on the black market, or commit breaches of export prohibitions. From prosecutions which have been noted it seems that these malpractices have occurred.

"With a view to supporting the policy of the Military Administration, the pre-war Association of Rubber Manufacturers invited all those interested in the trade to join the Association, but for some reason or another the majority of the new factories have not responded. In consequence of this the Association has not felt itself entitled to approach the Administration with a considered scheme for the equitable allocation of the raw materials available, but has felt obliged to advise each firm to make its own individual application.

"The Chamber of Commerce does not feel that this position is satisfactory and seeks information as to whether the the Industry Section has the organisation which makes it possible to inspect the factories as to their claims regarding output and as to their proper use of raw materials when obtained. The ground for these doubts is that it has been noted that, recently, of 200 tons of rubber which was made available, the pre-war factories received only 38 tons and the new factories 162 tons. It is suggested that in future allocations a minimum of 60 per cent of raw materials should go to the pre-war factories.

"In this connection it is also noted that, when 250 tons of pre-war importation of cotton yarn were discovered in the Colony, the entire quantity was allocated to 14 out of 30 weaving factories, which, in the absence of complete information, seems open to criticism as inequitable. The question again arises as to whether the Industry Section has the organisation to go fully into the matter or is compelled by circumstances to make a rough-and-ready allocation.

"The Chamber appreciates the difficulty which the Administration probably feels in depending for advice in these matters on interested parties and suggests that the solution lies in two directions (1) the setting-up of an adequate inspectorate for the examination of claims by factories for a share of raw materials, and (2) the presence on control organisations of representatives of the business community. A summary of claims as to possible output made by all the rubber footwear factories now in existence gives a total of 60 million pairs annually. It is the opinion of experienced export firms that any such figure is likely to prove to be greatly exaggerated and it is hoped that the Administration has not communicated it to Government Authorities in London as a serious estimate.

"One other point may be conveniently dealt with here. As to yarn found in the Colony and issued to weaving factories, it is probably impossible now to state the origin of the yarn, but if the product is exported to the United Kingdom it should be pointed out to the Customs Authorities that the application of labour within a British Colony has given it a substantial

percentage of Empire content and they should be asked to accept it, on the understanding that British canvas will be used as soon as it is obtainable."

On May 23 the Association of Hong Kong Rubber Footwear Importers in London wrote to the local Association of Footwear Exporters, stating that great concern was felt at the fantastic prices being quoted for Hong Kong Rubber Footwear "no doubt due to heavy inflation". It was pointed out that the United Kingdom Government controlled importations by licence and the prices and margins of profit for all concerned. While present quotations continued there was no chance of getting the Home Government interested in reviewing import quotas. Meanwhile the United Kingdom and Canadian factories were stepping up production, and it would be more and more difficult for Hong Kong to regain its pre-war share. This letter was discussed by the Export and Imperial Preference Sub-Committee in consultation with Mr. J. A. Galvin, of the Department of Supplies, Trade & Industry. As a result, the Department wrote to the London office of the Hong Kong Government on June 28, commenting on the statement that unless rubber shoes made in Hong Kong are supplied to the United Kingdom now, the Hong Kong manufacturers may lose their import quota. It was requested that the Board of Trade be approached to ascertain the accuracy of this statement and, at the same time, to take the necessary steps to ensure that the Hong Kong quota is maintained. The letter continued:—

"It appears to be little understood in London that the high cost of commodities in Hong Kong, and rubber shoes is one of them, is not necessarily a sign of inflation. It is simply a matter of supply and demand. There is little or no footwear in the Colony, therefore shoes find a ready sale here at high prices—prices made high by the scarcity of the materials used to produce them.

"Canvas and chemicals which form the major part of the production of all kinds of shoes have only been obtainable at very high prices. The only canvas to come into the Colony for the making of shoes was imported from China, a country suffering from inflation. The United Kingdom has been unable to supply canvas in a sufficient quantity to warrant production for the United Kingdom. Further, rubber has been short, as have chemicals. By the production of a limited quantity of canvas locally, made from cotton yarn found in the godowns upon re-occupation, and using rubber imported at a controlled price, it is now possible to fix a local controlled price for rubber shoes. The price is still three times as high as the pre-war export price, and until (a) adequate canvas is available from England at a satisfactory price, (b) adequate rubber is available from Malaya at a satisfactory price, and (c) chemicals used to

mix with the rubber for the production of soles are available in quantity, it will be difficult to reduce the local price of approximately HK\$40.00 per dozen pairs.

“There are four further factors which concern the export business—it is difficult to estimate when they will vary. They are (1) Wages: labour charges, once the lowest single cost in the production of shoes, are now the highest. (2) Other charges such as electricity and coal are equally high. Coal is up to ten times its pre-war price, electricity is five to seven times pre-war price and petrol is two-and-a-half times pre-war price. (3) Timber required to make boxes is costly, due to the lack of timber available for the manufacture of furniture. Lower grade timber is now used for furniture-making instead of box-making. Paper and card-board for boxes are all three to four times pre-war price. (4) Freight and handling charges are now all in excess of 1939.

“From the foregoing, you will realise that, with the best will in the world, the Hong Kong manufacturers cannot yet offer rubber shoes at a price which will enable them to compete in England. Therefore, it is hoped that the Board of Trade, who understand many of the difficulties which concern us, will not legislate in any way that may effect this vital industry adversely. Your kind co-operation to obtain such an assurance is requested.”

On October 8 the Chamber learned from the Department that “the absence of Hong Kong Imports of rubber footwear into the United Kingdom at present will certainly not preclude consideration of future shipments on their merits, if and when Hong Kong manufacturers have rubber footwear available at reasonable prices. There is no question of our manufacturers losing any quota owing to delay in settling their price problems.”

MILD STEEL RODS & BARS.

Following the addition, on November 15, 1946, of mild steel rods and bars to the list of prohibited exports, the Chairman of the Hong Kong Metal Merchants' Association, in a letter to the Department of Supplies, Trade & Industry, emphasized the importance to the Colony of the entrepot trade and suggested that the Government should state its requirements to the Association, whether for its own use or for the public under a distribution scheme. The Association would give an assurance that these stated requirements could be obtained at prices fair to all parties and, that having been done, the Association suggested that its members be allowed to export the surplus. Judging from shipments already arrived or arriving, it was believed that there would be no scarcity of mild steel rods and bars in coming months. If export were entirely prohibited, the Association believed that merchants would not place further orders and that there would be cancellation of orders already placed. Their opinion was that the local demand is insignificant, as compared with the demand for export. Pending consideration of these suggestions, the Association urged the lifting of the export ban, or at least that permission be given for the re-export of 75 per cent of the quantities imported.

In forwarding a copy of this letter to the Chamber, the Association expressed apprehension that if re-export were not permitted, dealers would be compelled to repudiate their orders, or the parties would have to consent to mutual cancellation of contracts. Their experience was that exports of mild steel rods and bars usually amounted to about 90 per cent of purchases. Storage in godown of these goods was in itself a very costly item, accompanied by deterioration from rust and corrosion.

The Chamber took up this question with the Department and received the explanation that large works of reconstruction and new construction in the Colony were reported to be held up for lack of mild steel rods and bars and so the prohibition of export had been introduced while the position was examined. As soon as the immediate needs of local construction were ascertained and supplied, there would be no objection to the re-export of the surplus, and the co-operation of the Metal Merchants' Association would be welcomed in maintaining a proper balance between local requirements and the re-export trade. The Chamber expressed the hope that the Association would agree that this was the best way of dealing with the problem and would give its full support.

Limited Permission to Export.

The subject was further discussed in February, 1947, when the dealers suggested that permission to export 50 per cent. of imports be given and the Department countered with a proposal

that, if that be allowed, some method of price control be adopted. Representative importers were consulted and the following memorandum was forwarded to the Department embodying their views:—

The prohibition of the export of mild steel rods and bars in the interests of the reconstruction of damaged buildings was not, in fact, necessary.

The metal import trade of Hong Kong falls into two sections: (a) the import of British Standard Specification steel and (b) the import of scrap metal of many kinds for sale to Chinese dealers who, before the war, exported to South China the greater part of what they bought.

It is the practice now, and was the practice before the war, for importers to offer British Standard Specification steel to local architects and/or building construction firms. Chinese dealers are not normally interested in this high grade steel, but it is required to be used under the Building Ordinance wherever reinforced concrete enters into a building. It is uneconomic to use lower-grade steel in buildings because more of it is required to give the requisite strength. Government might ask importers of structural steel to declare all importations to the Building Authority or the Director of Building Rehabilitation, but this is not really necessary from the point of view of protecting supplies for local building for they will find their way to the right parties in any case.

The scrap sold to Chinese metal dealers is not guaranteed to come up to British Standard Specifications. It consists of a great variety of plates, rods, bars and angles of all shapes and sizes, the bars being usually too short for building construction purposes. It is an old-established business, built up, primarily, for re-export of materials to South China, local needs being comparatively small. Since the ban on re-export was imposed the business has slackened off considerably and there is a risk of an artificially created shortage later on. Price control is impossible on this large assortment of scrap materials (bought at various times and at different prices). Nor is it necessary, for there is ample competition to protect the purchasers, who are tinkers and other small users.

If the Government thinks it necessary to impose price control in the interests of building rehabilitation, it is suggested that it be limited to British Standard Specification steel, though in fact it is not necessary because there is sufficient competition between importers to keep prices within bounds, subject to the factor that such steel is in world-wide short supply. It may be of interest to note that prices of British Steel are to-day comparable with Continental prices, whereas in 1938 they were very considerably higher: the difficulty is, of course, to obtain British steel owing to the enormous home demand. In conclusion, it is suggested that the ban on re-exports be lifted for a trial period.

Further Conference.

After a further conference with representatives of importers and dealers the Price Controller arranged with the dealers that they should work to an agreed price formula showing a margin to them of 20 per cent. on the price paid to importers. Provided local prices did not rise unduly, export of 50 per cent. of imports would be permitted. This would not apply to constructional steel to British Standard Specification, prohibition on the export of which would be retained in the interests of local building rehabilitation. Production of the relative import licence would be a condition precedent to the issue of an export permit because of the difficulty which would otherwise be experienced in ascertaining whether the merchant giving the Debit or Advice Note was in fact the importer of the iron and steel for which export was requested.

At the request of the Price Controller the Chamber asked importers to notify the Department of all importations of steel of British Standard Specification, the ship on which they are arriving and the names and addresses of persons to whom the steel is being sold, together with the quantities involved; copy of the notice to be supplied to the Building Ordinance Office.

Many members will have lost during the Occupation their copies of pre-war issues of the Chamber's Annual Reports so that some recapitulation will be necessary before introducing matter which would have appeared in the Report for 1941 (never published) and then proceeding to an account of developments in 1946.

It is generally realised that, with the exception of certain naval and military lands and the site of St. John's Cathedral and precincts, land in Hong Kong is held under lease from the Crown. At first, leases were granted for 75 years but in 1849 leases for 999 years were authorised and existing 75 year leases were converted accordingly. In 1898 the late Mr. Joseph Chamberlain, when Secretary of State for the Colonies, decided that 999 year constituted too great a surrender of the right of the Crown (actually the community) to benefit from enhanced values of land and he directed that leases should be for 75 years or at the most 99 years. However, in response to representations by this Chamber at that time he modified his ruling and consented to 75 year leases, with the right of renewal for another 75 years at a revised Crown rent but without payment of premium at the end of the first term of 75 years.

However, from about 1860 until 1910 some 75 year leases without right of renewal were granted. There are 1,344 of these—76 on the Peak, 107 in other parts of the island of Hong Kong and 1,161 in Kowloon. The question of renewal terms was discussed at intervals from about 1886 onwards but no unequivocal declaration was made by various Secretaries of State who made pronouncements on the subject and the impression grew up that the leases would be renewed on easy terms, the most probable demand being a revision of the Crown rent to the rates prevailing at the time the leases fell in.

Discussion became acute from 1937 onwards when the Government announced to various enquirers the application of the undiluted provisions of leasehold law which are: that the lease is granted under a covenant to erect and maintain on the land a building of not less than a stipulated value and the lessee pays a cash sum on entry and an annual ground rent thereafter. At the end of the lease the land and the buildings upon it revert to the Crown.

To obtain a renewal, the following is the procedure set forth in the textbooks on the subject:—

"It is obvious that a lessee desirous of extending his lease of premises which have an improved value beyond the rent reserved, has to compensate the lessor for such extension and the method adopted is by the payment of a cash sum, called premium, on the grant of the new lease, or by payment of an increased rent, or partly by one and

partly by the other. In a calculation of this kind it is important to remember that the lessee must be allowed the benefit of the improved value for the unexpired term of the existing lease. The rule may be stated as under:—

"RULE. To find what sum ought to be given for renewing any number of years lapsed or expired in a lease (or for the grant of a new lease of any length), deduct the value of the unexpired part of such lease from the value of the whole term of the lease to be granted. In other words, the person concerned estimates the difference between the interest he now possesses and that which is proposed." (Curtis's "The Valuation of Land and Houses", Sixth Edition, 1924).

Appeal to the Chamber.

Some of the leaseholders appealed to the Chamber of Commerce and the Government also invited the Chamber's views. In 1939, therefore, a Special Committee was set up to examine the question. Their Report, which reviews the facts as fully as the information at the time permitted, was printed in the Chamber's Annual Report for 1939 pp. 61 to 80. The gist of the argument was that it was too late for the Government to change over to the policy of insisting on its strict legal rights and that the plan announced by the Secretary of State in 1915 was the right one—renewal for 75 years on payment of a fair rent for the second period, to be determined, failing agreement, by arbitration. It was urged that "a case has been made out for the proposition that the public has been given every ground for its long-established belief that the 75 year leases would be renewed, on expiry, upon payment of an enhanced Crown rent. We believe equity demands that this enhanced rent should be the prevailing Crown rent of the area, and that any other ruling will only create confusion and injustice. Clear evidence exists over a period of many years that the authorities both here and in the Colonial Office had no intention of interpreting and applying the leasehold system in all its severity. They were rightly more concerned to promote the development of the Colony than to deal harshly with the inhabitants in regard to the tenure of their homes. Thus the public was given a sense of security and is aggrieved to find, now, that it is only a false security. A number of people have bought property since 1915 on the understanding then expressed in the letter to Messrs. Dennys & Bowley that at the end of the lease they would only have to meet an increase in the annual Crown rent. Consequently, they have taken no steps to establish a sinking fund to provide against the ordinary incidence of leasehold tenure. They are now faced with heavy expense in maintaining an old building, and a decreasing rental, and must very soon find a large capital sum in order to rebuild obsolescent premises. In other words, they are being asked to buy back again an old building which they must shortly replace.

"Having regard to these considerations, we hold very strongly that leasehold law needs to be liberally applied in Hong Kong, otherwise individuals will suffer hardship and the general interests of the Colony will be adversely affected. We trust that the Secretary of State for the Colonies will maintain the view expressed by his predecessor that the objections raised by the Land Commission 1886-87 should be met; 'that the Crown should not, at the expiration of leases, confiscate the whole value of the tenants' improvements'; and will give an undertaking that new leases for 75 years will be granted on expiry of the present leases, subject to payment of a fair rent for the second period."

Government's Reply.

The Government's reply to this Report would have appeared in the Annual Report for 1941 if that had reached the printers. In fairness, and for the sake of record, it is summarised here. Mr. H. R. Butters, Financial Secretary, wrote the document, after close study of a mountainous pile of documents in the Government records, which contained much information not available to the Chamber's Special Committee.

In a covering despatch to the Secretary of State (Lord Lloyd) the Officer Administering the Government (H.E. Mr. N. L. Smith) wrote:

"Mr. Butters' memorandum gives an accurate historical account of this question and corrects the report of the Committee of the Chamber on certain important points; in the second paragraph the Chamber's contentions are shrewdly summarized.

"There is no real weight in the argument that the present holders of seventy-five year non-renewable leases were led to acquire them by a genuine though mistaken belief that they would be renewed on expiry, or by official statements to that effect. There is no official statement that could be cited in support of this belief. The Colonial Secretary's reply to Mr. H. W. Bird's question of 14th May, 1925, quoted in paragraph 32 of the first enclosure is explicitly to the contrary; and instances could be given in which building has been undertaken on land held on seventy-five year non-renewable leases even after enquiry had elicited that the leases would not be renewed.

"The question of these seventy-five year non-renewable leases was discussed by Sir Geoffrey Northcote in Executive Council prior to his departure on leave but no argument has been discovered for granting more favourable renewal terms than those already approved that would not be equally applicable to the seventy-five plus seventy-five year leases on their ultimate expiry. The principal contentions of the unofficial members of the Council at these discussions were:—

- (1) That the Crown being the ultimate owner of all land in the Colony should not follow the example of owners of private leasehold property by confiscating all improvements on the expiry of a lease.
- (2) That the exaction of a premium on renewal of a lease at an enhanced rate of Crown rent is indefensible inasmuch as the improvements which a leasehold owner has to find, e.g., road access, surface drainage, etc., already exist.

- (3) That Crown rents and land premia should be kept relatively low, Government obtaining its remuneration through the rates.

"Sir Geoffrey Northcote's opinion, with which I agree, was that the claim of a tenant, who has faithfully discharged his contractual duty, to favourable treatment should not be disregarded but that such treatment should not go so far as to negative one of the principal features of the lease, namely the complete surrender of the property in good order, which feature was undoubtedly taken into calculation when determining the consideration originally agreed on for the lease.

"The concession which I now suggest is that the sitting tenant might be offered on expiry a new lease at full economic rent which would be calculated on the value of the land and of the building thereon. This privilege which would protect the sitting tenant from the speculative bidder at auction should only be given to the tenant who had properly carried out his bargain as regards payment of Crown rent, erection and maintenance of buildings. A concession on these lines, if approved, could be regarded as an alternative to the terms of renewal approved in Lord Arnold's despatch under reference which has been offered to present holders of seventy-five year non-renewable leases."

Mr. Butters, in his memorandum, wrote:

"It is presumed in the Chamber's report that these leases were standard leases granted between the years 1880-1898 (approximately) and that before this period the normal term of lease was for 999 years and that since 1898 standard leases have been issued for seventy-five years renewable (on conditions which will be examined later) for a further seventy-five years, so that the seventy-five year leaseholders are alleged to find themselves in an invidious position in comparison with both earlier and later leaseholders otherwise similarly situated. The position is not as described. 999 years remained the normal term for building lots in urban areas until the standard term of lease was reduced as a result of Mr. Joseph Chamberlain's instructions in his despatches No. 132 of 23rd May, 1898, and No. 320 of 9th December, 1898. The seventy-five year leases were confined to lots in the hill district and Kowloon, then a village, and other non-urban areas. Although the majority of the leases were issued in the eighties one at Pokfulam was granted in 1856 and another in 1861 and others, in Kowloon, were issued as late as 1910.

"The main arguments advanced in support of the Chamber's contentions, as I understand them, are as follows:—leasehold law is open to criticism; in Hong Kong owing to the fact that the lessor is the Crown, it is inequitable that the law of leasehold should be strictly enforced; the precedent of the treatment in 1848 of then existing seventy-five year leases in the town of Victoria which were freely extended to 999 years should be followed in the case of the seventy-five year leases issued between 1880-98 (sic) but with an advance of Crown rent to the rent prevailing in the area only; there is a general ignorance of the law of leasehold in Hong Kong; Government by its conduct and public announcements has fortified that ignorance and is morally bound to implement the expectations of the leaseholders that they will not be treated as such, or bound by the terms of their contract.

"These arguments are so interrelated that I do not propose to deal with them separately but I shall attempt to show not only that they are without substance but that all have already been advanced in the past by or on behalf of the leaseholders or their predecessors in title and rejected by previous Governors and Secretaries of State.

"While the Chamber of Commerce professes to speak on behalf of leaseholders generally there are two peculiar omissions in the report. Firstly no reference is made to the fact that a number of leaseholders have accepted renewal from Government on the approved terms or variations thereof. Such acceptances are admittedly few in number and the lots in question are situated either in Kowloon or in Pokfulam on the south side of the Island, but on the other hand no renewals have at any time been granted by Government on other than the approved terms. Secondly, no special case is advanced in respect of lots on the Peak the peculiar circumstances of which were the basis of the petition from Messrs. Dennys and Bowley which was transmitted to the Secretary of State with Sir F. A. May's despatch No. 271 of 28th July, 1913, and are referred to in the appendix to the Chamber's report.

"The main argument of the Chamber of Commerce appears to be that the seventy-five year leaseholders have been lulled into a false security and that Government has suddenly and near the expiry of their leases imposed upon them new and harsh terms. This would appear not to be in accordance with the facts.

"As early as 1885 the holders of land on the Peak on a seventy-five year tenure petitioned the Secretary of State with the same request as is now advanced by the Chamber of Commerce, viz: that their seventy-five year leases should be extended to the standard terms, then 999 years, for building lots in the town. The Chamber of Commerce now requests that they should be extended to the standard term of seventy-five years renewable for a further seventy-five years. Sir George Bowen in his despatch No. 112 of 9th March, 1885, stated that the case had been laid before the Executive Council which advised that '(1) the Petition from the Peak Landholders should not be entertained except on the condition of much increased premia and crown rentals; and (2) considering that this is an important question respecting valuable Crown lands and the public revenue derived therefrom, the existing terms of the tenure of the Peak Lands should not be altered without reference to the Secretary of State for the Colonies', and he added 'I entirely concurred with the views of the Executive Council on this matter, and I caused the petitioners to be so informed. After a delay of ten months, they have requested me to lay the whole case before Your Lordship.'

"Lord Derby in his despatch No. 105 of 28th April, 1885, replied that 'after a full consideration of the whole question I have come to the conclusion that the concession asked is one which cannot be granted.

"I regret being unable to meet the wishes of petitioners, but while I am strongly of opinion that it is essential that contracts made with the Government should not be departed from without grave reason, it further appears to me undesirable for the Colonial Government to alienate these Crown Lands for so long a term of years, and that the ordinary term of seventy-five years for a building lease is as long a term as it is desirable to grant.'

"It will be observed, therefore, that as early as 1885 the seventy-five year leaseholders had a full appreciation of the nature of their tenure and that while the Colonial Government was prepared to consider an extension of term but only on condition of increased premia and Crown rent and so informed the leaseholders the Secretary of State considered seventy-five years as adequate.

"It was not, however, until 1898 that the issue of 999 year leases was discontinued as a result of Mr. Chamberlain's express instructions, contained in his despatch No. 132 of 23rd May, 1898, in which he stated:

'the policy of giving leases of Crown Land in Hong Kong for 999 years, which has prevailed in Victoria for some years, and which the Land Commission of 1886-7 recommended should be extended to Kowloon, is in my opinion open to grave objection.

"Leases for 999 years are practically equivalent to a freehold tenure, and the grant of such leases deprives the Government of all control over the land of the Colony, and of all the advantage of any future enhanced value of the land'.

"Mr. Chamberlain considered that future leases should be for periods not exceeding seventy-five, or at the outside ninety-nine years, with suitable provisions to meet the objection raised by the Land Commission of 1886-7, viz: that the Crown should not at the expiration of the lease confiscate the whole value of the tenants' improvements.

"It is interesting to observe that the then Chamber of Commerce petitioned the Secretary of State animadverting strongly upon the proposed change in the tenure of Crown lands from 999 years to seventy-five or at the longest ninety-nine years, and complaining that any lease having less than sixty years to run was regarded as insufficient by trustees and corporations. Its views were forwarded and commented upon by Major-General Black in his despatch No. 284 of 6th October, 1898. There are several passages in that despatch relevant to the present petition.

"Major-General Black wrote: 'As regards the statement that holders of land at Kowloon and in the hill district leased on a seventy-five years' tenure were allowed to believe that the question of the future extension of the lease to a parity with those held within the city of Victoria would be considered and that in no case would resumption follow on conclusion of the lease, it has no foundation,' and he invited attention to Lord Derby's despatch No. 105 of 28th April, 1885, referred to above, and remarked that on the strength of the decision conveyed therein a similar request preferred by the lessee of R.B.L. No. 1 had recently been refused.

"The Administrator continued 'As regards mortgagees, if they advanced money on the security of land leased for seventy-five years, they did so with their eyes open and with no reason for the faith that was within them'.

"Major-General Black added that 'there appears to be nothing in local circumstances to differentiate Hong Kong in respect of the terms of leases, from other great centres of population, for I presume that in London and other places, banks, clubs, insurance offices, etc., and palatial private houses are often built on land leased for seventy-five to ninety-nine years', and he presumed that in Hong Kong, as elsewhere, if the lessee wished to renew at a rent based on the prevailing value of land, the Government would grant him the first offer. The Colonial Government in 1898 would appear to have held that the law of leasehold should apply in Hong Kong as elsewhere, on the grounds that 'the public good comes before the private gain of individuals and it therefore seems to be just that the Colony in general and not the particular man should get the advantage of the unearned increment.'

After discussing various other aspects of the subject, Mr. Butters continues:

"As I see it there is an acknowledged fundamental difference between the seventy-five year and the seventy-five year renewable leases, which is exemplified by the rulings quoted in that in the case of the former if the lots are required for public purposes on expiry of the lease no compensation is paid to the lessee on re-entry, whereas

in the case of the latter if the land is resumed on the expiration of the first seventy-five years compensation for improvements and disturbance are awarded to the lessee. In short, in respect of seventy-five year leases the Crown retains its full reversionary rights whereas in the case of the seventy-five year renewable leases while the Crown retains its reversionary right to benefit by any increased value in the land the buildings remain the property of the tenant and do not revert to Government, and if Government resumes the land compensation for the buildings is paid accordingly. I fail to see any reason to support the request of the Chamber of Commerce that all previous decisions should be reversed and the seventy-five year leases treated as though they were seventy-five year renewable leases.

"There remains the question of the method by which the Crown is to secure its reversionary rights, and this is complicated by the nature of rent in this Colony. For reasons not unconnected with the calculation of military contribution it has been customary to fix Crown rents at flat rates according to zones or districts and to confine competition for leases to a premium reached by auction from the upset price, in accordance with the instructions contained in Earl Grey's despatch No. 222 of 2nd January, 1851. Zone rent in itself in no way represents the value of the land. To charge only the current zone rent in respect of the second seventy-five years would mean a sacrifice by Government of its reversionary interest and of the full advantage of any future enhanced value of the land. It is a matter of comparative indifference to Government whether it obtains its reversionary rights in the form of annual rent or a lump sum premium or by a combination of both methods, and I see no objection to modifying the approved method set out in the enclosure if a lessee so desires by charging somewhat increased premium on renewal but leaving the Crown rent unchanged until the expiry of the original seventy-five years. As a further concession particularly in respect of leases on the Peak there would be no objection to the proposal in paragraph 52 of the Chamber of Commerce's report that unwanted portions of the site may be surrendered to the Crown provided the Crown's consent to the surrender is obtained in each case. Regarding the 'anomalous position' referred to in paragraph 48 of the report, any disparity in Crown rents could, if necessary, be adjusted by capitalizing part of the increased Crown rent in the form of a cash sum payment to Government.

"In the circumstances of this Colony it would appear desirable if, as requested by Sir Edward Stubbs, the detailed application of these principles might be left to the discretion of the Governor. The Colonial Government has never insisted on standardising the terms of renewal and circumstances vary greatly in the Colony, especially in the Peak district where certain property such as the old Peak Hotel on a seventy-five year lot has been allowed to fall into disrepair and finally to be demolished while on another site buildings, namely the Union Flats, have been erected at a cost far in excess of the building covenant for the lots which have been treated as though they were inland rather than rural building lots. It is interesting to note in passing that the owners of the lots applied to Government for renewal terms, which they refused to accept, shortly before the rebuilding programme was undertaken so that they cannot be said to have acted in ignorance of their position. All such cases can in my opinion be dealt with on the basis of the 'approved method' with the accepted variations thereto, provided the principle is maintained that there is an essential difference between the seventy-five year and the seventy-five year renewable leases and that while in the case of the latter renewal is to be granted at an economic rent in respect of the land only, but not merely at the current zone rent, in the case of the seventy-five year leases land and buildings revert to the Crown which grants renewal on payment of a cash sum or of an increased rent partly by one and partly by the other."

Chamber's Rejoinder.

The following are the principal paragraphs of the Special Committee's rejoinder to the despatch and the memorandum by Mr. Butters:—

It is doubted whether the first sentence of para. 6 of His Excellency's despatch will be clear to the Secretary of State. It is understood the concession suggested is that the premium claimed to be due on renewal should be added to the Crown rent in instalments instead of being demanded as a lump sum payment.

With reference to the Hon. Financial Secretary's comment, "The Chamber of Commerce now requests that they (the 75 year leases) should be extended to the standard term of seventy-five years renewable for a further seventy-five years" this is not the case. Para. 49 of our Report (last sentence) stated:

"The policy approved by the Secretary of State and announced in 1915 seems to us to be the right one—renewal for 75 (not 21) years on payment of a fair rent for the second period, to be determined, failing agreement, by arbitration."

This contention is repeated, in different words, in the first sentence of para. 53.

We came to the conclusion that the seventy-five year leaseholders could not expect to obtain a new lease for the standard term of 75 plus 75 years unless they paid a premium, but that they might reasonably ask for a further term of 75 years on payment of a re-assessed Crown rent, and could plead in support of that request the Secretary of State's offer of 1915, as subsequently amended to a 75 years' instead of a 21 years' extension.

The Financial Secretary quotes Major-General Black as stating about the year 1898 "he presumed that in Hong Kong, as elsewhere, if the lessee wished to renew at a rent based on the prevailing value of the land, the Government would grant him the first offer". In this passage Major-General Black does not suggest that a fine or premium should be paid on renewal, so that the Financial Secretary is scarcely justified in his comment that "The Colonial Government in 1898 would appear to have held that the law of leasehold should apply in Hong Kong as elsewhere". Major-General Black, in his remarks, anticipated the policy laid down by Secretary Harcourt in 1915 as set forth in para. 12 of the Financial Secretary's comments—renewal at a fair rent. In so deciding Mr. Harcourt destroyed the rigid common law interpretation of the seventy-five year Crown leases.

The Financial Secretary writes: "The further statement that Government Valuers have ignored the wasting nature of the investment when valuing leasehold properties for probate purposes is not in accordance with the facts". The Special Committee will be glad to have evidence that their statement is wrong. There is ample proof that, in recent years, private valuers have valued, and the public has purchased the seventy-five year leases, at prices far higher than would have ruled had the terminable nature of the investment been realised. Apparently the Government accepted these high values for probate purposes whereas, if the Government Valuers arrived at a much lower figure in their valuations, it is to be supposed that the executors of estates would have been informed and lower estate duties would have been charged.

We reiterate the contention in our Report of the 12th January, 1940, that—the standard lease in the Colony being now 75 years with a right of renewal for another 75 years—the non-renewable leases should disappear. The lessees should be given a renewal for 75 years on payment of a re-assessed Crown rent.

Post-War Discussions.

The foregoing narrative takes the discussion to the outbreak of the Pacific War. The subject was then under consideration by the Secretary of State for the Colonies. At one of the first meetings held at the end of 1945 to revive the Chamber of Commerce after the liberation of the Colony the growing urgency of a decision as to terms of renewal of the 75 year leases was emphasized. The Special Committee was re-appointed, but with an entirely new membership, none of the former members being available. Fortunately the file on the subject had escaped the destruction which was the fate of most of the Chamber's records when its office was converted into a barracks for Japanese soldiery. The Chamber wrote on March 18, 1946:

"If the Government is in possession of the papers on the subject, the Chamber will be glad to be informed of the tenor of the Secretary of State's reply, although it appears obvious that the devastation which has occurred, particularly on the Peak, as a result of the War makes necessary a reconsideration of the whole question of the terms of renewal of the 75 year non-renewable leases. The Chamber will be interested to learn the Government's views on this subject."

Government Statement of Policy.

On Sunday, June 16, 1946, the Government issued a Press release in pursuance of the promise that it would, as soon as possible, declare its policy in relation to those Crown leases which were granted during the last century for terms of seventy-five years with no provision as to renewal.

The statement continued:—

2. While it is not intended that the Government should insist upon its strict legal rights, which would include delivery up of the premises without any compensation for structures or development on the expiration of the terms of the lease, the adequate development of the leased area in accordance with the needs of the community would be a condition precedent to the grant of any new Crown Lease.

3. The terms of the various existing leases, the development and disposition of the leased areas and the present condition of the premises on those areas vary so widely that it is impossible to formulate detailed terms which would cover all cases.

4. In addition to such special conditions as the circumstances of any individual case might require, the following conditions would be applicable to all approved grants for new Crown Leases, whether or not the property had suffered war damage:—

- (a) The applicant would be required to surrender his interest in the existing term and the new Crown Lease would be for a term of 75 years plus the unexpired portion of the original term. The Crown rent would remain at its present amount until the expiry of the original term, whereafter a re-assessed Crown rent would be payable.
- (b) Payment of a renewal premium would be required, but Leaseholders would be given the option of paying this either in a lump sum, or by instalments over an agreed period of years, or over the unexpired portion of the original term together with the whole of the additional term. Where the premium is to be paid by instalments an addition would be made to allow for interest in respect of the deferred payments.
- (c) Hillside or waste land would be considered in the assessment of both Crown rent and premium. Decision of the Governor to be final.
- (d), (e), (f), (g) and (h) dealt with matters of detail.

5. The following conditions would be applicable to grants approved on applications made within one year of the date of this announcement (or such extended period as the Governor may approve), with intent to secure to the leaseholder a longer tenure with a view to the early rehabilitation of premises that had suffered war damage or to the early full development of the leasehold premises:—

- (i) The Crown rent would be reassessed in accordance with the scale applicable to the locality in the period immediately before the outbreak of the Pacific War and the amount of the renewal premium would be based on land values in the locality during that period.
- (ii) A building covenant would be required appropriate to the nature and locality of the Lot and the issue of the Crown lease would be made only after compliance with this covenant.
- (iii) The agreement for grant would contain a condition prohibiting, without the written consent of the Governor, any assignment or other dealing with the premises before compliance with the building covenant.

(The foregoing conditions (ii) and (iii) would also apply in all cases in which the Government considered that the leased area had not been sufficiently developed).

6. In the case of war damaged buildings applications would be entertained for the remission of the premium which would otherwise have been payable to the extent of one-half of the necessary cost of rehabilitation as certified by an authorized architect.

Should any war damage compensation subsequently become payable in respect of any premises whereon the premium or any part thereof had been remitted under the foregoing provision, a deduction would be made from the amount of such compensation equivalent to the amount of premium so remitted.

7. Those who are desirous of rehabilitating damaged premises or of embarking on schemes for the better development of the leasehold area at an early date are invited to submit applications to the Colonial Secretary.

Each application will be dealt with on its merits as rapidly as possible, but applicants must bear in mind that serious shortages in the staff of the Public Works Department militate against dealing with applications with the rapidity which Government would desire.

Amplification.

Enquiry has elicited that the foregoing statement applies only to those seventy-five year leases which are without provision for renewal for a further term, and then only to those in respect of which application is made before June, 1947. In view of the high cost of repairs or re-building, the effect will be that "one-half of the necessary cost of rehabilitation" will cancel the premium, which premium will be calculated on 1941 land values and not on the inflated figures of the post-war period. Already a good many 75 year leaseholders have made application for a new lease under the Government terms and it is important that all should do so before expiry of the time limit, which has been limited to one year from June, 1946, in order to encourage speedy action towards rehabilitation. The reason the scheme does not apply to other than the seventy-five year leaseholders is that these have longer tenure and are expected to rehabilitate at their own expense, looking to reparations (if any) for compensation of their outlay.

TRANSACTIONS IN LAND DURING THE JAPANESE OCCUPATION.

The Chamber, on the advice of the Legal Sub-Committee, endorsed the views of the Incorporated Law Society of Hong Kong as expressed in correspondence with the Land Officer on this subject.

The Land Officer, writing on January 10, 1946, brought certain problems to the notice of the Law Society. He mentioned that the Land Office was taken over by the Japanese Authorities who, sometime in the middle of 1942, ordered that every house owner must register with the "House Registration Office". The public seemed to have responded rather well to this Order with the result that there are now in the Land Office one hundred and sixty volumes of Japanese registers containing particulars (with plans attached) of the houses which were registered.

During the Occupation, the Authorities permitted, for the most part, only reassignments and assignments to be registered. These were generally recorded by striking out the name of the previous owner in the Japanese Register and by substituting the name of the purchaser or, in the case of a reassignment, by striking out the name of the mortgagee. Counterparts of the reassignment or assignment and other papers in connection with the property and its sale, were placed in a brown envelope (which also contained the original application for registration). These envelopes were, and still are, kept in the Land Office. The old Land Office Registers, (i.e., those which were kept up to 1941) were not used for registering any Occupation transaction or for any purpose except to check applications for house registration, a cross reference being entered in the Land Office Registers. Such cross reference would lead a person searching to the Japanese Registers. In the interest of commerce, it was considered desirable to lift the moratorium on dealings in land unaffected during the Occupation. To this end, it was decided that all dealings during the Occupation should be entered into the old Hong Kong Registers in green ink in the proper place where such entries would have been made had they occurred in normal times. Use of the green ink (never before used in the Registers) enables the person searching to see at once that the reassignment or sale was one which occurred during the Occupation, and its absence that the property was not dealt in during the Occupation.

There were about five thousand transactions in land during the Japanese Occupation. Of these, it is anticipated that less than one tenth will be challenged. It is nevertheless felt that the Administration cannot be expected to decide which transactions will be challenged, and cannot therefore lift the present restriction until the establishment of the Civil Courts, when aggrieved persons will, by registration of lites pendentes, be able to protect their interests. The Land Officer proceeded to discuss the legal position and made suggestions for remedial legislation.

Law Society's Views.

The Law Society replied that, with regard to the transactions in land which took place during the occupation of Hong Kong by the Japanese, so far as they are unchallenged transactions there should be little or no difficulty in obtaining the execution of such a deed as will in each case have the effect of giving the purchaser a good title and that so far as they are challenged then the onus of establishing a good title should be on the person setting up a title to the property acquired during the Japanese occupation.

The present position appears to be that the documents used for the purpose of these transactions are for all practical purposes ineffective and even if registered with a proper memorial could not do more than give notice to an intending purchaser or mortgagee that some transaction had taken place during the occupation period. It is also doubtful whether they ever really dealt with an estate in the land at all or that they were ever intended to do so. In considering this question it is necessary to bear in mind

- (a) that the Land Registry here is not a register of land but of deeds only;
- (b) that there can be no possible objection to a person who has an estate in the land dealing with it as he pleases during the occupation period provided he does so in accordance with the law and the terms on which he holds it;
- (c) that there are cases where unauthorised dealings with property took place during the occupation period in the absence of owners or mortgagees and in other cases where the owners or mortgagees were in Hong Kong under duress.

The members of the Law Society were of opinion that the documents used for the purpose of dealing with land during the occupation period are of such doubtful effect that in the event of their coming onto the title of any property they would be a source of great embarrassment to practitioners advising clients on their title, and therefore they and all other documents used in Japanese conveyances should be kept off the title and all record of them in due course expunged from the register of deeds in Hong Kong and that the titles to properties which have been dealt with during the Japanese occupation should be put right by a proper Assignment of the properties to the persons who now claim to be entitled to them.

For the foregoing reasons the Law Society was of opinion that it should be provided by legislation

- (1) That the entries in green ink in the Land Register relating to transactions in land during the Japanese occupation shall have no validity in law except as notice of a claim by an alleged purchaser or reassignee and that they shall operate as such notice for two years, at the expiration of which period they shall be expunged from the register except in cases where an action is pending when they shall be operative as notice until determination of the action.
- (2) Any purchaser or reassignee during the Japanese occupation shall have the right to call upon the vendor or reassignor to execute such deed as may be necessary to perfect his title to the property and on the registration of such a deed the entry in green ink relating to that property shall be struck out.
- (3) In cases where a property has been assigned more than once, the purchaser shall have the right to call upon the original vendor as well as all subsequent assignors to execute the necessary deed, the original vendor shall execute the deed as assignor and all subsequent assignors shall execute the deed as confirmors.
- (4) There shall be no further ad valorem stamp duty other than a \$20.00 deed stamp.
- (5) In the event of the vendor not being able to be found or being unwilling to execute the Assignment, Reassignment or Confirmatory Deed at the request of the purchaser, the purchaser shall be at liberty to apply to the Supreme Court for an Order appointing an Officer of the Court to execute the Assignment, Reassignment or Confirmatory Deed or in proper cases to apply for a Vesting Order; the Court to give directions as to the service of documents requiring service to have power to order costs against any vendor or reassignor refusing or being unwilling to execute such Assignment, Reassignment or Confirmatory Deed.
- (6) Upon the registration of any such Assignment, Reassignment or Confirmatory Deed executed by an Officer of the Court or of any such Vesting Order, the entries in green ink in the Land Register relating to the property in question to be struck out.

In supporting these views the Chamber wrote, on April 12, that it was most desirable that all record of Japanese conveyancing should be got rid of as soon as possible as otherwise investigation of title and conveyancing in respect of properties dealt with during the occupation will be rendered extremely difficult and complicated.

An interesting discussion arose from a suggestion by the Director of Building Rehabilitation (W/Cdr. S. E. Faber, A.F.C.) that the Chamber of Commerce should institute a centralised register in which all building material orders would be recorded, including material ordered by the Government. Such a register, it was thought, would make it possible to foresee shortages of particular articles and to ensure that orders for them were placed overseas; it would also provide general information as to supplies coming forward and be helpful to every one concerned.

After considerable investigation of the matter, the Chamber wrote to the Director of Building Rehabilitation on August 11, 1946, that it would be impossible to extract regular returns from a large number of firms and that the most practicable means of collecting accurate information would be by taking it from the returns made by importers for the Hong Kong trade statistics. It was noted that the registration of orders for building materials would be of little value unless the Government could secure for them a considerable priority in delivery and shipment, the present delay in execution of unsponsored merchant orders being anything up to twelve months.

In his reply, the Director observed that there was at present apparently no attempt at coordination or control of supplies; nothing to prevent a shortage or a glut of any commodity. He felt that the information obtainable through trade statistics could be of real assistance only when materials actually arrived: the statistics would therefore be of little use in estimating a future shortage and ordering ahead to avoid it. The Statistical Branch, moreover, had no knowledge of consumption or final destination within the Colony. The Director added, "As regards securing a priority in delivery and shipment, I am informed that there is little difficulty in finding shipping space. The question of deliveries is of course not fully under the control of the Hong Kong Government since world shortages and consequent quotas, and specific allotments made by the Home Government, and Governments of other producer countries are essential and vital factors in the equation. In several cases, however, Government has been able very materially to reduce the time for delivery of specific items, on request from the importers, and Government has repeatedly expressed its willingness to continue to lend its weight to orders which will ameliorate the local supply position."

"If the above is a correct view of the present position, and if I am correct in concluding that the merchants, through the Chamber, are satisfied with it, there seems little more that Government can do, as long as the importation of materials for non-Government needs is left unrestrictedly to private enterprise. If however your Committee feels that Government assistance in some other form is desired, I shall be glad to hear from you."

Replying on September 27, the Chamber commented that orders for building materials follow the usual trade practice. Economists and theorists have criticised it, but the alternative of trying to keep track of market requirements by a process of collecting exhaustive information seems impossible of attainment, especially in this market which is concerned chiefly with supplying the large but uncoordinated needs of South China and of neighbouring countries in the Pacific. Orders are placed, in the majority of cases, by people with experience who often have in mind definite projects for which material is specifically required.

Once the principle were adopted that supplies ought to be co-ordinated in order to prevent shortage or glut, it would have, logically, to be extended to all imports. That would be a very large undertaking and its objects would not be likely of attainment without power to order cessation of buying or diversion of buying power to designated materials. The plan would work only under an organisation of society in which the State was the sole trader or exercised strict control over traders.

Incidentally, Government is the only purchaser likely to be able to buy in such large quantities as to affect the market seriously and it would be a help if such purchases were announced at the time of completion. The General Committee had in mind in this connection Government purchases of cement, understood to amount to 12,000 tons, which had tended to produce a glut in this commodity.

As to whether the suggested register should record materials ordered or actually arrived, it is to be noted that—under present conditions in the supplying countries—doubt would always exist as to whether goods ordered would in fact be shipped. A great deal of "following up" would be necessary to check returns already made, to see whether items on the register ought later to be deleted.

A register of goods actually arrived would be quite useful as an indication whether to order more or to refrain; but a further check would be needed of goods passing into consumption locally, or re-exported, otherwise the register would be misleading. On the whole the difficulties seemed too great to make the proposal feasible. Merchants were painfully aware of present difficulties connected with world shortages and controls and welcomed the assurance of Government help in obtaining deliveries.

"On the whole, the Chamber believes that time is the chief remedy for existing troubles. As peace-time industry in the supplying countries revives and the shipping situation improves, private enterprise will once more supply, with reasonable efficiency, the requirements of consumers. The difficulties encountered and the complicated organisation set up by the various Government Controls established in the last six years afford ground for the

belief that—necessary as controls may have been in War and in the aftermath of war—world trade is so diverse and multifarious that it is better left to private enterprise which by and large has justified itself over a long period of years.”

In reply, the Director remarked that there seemed to be nothing that Government could do to assist merchants other than to sponsor indents in approved cases. As a matter of record, he suggested that Government purchases of cement had had less influence in producing the present glut of this commodity than the multiplicity of orders by speculators during the latter part of 1945, amounting to some 40,000 tons in all. (To which it might be rejoined that the import licensing system should have been used to prevent over-ordering.)

PASSAGES OF REPATRIATES.

When the Colony was liberated at the end of August, 1945, an official of the Colonial Office, in a statement to internees in Stanley and in a broadcast, declared that internees would be conveyed to their homeland and brought back again, free of charge. “The foregoing statement (he added) applies to everybody and not only to Government servants.” Later on it was elicited by the China Association in London that this promise had been modified to read “the concession would be confined to individuals for whose passages employing firms would not normally be responsible”. To waive this limitation, it was added, would be tantamount to relieving business firms, at the expense of the taxpayer, from expenditure for which they would normally accept responsibility and having regard to other claims upon available funds it was not considered that such a course was justifiable. In order, however, that the return of individuals might not be delayed in cases where there was some doubt as to the liability of the employing firm which could not readily be resolved in the United Kingdom, or where the employing firm was not at the time in a position to provide the necessary funds, a procedure had been adopted under which passages were being granted on application in the first instance at the expense of Hong Kong Government funds, subject to an undertaking to refund the cost in due course if the Colonial Government should decide that it could not be accepted as a charge against public funds.

The China Association advanced the following reasons why H.M. Government should be responsible for return passages: (a) Responsible Officers of the Government made a promise to this effect without any reservation; (b) It is not practicable to decide in the special circumstances which now exist for what passages firms would “normally be responsible”.

The Chamber had before it evidence that the High Commissioner for the United Kingdom at Canberra took the view that, as far as repatriates to Australia were concerned, “persons formerly resident in Hong Kong are eligible for repatriation to that country at Government expense” and many people were in fact conveyed to and brought back from Australia without charge. In a letter to the Hong Kong Administration, dated March 7, 1946, the Chamber quoted the Colonial official’s statements in the previous September, declared that the general understanding was that free return passage was promised, without reservation, and asked that a clarification of the position be obtained. The question was taken up officially with the Colonial Office, but as late as February, 1947, no ruling had been obtained, the matter being still under consideration.

Allocation of Passages.

The method of allocating return passages for business men and their families was the cause of widespread complaint. It was found that although the Colony had been thrown open to normal private trading during November 1945 the total allocation of passages from the United Kingdom was only fifty each month and of these but a very small proportion was allotted to business staffs during the vital first few months. The subject was discussed in the early summer of 1946 with a senior officer of the Military Administration who had lately arrived from London and the whole position was put before the Colonial Secretary as soon as Civil Government was re-established. Representations which had been made in London had, however, in the meantime persuaded the Ministry of War Transport to arrange for the ss "Otranto" to carry civilian passengers to Hong Kong and, although the ship was allowed to sail with quite a number of vacant berths, her first voyage cleared a large part of the arrears and a further voyage by the same ship together with one by the ss "Empress of Australia" and by several aircraft carriers put European staffs back to a reasonable strength by the end of the year.

In a letter to the Government dated May 14 the Chamber suggested that in case of doubt as to the priority of applicants for passages reference should be made at Home to the Colonial Government which should consult the Chamber. The Government agreed with this suggestion and thereafter referred to the Chamber for opinion in a number of cases. In May, also, members were notified that the China Association in London undertook to make representations to the Ministry of Transport on behalf of those without representation in the United Kingdom, and advantage was taken of this by several firms.

ACCOMMODATION PROBLEMS.

On the re-occupation of the Colony after the War considerable damage to residential property was found to have been brought about by bombing raids and by looting. European-style property sustained the highest percentage of damage (especially on the Peak), but in some areas Chinese tenement houses suffered severely.

The shortage of accommodation during the Military Administration was aggravated by several factors of which the following were the principal:—

- (i) The necessity to accommodate the various Chinese armies passing through Hong Kong in transit to North China;
- (ii) The unusually large numbers of H.M. Forces to be accommodated and the damage to barracks normally occupied by them;
- (iii) The rapid influx of Chinese, both former and new residents.

The accommodation problem for Europeans did not become really acute until the resumption of Civil Government and the return of large numbers of ex-internees and their families. Re-habilitation of property has been seriously impeded by lack of materials, those available being exceedingly dear.

Advisory Committee Appointed.

During the Military Administration a Building Reconstruction Advisory Committee, under the Chairmanship of Mr. Lawrence Kadoorie, was set up on instructions of the Commander-in-Chief. It consisted of representatives from all the Services and from the Civil Affairs Branches such as Works, Quartering, and Supplies.

The Committee made an extensive survey of property destroyed and damaged and in their report, dated April 9, 1946, quoted the following figures which are reckoned in typical building units: for example, the unit for a Chinese tenement house was taken as one floor measuring 15 feet by 40 feet.

Type of Building	Building Units		
	Damaged	Destroyed	Totals
European Residential, Class I ...	107	834	941
" " " II ...	203	974	1,177
Chinese Residential, Class I ...	84	201	285
" " " II ...	78	368	446
Tenement Houses	8,217	8,039	16,256
Offices and Public Buildings ...	169	301	470
Factories	141	274	415
Stores	361	155	516
Totals	9,360	11,146	20,506

The Committee's conclusions were as follows:—

Shortage of Accommodation.

The shortage of accommodation of all kinds grows more acute every day with the steady increase in population. The greatest shortage is in residential accommodation of the non-Chinese type.

Residential property housing about 7,000 of the 10,000 non-Chinese civilians who are expected to be here by the end of 1946 has been damaged or destroyed. An appreciable part of the remaining accommodation is now taken up in housing people who were not previously resident in the Colony.

Some 160,000 Chinese have been displaced by war damage and others by requisitioning, and with a rapidly increasing population the congestion is becoming worse.

Accommodation for the Services has also been materially reduced below the requirements. There is little prospect of adequate new buildings being erected to meet Service requirements within the twelve months period considered by the Committee, but there may be some improvement in the situation due to the erection of hutting. Requisitioning by the Services is therefore necessary; re-requisitioning, being merely a change in status of persons housed, will not in itself produce additional accommodation.

Unless much rebuilding is done soon, the accommodation problem will become critical for all sections of the community.

Various Shortages.

The most important single factor in the building reconstruction of the Colony is the provision of building materials in adequate quantity and at reasonable market prices. To achieve this end a special organisation staffed with personnel with experience of purchasing and handling building and civil engineering stores should be set up.

The shortage of certain critical materials, especially timber, glass, plumbing and sanitary fittings, makes necessary a control by Government to prevent diversion to non-essential uses. Local production of building materials should be encouraged and assisted.

The existing resources of the Colony in qualified technical, architectural and civil engineering personnel, both in the Government and in private practice, are inadequate to undertake the reconstruction programme envisaged, and no opportunity of increasing them should be neglected. There is a serious shortage of vehicles needed for the transportation of personnel and materials.

Housing Finance.

Except by the Administration, little reconstruction work has been undertaken, owing chiefly to the high cost of materials and labour, and the Rents Ordinance which prevents property-owners from increasing rents although building costs have risen very considerably.

The lifting of rent restrictive legislation would increase the high cost of living and aggravate the existing tendency towards inflation. However, the majority of property-owners will not undertake repair or rebuilding work so long as costs of materials and labour remain high, unless Government assistance in the form of a subsidy is granted to them.

Finance alone, without the immediate prospect of obtaining materials, would be insufficient. "Easy" money combined with lack of materials would push prices up and the tendency towards general inflation would become marked. The cost of reconstruction should be borne by the community as a whole and not only by the owners of damaged and destroyed property. In order to spread the cost over a period of years, any subsidy should be repaid out of taxation, but care must be taken that the cost does not fall on the poorer classes. The problem is urgent; speedy decision and action are vital.

Recommendations.

The Committee's recommendations were:—

That adequate building materials be purchased and imported by Government without delay, and surplus Army stocks in the Pacific should be acquired.

All building materials imported into the Colony should be registered in a Government pool, manned by an adequately staffed

Stores Department. The services of local firms should be enlisted for importation, storage, and distribution of materials. Local production potential should be encouraged and utilised to the fullest extent.

Government should decide on a policy to assist property-owners by allocating materials from the above-mentioned Government pool and by subsidising the cost of repairs to a price level closer to that existing when rent restrictive legislation was introduced.

Government should lease selected blocks of property and sub-let to approved tenants; also investigate the desirability of developing new areas for building adequate accommodation for its own employees.

So long as the housing shortage remains acute, rent restrictive legislation should not be removed. Speedy decision should be made regarding Crown leases due to expire in the near future.

Adequate technical staff be engaged, and every facility afforded for the return of P.W.D. employees.

A Senior Executive Officer should be appointed whose sole duty it should be to co-ordinate and direct the work of reconstruction and housing.

Several of the recommendations of this Committee were adopted, notably the appointment of a "Director of Building Rehabilitation".

The Government announced on July 10, 1946, that it had considered the recommendations of the Advisory Committee. Some of the measures proposed by them had already been put into effect and Mr. S. E. Faber had been appointed Director of Building Rehabilitation.

The Committee proposed that Government should purchase and import building materials, but it was considered that this would be usurping the normal functions of commercial importers and thereby delay their recovery. Government would, however, co-operate by arranging shipping priorities and export permits. A Government Survey Mission had been sent to study the position as to surplus military stocks but found that most of those in the Pacific were already earmarked for United States and Australian use and no appreciable quantities were available to Hong Kong. The proposal that imported building materials should be registered in a Government pool was not approved as it was considered preferable to co-ordinate all orders through the Hong Kong General Chamber of Commerce. The services of local firms would be enlisted for the importation, storage and distribution of materials. Local production was being encouraged; window fittings, steel windows and furniture were being made locally.

It was recommended by the Advisory Committee that Government should assist property owners by allocating materials from a Government pool and by subsidising cost of repairs to a price level closer to that existing when rent restrictive legislation was introduced. However, it was considered by Government that normal business channels should be used wherever possible. Government would continue to release materials for private use. The most important thing was to increase supplies and all its energies would be devoted to this end. The Government was prepared to repair and let tenements in certain instances, where the owners were unable to carry out repairs. The Committee's recommendation as to development of new areas was accepted.

The Government agreed with the Committee that, while the acute housing shortage remained, rent restrictive legislation should not be removed. A committee was being set up to examine the position. Government was prepared to ensure that adequate technical staff was provided for the Public Works Department. All possible steps were being taken by the Services to release private accommodation for civilian use.

Complaints from Members.

The Chamber received a considerable volume of correspondence from members during the year on the subject of accommodation and on May 6 passed to the Government a complaint that a requisition relinquished by the military authorities was continued by the civil administration; also that the Custodian of Property had received instructions not to hire out or sell furniture but to reserve it for civil servants. The Committee wrote that it realised the Government would need accommodation for returning civil servants, but it was evident that returning civilians were in precisely a like case and therefore the need was clear for some system of fair and reasonable allocation that would give each interest its proper share, both of residential and office accommodation and of such furniture as was available.

The Government's reply (May 8) was that its policy appeared not to be fully understood, and the Colonial Secretary added: "A limited number of houses and flats is being retained under requisition for Government servants. The remainder, as they are de-requisitioned, are offered by the Quartering Commandant to firms previously registered with him as requiring accommodation. Furniture is being made available to the public by the Custodian to meet his various commitments, and the criterion is the date of application."

The subject was pursued by a question in the Legislative Council on June 20 when the Chamber's representative (the Hon. Mr. R. D. Gillespie) asked on what basis houses and flats are allocated on de-requisition to commercial firms by the Quartering Commandant's Department. The Colonial Secretary's reply was

that, strictly speaking, Government powers of allocating quarters lapse on de-requisition. The Quartering Commandant had, however, on a number of occasions been able to use his good offices to put commercial firms in touch with landlords of premises about to be de-requisitioned, at the same time indicating the maximum number of persons he considered could be accommodated in that particular house or flat.

The Hon. Mr. Gillespie also asked: "In determining how many persons should occupy a house or flat, is the same basis applied to commercial firms as is applied to members of Government and of the fighting services?"

The Colonial Secretary replied: "Yes." The general principle, which was to ensure that as many persons as possible were housed in the limited accommodation available, applies to both.

Quartering Authority.

On July 25 Government informed the Chamber that, in view of the shortage of European type accommodation, a Quartering Authority was being set up. This Authority would be responsible for allocating all this type of available accommodation to Government, the Services and the commercial community. Each of these sections would be asked to nominate a representative who would work closely with the Quartering Authority and put forward their requirements to him. The Chamber was invited to nominate a representative and chose Mr. C. Blaker, M.C., to whom thanks are due for a great deal of time and trouble devoted to the interests of those seeking accommodation.

Legal Bounds to Requisitioning Powers.

Later in the year the suggestion was made that the Services were retaining certain premises—not because they needed them for the present emergency—but in order to use them later for the accommodation of married families. The question of the legal bounds upon requisitioning powers was accordingly submitted to the Legal Sub-Committee of the Chamber. It was noted by them that the Emergency Powers Acts were, by Orders in Council, applied to Hong Kong but expired in February, 1946. Certain regulations, however, made under the said Acts as applied to the Colony were retained by virtue of various powers and expressly enacted in the Emergency Powers (Extension) Proclamation No. 30 of April 1, 1946, which was affirmed as part of the law of the Colony on the resumption of Civil Administration by Proclamation No. 2 of May 1, 1946. Under the Proclamation the purposes for which land may be taken possession of or used and property other than land may be requisitioned are limited to those enumerated in Article 2 thereof:—

- (a) to secure a sufficiency of those supplies and services essential to the well-being of the community or their equitable distribution or their availability at fair prices;
or

- (b) to facilitate the demobilisation and resettlement of persons and to secure the orderly disposal of surplus material; or
(c) to facilitate the readjustment of industry and commerce to the requirements of the community in time of peace; or
(d) to assist the relief of suffering and the restoration and distribution of essential supplies and services in any part of His Majesty's dominions or in foreign countries that are in grave distress as the result of war.

"Essential supplies and services" as referred to in (b) and (d) it was stated cannot by any stretch of imagination be construed to include provision of quarters for married personnel of H.M. Forces. In the light of the purposes specified it is doubtful if the requisition of premises for use of Government Servants and their families is justified unless it can be effected consistently with the necessity of securing a sufficiency of those supplies and services essential to the well being of the community or their equitable distribution or their availability at fair prices.

The following question was later put in the Legislative Council by the Hon. Mr. R. D. Gillespie: "What directives have been made by the Commander-in-Chief or the Senior Officer commanding British Forces under Article 5 of the Requisitioning Proclamation?"

"In view of the provisions of Section 52 and 53 of the Defence Regulations 1940 as extended and adapted by the Emergency Powers (Extension) Proclamation, have either the military or civil government authority to requisition land for the purpose of providing married quarters for Service personnel, or government servants in priority to civilian requirements?"

The Colonial Secretary replied: "Two directives were issued by the Commander-in-Chief during the Military Administration. The first was dated November 16 and cancelled by the second on January 22. Both are long documents dealing almost entirely with procedure. The texts are available in the Secretariat for inspection by any members.

"It is not government practice to express in answer to a question an opinion on the legal effect of any enactment which has not been construed by the courts.

"Government is, however, prepared to state that it proposes to use premises requisitioned prior to November 1, 1946, to provide married quarters for civilians as well as government servants and members of the forces and that it has given instructions to the Quartering Authority that accommodation at present under requisition shall be allocated in an equitable manner as it becomes available."

LOST SHARE CERTIFICATES.

The Hong Kong Stock Exchange issued a circular to local limited liability companies on April 6, 1946, mentioning that representations had been made to the Government as to the re-opening of the Stock Exchange, one hindrance to which was believed to be the loss of share registers of some of the public companies. Companies were asked, if their share registers were not intact, to do their best to re-construct them so as to remove one of the obstacles to an early resumption of share business. Communicating the results of this circular to the Chamber of Commerce on April 30, the Chairman of the Stock Exchange stated that only four companies had lost all their records and had no duplicate copies; fifteen had their registers in perfect order; four had duplicate copies abroad and three had only an index of shareholders, which meant that the names and the number of shares held were known, but not the distinctive numbers of the shares. The General Committee of the Chamber expressed agreement with the Committee of the Stock Exchange as to the desirability of re-opening and believed that all efforts would be made to bring this about.

The Legal Branch of Civil Affairs issued a statement which appeared in the Press on April 24 concerning remedies of persons who had lost share certificates and/or blank signed transfers. This statement mentioned that practically the whole of the Registrar of Companies' records were lost. Consequently, to ascertain the extent to which companies were in a position to furnish duplicate records, an advertisement was published in the press, calling upon companies to furnish particulars. The situation as to lost shares was complicated by reason of the Hong Kong practice of passing the shares from one person to another accompanied by a blank signed transfer form. A registered proprietor might thus be a person who parted with the shares years previously and who had no knowledge as to the present possessor. The Administration contemplated doing all that was reasonably required where the existing machinery was inadequate to meet present conditions, but where remedies existed already shareholders and others were expected to take steps themselves to protect their interests. Those who had lost their certificates should notify the companies. Those who merely held certificates not in their own names, accompanied by signed transfer forms and who were no longer in possession of them should also give notice to the companies concerned. If a company by its articles was empowered to refuse recognition to such a claim, the shareholder should proceed by way of "notice in lieu of distringas".

At the same time the Chamber was supplied with the following statement on the subject:--

1. A person, being the registered owner of shares, who has lost possession of the relevant share certificate and/or a blank signed transfer, can notify the company of his loss. In such a case of a lost certificate, the company should, in accordance with and on the terms of the company's Articles of Association (which usually provide for proper safeguards) in due course issue a fresh certificate.

2. If the person who has lost possession of a share certificate and/or a signed blank transfer is not the registered owner, he can likewise notify the company of the loss, but under certain circumstances the company may not be prepared to recognize such notice. This depends upon the circumstances of each particular case. Section 101 of the Companies Ordinance, 1932, prohibits the entering of notice of any trust expressed, implied or constructive, on the company's register of members, but it has been decided that this section alone does not entitle a company to refuse to take notice of all equitable claims. Further, many companies' articles contain a provision that the company shall not be bound to recognize any equitable or other claim to or interest in a share of any other person than the registered owner. If a company's Articles do contain such a provision, this would certainly justify a refusal to take any notice of the claim of a person, not a registered member of the company, who claims to have lost share certificates and/or blank signed transfer forms.

3. In the event of a company rightfully refusing to recognize any such notice, the remedy of the person losing possession of the certificates, etc., whereby he may prevent dealings with the shares until he has commenced proceedings by action to substantiate his claim, is under Order 46, Rule 4, of the Rules of the Supreme Court which, under the provisions of the Hong Kong Code of Civil Procedure, is applicable to Hong Kong. This Rule provides for the filing of an affidavit and a notice, called a notice in lieu of distringas.

4. The above only deals with the steps which a person may take to protect his interests as and when the ban on the transfer of shares is lifted so that shares in which he is interested are not transferred in the company's books to another. It does not provide a means for settling any dispute which may arise between rival claimants or between a claimant and a company. Any such disputes will have to be settled by action or motion to rectify the company's register of members.

The question of uniformity amongst local companies as to the procedure to be followed when shareholders declared that they had lost their scrip was discussed by the General Committee in July, as a result of which the Chamber published a notice in the press urging shareholders who lost their scrip during the war and who had not already notified the loss to the respective companies to do so immediately, so that the companies might take such steps as they might deem necessary to prevent any transfer of the shares and, generally, to protect the interests of the shareholders. Later on a circular was addressed to all the public companies, asking them to inform the Chamber as to the percentage of lost scrip in the company to the total capital. The replies received indicated that the percentage of loss was by no means high. The suggestion was then made that companies' secretaries might meet round the table and agree upon the uniform method of replacing lost scrip,

and the Chamber offered to convene such a meeting. The suggestion was found acceptable, and the meeting was held on November 27, the Hon. Mr. M. M. Watson, of Messrs. Johnson, Stokes & Master, in the chair. This meeting had before it a draft bill intituled "An Ordinance to relieve Companies (other than China Companies) against their inability or failure since December 8, 1941, to comply with the Companies Ordinance, 1932, to provide for the making of necessary returns by such companies, to provide a means whereby companies can remedy the loss of registers records and documents and for other connected matters."

It was explained that the principal operative Section would be re-drafted to deal with the following classes of cases:

- (1) If a person is a registered holder he will be entitled to a new certificate three months after the passing of the Ordinance if no claim to the shares is made by anybody else. After that time, the Company would not be concerned with any adverse claim which would have to be settled between the parties individually.
- (2) In a case where a person, not the registered owner, had bought shares with a blank transfer (which he holds) he can arrange with the Company to publish an advertisement to the effect that unless anybody claims for these shares within three months from date of advertisement the Company will register him (the advertiser) as the holder of the shares.
- (3) In a case where a person claims ownership of shares of which he is neither the registered holder nor holds the scrip or transfer but may have other evidence that he purchased the shares, the case would have to be referred to the Court under the usual procedure for a rectification of the register.

The meeting considered these proposals satisfactory. At the time of going to press the Bill was still under consideration and had not yet been published as a Draft Bill.

ADMINISTRATION OF THE PORT.

During the year a Port Administration Inquiry Committee was set up by the Government and its recommendations were forwarded to the Chamber on January 8, 1947. The Report discussed at length the Owen Report on the Development of the Port of Hong Kong (summarised in the Annual Report for 1940, page 36). With the utmost deference the Committee expressed the opinion that the facts stated in Sir David Owen's report did not warrant the conclusion that the existing form of Government control of the Port had resulted in any such failure in administration or inadequacy of facilities as would justify the establishment of control by some form of Port Authority or Trust.

In paragraph 102 (10) of his report, Sir David Owen specified that the policy of the Trust should be that of seeing that adequate and proper facilities are available in the Harbour for ships and their cargoes, but to allow approved private enterprise to provide these facilities as far as possible and also to let private enterprise do its own operating. This has been the general policy in the past and the Committee felt that this policy could be pursued with the aid of a strong and representative Advisory Board as effectively as it could be pursued by a Trust, particularly if such Advisory Board were given the necessary powers to see that any of their recommendations which might be approved by Government were carried out.

The Committee did not feel it was necessary to constitute a Port Trust in order to ensure effective control of the matters which Sir David Owen proposed to place under the control of that body or that it would be justifiable to constitute a Trust for the control of so limited a range of matters. As stated by Sir David Owen in paragraph 83 (h) of his report—"the Trust would merely be taking over duties now performed by the Government", and there had been no serious criticism of the way in which those duties had been performed.

In Sir David Owen's words, "the Harbour is the Colony and the Colony is the Harbour". If a Trust were to acquire and operate all the facilities of the Port, including piers, wharves and godowns, shipyards, and the Railway, also the control of foreshore rights and reclamations, it would indubitably become the master planning unit of the Colony. It was conceivable that a Port Trust of such importance might, by unifying control, effect certain economies, but before it could come into being immense capital expenditure would be involved, and there was no evidence before the Committee that this proposition was practicable or desirable. It was completely against Sir David Owen's recommendations, which did not advocate the creation of an operating Trust.

The Committee's conclusions and recommendations were:—

That the remedying of certain present physical deficiencies and defects in port facilities depended upon the decision of Government on four matters of policy, namely, (1) the renewal of pier leases, or the grant of new leases; (2) further reclamations; (3) dealing with Yaumati Typhoon Refuge; (4) the preparation of an overall plan for the development of the Colony (the last-named was regarded as urgent).

That any requisite co-ordination between the Government departments concerned with the Port and the necessary representation of the shipping and other interests concerned could be attained by the formation of a Port Committee.

The Committee made recommendations for the constitution of a Port Committee to include three persons nominated by this Chamber, two to be British subjects and one to be representative of interests other than British or Chinese, and one person to be nominated by the Chinese Chamber of Commerce. It was also stipulated that the Port Committee should be given an assurance that its recommendations would receive the serious consideration of Government at the highest level and that, if approved, it would be the concern of Government to ensure that such recommendations were carried out with the assistance of such Government or Municipal services as might be available.

That the terms of reference of the Port Committee should be to consider and to advise Government upon all matters relating to the welfare, control, administration and development of the Port, including reclamations; its directive being to see that adequate and proper facilities are available in the Port for ships and their cargoes and to make and submit to Government all necessary plans in that behalf, but to allow approved private enterprise to provide these facilities as far as possible, and also to let private enterprise do its own operating.

It should be the express duty of the Port Committee to keep under review the execution of all approved Port works and for this purpose it should be empowered to call for progress reports.

The Chamber nominated as its representatives on the Port Committee, Mr. C. C. Roberts, Mr. F. A. Pollock and Mr. T. B. Wilson.

A great increase in pilferage of cargo seems inevitable in the years that follow a great war, and this subject has received much attention during the year. In February Australian underwriters called attention to "appalling conditions prevailing in recently re-occupied territory". The main causes seemed to be: war damage to warehouses, etc.; disruption of discharging facilities; turbulence and food shortage among natives, allied to extensive black market facilities. The following description was given of conditions at Singapore: "Discharging took place under conditions which were ideal for pilfering, the goods being landed on to damaged wharves fitfully lighted by a few temporary lamps. It was impossible adequately to supervise the natives who, prompted by hunger and aided by an extensive 'black market', were loading whole cases on to native craft alongside. Such goods as reached the warehouses were vulnerable to thieves, the stores being in most cases badly damaged and little more than shells, roofless and exposed to the elements, with virtually no police protection. Conditions militated against a ready assessment of the loss which, however, was known to assume disastrous proportions." American underwriters had promulgated theft rates ranging from 2 per cent on heavy bulk goods to as high as 10 per cent on more hazardous commodities such as foodstuffs, cosmetics, liquors, tyres, textiles and cigarettes, applicable to all Far Eastern destinations east of Rangoon.

The Port Executive Committee in Hongkong had the subject under continual attention and the Marine Insurance Association addressed to the Chamber on the subject. A Special Committee was appointed to consider the matter, but when the information was received that the Government had also appointed a committee to go into the subject, the Chamber's Committee contented itself with an exchange of views which were passed on to the Government. The following were salient paragraphs:—

"Insurance Companies abroad are classing Hong Kong with Manila and Shanghai in regard to pilferage. The charge in each case has been increased to six per cent as compared with the pre-war rate of one-eighth per cent, an increase sufficient to affect the cost of living. However, it was noted by Shipping Companies that claims for losses ascribed to pilferage have diminished in recent months, giving rise to the hope that it is being got under control.

"It is gratifying to note that this improvement is attributed to the assistance rendered by the Police. The Chinese ships' guards, disciplined by the Police and paid by the Shipping Companies, are giving good service. The main value of the Police Guards is—not that they are particularly responsible—but that they make a show of arms. It was reported that there have been a number of instances of bribery of this Force. The remedy for the present excessive pilferage is to have supervision by Europeans, which is almost impossible on account of shortage of man-power.

"The largest proportion of losses is due to unauthorised lighters coming alongside vessels. It was noted that the Police propose to introduce a system whereby special Police Guards will be placed on steamers, and the lighters owned by stevedores or Godown Companies employed on the discharge of cargo will be given special passes which must be produced to the tally-clerk before the lighter is allowed alongside. It was also noted that lack of control of the movement of sampans is an important factor: they should not be allowed alongside ships.

"There is suspicion of collusion between tally clerks and coolies, and the importance of having a double check on tally clerks is stressed. There would appear to be collusion between the tally clerks employed by the Stevedores and those employed by the Wharf Companies and it was suggested that the Shipping Companies go back to the old system of having their own private tally clerks. The re-introduction of the pre-war system of head watchmen (bonded) was also suggested as such men would be more responsible, though some members of the Committee thought that the employment of guards under the Police was a sufficient safeguard.

"As regards pilferage in godowns and other places, the opinion was expressed that the penalties inflicted in the Magistrates' Courts are not nearly sufficiently severe. It is thought that pilferage from a ship should call for the maximum penalty. It was also suggested that the system of restricted areas be re-introduced and sentries be authorised to fire upon looters. It was noted that deportation is ineffective as it is too easy for criminals to return to the Colony. Power to order 'the cat' is considered to be advisable."

EXTENSION OF LOCAL GOVERNMENT.

When the Military Administration came to an end and the Civil Government was re-established in Hong Kong on May 1, 1946, His Excellency the Governor (Sir Mark Young, G.C.M.G.) made the following announcement:—

"His Majesty's Government has under consideration the means, by which in Hong Kong, as elsewhere in the Colonial Empire, the inhabitants of the Territory can be given a fuller and more responsible share in the management of their own affairs. One possible method of achieving this end would be by handing over certain functions of internal administration, hitherto exercised by the Government, to a Municipal Council constituted on a fully representative basis. The establishment of such a Council, and the transference to it of important functions of Government might, it is believed, be an appropriate and acceptable means of affording to all communities in Hong Kong an opportunity of more active participation, through their responsible representatives, in the administration of the Territory. But before a decision is taken on the methods of giving effect to the intentions of His Majesty's Government it is considered essential that the important issues involved should be thoroughly examined in Hong Kong itself, the fullest account being taken of the views and wishes of the inhabitants. The Governor has accordingly been instructed to examine the whole question, in consultation with the representatives of all sections of the community, and to submit a report at an early date, bearing in mind the policy of His Majesty's Government that the constitution should be revised on a more liberal basis as soon as possible. The aim will be to settle and to announce not later than the end of the year the principles on which that revision should be based."

In a letter dated May 29, 1946, the Acting Colonial Secretary wrote on behalf of His Excellency, inviting the Chamber to give in writing an outline of their views on some of the important questions involved in the proposed revision of the constitution and continued:—

"In particular His Excellency would be glad to know whether the Chamber consider the establishment of a Municipal Council and the transference to it of some of the functions of Government to be the most satisfactory method of carrying out the intentions of His Majesty's Government, or whether some other method commends itself to them.

"If the Chamber favour the establishment of a Municipal Council, their views would be particularly welcome on such questions as the manner in which the Council should be formed, the qualifications and term of office of councillors, the qualifications of electors, the functions of the central government (including those now discharged by the Urban Council) which the

Municipality might most appropriately take over, the extent to which rural areas (developed or otherwise) should be included in the administrative area of the Municipality and the principles upon which the municipal area should be divided into wards or other electoral divisions."

Special Committee's Report.

A Special Committee was appointed to consider the subject, the membership being: The Hon. Mr. R. D. Gillespie (Chairman of the Chamber and its Representative on the Legislative Council); The Hon. Mr. D. F. Landale (Member of the Executive and Legislative Councils); Mr. J. R. Jones (formerly Secretary of the Shanghai Municipal Council); Mr. G. Miskin; Mr. C. C. Roberts.

During July and August this Committee held several meetings and their report was adopted by the General Committee at its meeting on August 26. Copies were then supplied to all members of the Chamber, and the report was adopted by a very large majority. The following is the text:—

In accordance with a resolution of the General Committee passed at a meeting held on 24th June, 1946, this Committee was formed to draw up proposals for submission first to the General Committee and, in due course, to members of the Chamber.

The Special Committee held a number of meetings and formulated certain recommendations which they submit in the following report:—

1. Having regard to the announcement made by H.E. the Governor on 1st May, 1946, that it was the policy of His Majesty's Government that the constitution of the Colony should be revised on a more liberal basis as soon as possible, the Committee did not think it was within its terms of reference to consider whether there was any demand on the part of the residents of the Colony for a change in the constitution, but limited its discussion to the consideration of the principles on which such revision, if deemed necessary, should be based.

In particular, the Committee was asked whether the establishment of a Municipal Council and the transference to it of some of the functions of Government would be the most satisfactory method of carrying out the intentions of His Majesty's Government, or whether some other method commended itself.

2. In principle, the Committee considered that the best method of giving to the inhabitants of the Colony a fuller and more responsible share in the management of their own affairs would be the establishment of a Municipal Council, consisting of responsible representatives of the community. The establishment of a Municipal Council should secure adequate participation in local government by the residents, for the time being, and it was thought that it did not fall within the province of the Committee to make any recommendations with regard to the Executive Council which, however, it was considered should continue to be a private advisory body to the Governor and be constituted entirely of nominated members.

If a Municipal Council were established, certain modifications of the Legislative Council would be rendered necessary. The formation of a Municipal Council would automatically eliminate certain members who have in the past been official members of the Legislative Council, such as the Director of Public Works and the Director of Medical Services who would, if the Committee's recommendations for a municipal administration were adopted, become municipal servants.

In order to maintain the necessary liaison between the Municipal Council and the Colonial Government, the Chairman and Vice-Chairman of the Municipal Council should be ex officio unofficial members of the Legislative Council. It was thought that it would be more acceptable to the community if the unofficial members of the Legislative Council—instead of being appointed by the Governor—were elected by representative bodies such as the Hong Kong General Chamber of Commerce, the Chinese Chamber of Commerce and the Justices of the Peace, and the principle of nomination be discontinued.

In recommending the establishment of a Municipal Council it was considered essential that the change should not permit of a duplication or overlapping of the functions or staff of the Colonial and Municipal Governments or involve the community in greater expense than if the present system were continued.

A Municipal Council might have an advantage in being in a better position to employ locally-engaged staff and to evolve terms of service under which more effective and more economical control over municipal employees could be exercised.

A large proportion of the technical and professional employees in the Colonial Service would probably be required to continue in their respective posts under a municipal administration and until such time as the Municipal Council could engage its own staff it would be necessary for such Colonial Officers to be safe-guarded by Government both as to their terms of service and prospects of promotion. Ultimately, however, the staff of all the services taken over should be superseded by and merge into the Council's own staff.

3. The Committee was unanimous in recommending that the Municipal Council, when established, should have wide powers but should be based on a limited franchise.

4. **Functions of Government.**—As to the division of functions between Government and the Municipal Council it was considered that the following functions *inter alia* should be reserved by the Crown and Government:—

- (1) Imperial and Foreign Affairs and Defence.
- (2) Harbour, Department, Air and Railway Services.
- (3) Post Office, Imports & Exports, Customs and Excise, and all taxes and dues on shipping.
- (4) Government Finance and Audit.
- (5) Administration of Justice.
- (6) Crown Lands.

Police.—With regard to the Police, it was considered that in the interest of safety and good order, at least for the time being it would be an advantage to concentrate all the police powers of the Colony, including Water Police, the Preventive Service, the District Watchmen and police intelligence in the hands of Government as one service under the undivided command of the Commissioner of Police.

5. **Functions of a Municipal Council.**—The Municipal Council should take over all the administrative functions usually included under the following Departments:—

- (1) P.W.D. (to include the Botanical and Forestry Department).
- (2) Education Department.
- (3) Health and Sanitary Services.
- (4) Finance and Revenue Departments.
- (5) Fire Brigade Service.
- (6) Prisons.

6. On the subject of the size of the proposed Municipal Council, it was thought that on the one hand it should not be so large as to be unwieldy and yet consist of a sufficient number of members to undertake the manifold duties that would fall to the lot of Councillors. In practice a member of the Municipal Council would be called upon to devote at least fifty per cent of his normal working hours to municipal work and very few people could afford the required time. A Council of not fewer than 16 members would be necessary.

Having regard to the fact that Hong Kong is a British Colony the members of the Council should be British subjects, but the assistance of other nationals could be invoked and would be welcomed on the several Municipal Committees, which the Committee contemplates would consist of Municipal Councillors, assisted by members of the community irrespective of nationality.

7. **Constitution of the Municipal Council.**—As to the distribution of the Members of the Council between the various communities of the Colony, the Council might be constituted as follows:—

- (a) Six members to be elected by the Chinese electorate, at least two of whom should be qualified in respect of Hong Kong and at least two in respect of Kowloon and the New Territories.
- (b) Ten members, of whom one should represent the Portuguese community and one the Indian community, to be elected by the non-Chinese electorate as a whole and to include at least three representatives qualified to represent Hong Kong and at least three qualified to represent Kowloon and the New Territories.

In coming to this conclusion as to the constitution of the Council the division of the Colony into electoral districts or wards was considered undesirable as militating against unity of interest in the Colony and unlikely to produce the best type of candidate.

For the same reasons it would not be practicable or desirable to have a separate representation for Kowloon and the New Territories. The interests of these areas could be safeguarded by the election of Councillors whose qualifications for their post depended on local factors. Moreover, the Chinese residents of New Territories would be included in the proposed Chinese Electoral College. The present local Councils in the New Territories might be left as part of the administrative machinery of the Municipal Council, although the administration of justice throughout the territory should be concentrated in the hands of Government.

The whole community should be divided into two and not more than two electoral bodies.

In view of the fact that election of representatives by ballot is alien to Chinese ideas and customs and has in other instances been looked on with disfavour by the Chinese themselves as not in conformity with their ideas, the Chinese electorate should be considered as separate from that of the rest of the community and the Chinese themselves might be entrusted with the task of evolving an acceptable plan on the basis of some kind of Electoral College similar to that in practice in the former International Settlement of Shanghai.

All other voters should be included in one electorate, irrespective of their racial origin. The electorates should not be further divided so as to provide a separate election for the Indian, Portuguese and other communities.

In the non-Chinese electorate, elections should be by secret ballot.

8. **Qualifications of Voters.**—The basic qualification for Chinese and non-Chinese should be the same. It is, however, unavoidable and necessary that the franchise be limited to persons who have the necessary standard of education and political intelligence. With the spread of education and with more experience in representative government, the franchise should gradually be extended. Universal suffrage in the United Kingdom is justifiable on account of the minimum standard of education attained by the whole community. This does not obtain in Hong Kong.

To determine the qualifications for a voter is a matter of great difficulty, but as essential conditions of the franchise every voter should

- (1) be a British subject; and
- (2) be twenty-five years of age or older, according to foreign reckoning; and
- (3) pay rates on an assessed rental of \$100.00 a month, or such other rental as may from time to time be determined.

Provision should be made for extending the franchise to persons living in hotels, boarding houses and messes by providing that the accommodation occupied by them should be assessed by the municipal authorities for the purpose of the franchise on the basis of the premises occupied, excluding such items as service, furniture and food supplied.

The basis of the franchise in the former International Settlement in Shanghai, with slight changes, might be considered applicable to Hong Kong. This might be adapted to the following effect:

“Every individual, corporate body and association may be entitled to a vote in respect of the leasehold interest in land or the occupation of a residence or business premises of a certain annual assessment, provided all the rates and taxes due have been paid. Corporate bodies and associations should be allowed to vote through their registered representatives. No single interest, however large, from the point of view of property held or occupied, should entitle the holder or occupier to more than one vote.”

9. **Qualification of Councillors.**—It would be invidious and undesirable to require a higher property qualification for Councillors than for voters. It is essential, however, that candidates for election should have an adequate knowledge of English and should be men of repute and standing in their respective communities. To ensure these qualifications, candidates should

- (1) be qualified as electors;
- (2) be eligible for jury service or be duly exempted therefrom;
- (3) be duly produced and seconded by qualified voters, both of whom should be Justices of the Peace.

In the early stages, until it is seen how the scheme works out, some safeguard would be necessary to ensure that accepted candidates would be responsible persons, hence the suggestion that candidates be sponsored by Justices of the Peace.

10. **Term of Office.**—In view of the time required for a Councillor to become experienced in municipal duties, Councillors should, in principle, hold office for a term of three years, but a system should be worked out whereby a third of the Councillors should retire each year, though eligible for re-election. In any system of rotation, however, the proportional representation of Hong Kong and Kowloon, as well as of the Portuguese, Indian and other communities representatives should be maintained as unimpaired as possible.

The Chairman and Vice Chairman.—The Chairman and Vice Chairman of the Council should be elected each year and both should be, by virtue of their office, unofficial members of the Legislative Council.

11. **Committees.**—A Council of sixteen would not be large enough to cope unaided with the work of the municipality. The Council would function departmentally through Committees each of which should consist of a certain number of members of the Council, representing as many different interests as possible, together with non-members of the Council, of any nationality, who would be invited or co-opted to serve, including particularly persons possessing expert qualifications on different aspects of municipal work.

The Committees should be mainly advisory in character and their decisions be subject to confirmation by the Council, but they might be empowered to exercise certain executive functions in routine matters in conjunction with the Heads of the Departments concerned.

There should be a certain number of Standing Committees such as Finance, Health, Public Works, Education and Staff, in addition to various occasional and ad hoc committees.

12. **Staff: Secretary-General.**—As the Chairman of the Council would in all probability be an ordinary member of the Council giving his services without pay, the administration would require a highly qualified person to act as Chief Executive Officer of the Council, to act as Head of the Secretariat and to co-ordinate the work of the Departments.

As the Council would be a deliberative body, the Chairman of the Council, as such, would have no executive powers, and the decisions of the Council would have to be carried out through its executive staff, through the channel of the Secretariat.

13. **Governor's Veto.**—It would be necessary to provide in any constitution that the Governor-in-Council should have power to veto any decision of the Municipal Council.

14. **Revenue.**—The arrangements for the collection of the Colony's revenues and their distribution between government and municipal services would require much consideration. Some rights of taxation should be reserved for government, such as, for instance, excise and customs duties, shipping dues, income or corporation tax. The Council should collect and primarily should retain revenues from rates, licences, permits and from the normal working of municipal departments. Revenue from fines and penalties imposed by the Courts for breach of Municipal By-laws might appropriately be allocated to the Council. The total revenue of the Colony from all sources would in all probability require some adjustment and allocation between Government and the Municipal Council and, in the early stages, the Council might have to depend upon a Government grant to meet its obligations. The Council, however, should aim ultimately to collect sufficient revenue to maintain all its services, independently of Government support.

It so happened that while this report was under consideration by the general body of members, His Excellency the Governor made a statement on the radio, setting forth tentative proposals for the revision of the Colony's constitution. The principal respects in which His Excellency's statement differ from the proposals of the Chamber's Special Committee were: A Municipal Council of 48, instead of "not fewer than 16" persons; extension of the franchise to persons of both sexes, with no stipulation that voters must be British subjects; councillors to possess the qualifications of a voter of his own race.

The great majority of the members of the Chamber had no suggestion to make for amendment of the Special Committee's report, nor comments to offer upon His Excellency's broadcast. The Chamber's views were therefore conveyed to the Government on September 6, and it was hinted that the lack of interest shown supported the General Committee's impression that the pressure for a change came mainly from His Majesty's Government and that there was no apparent demand in Hong Kong for constitutional reform. Doubts inevitably arose as to whether the personnel would be forthcoming to man a Municipal Council, especially one so large as was envisaged in His Excellency's broadcast. At the same time comments were tendered upon the more important aspects covered by His Excellency's statement. As to the size of the Council, it was remarked that the larger body would certainly give the people an appearance of wider representation, but the Committee believed that an efficient administration was more likely to be achieved with a much smaller number of councillors. The Committee was still, on the whole, of the view that non-British residents should not be entitled to a vote, or to recognition as candidates for election to the Council. For the purposes of polling the Chinese community, the Committee considered an Electoral College infinitely preferable to the division of the Colony into electoral divisions or wards and noted that the Electoral College plan had proved successful in Shanghai. Objection was raised to bi-lingual proceedings on account of the time that would be taken up at meetings and the extra staff involved. Chinese councillors unable to speak English freely could usually be sufficiently understood. The letter concluded:—

"One general comment is that it is important to bear in mind the essential difference between the functions and working conditions of Borough Councils at Home as contrasted with those obtaining in an international community like this. At Home a municipal council is dealing with a homogeneous community: in Hong Kong racial problems will arise in connection with almost every feature of the Council's activities.

"The Committee greatly appreciates and welcomes the principle enunciated by His Excellency in the proposed establishment of a Municipal Council. It is only in the machinery to be adopted for the setting up of the most efficient organisation that difference of opinion naturally arises and in the clarification of these difficulties the Committee will be pleased to be at the disposal of His Excellency in tendering whatever assistance it may be in their power to give."

Subsequently various further discussions took place between His Excellency the Governor and the Special Committee and other bodies interested in the subject. The papers were then transmitted to London and on March 6, 1947, the Secretary of State for the Colonies announced in answer to a question in the House of

Commons that the Governor of the Colony, having held the consultations proposed in the original statement of May 1, 1946, and after considering other alternatives, had come to the following conclusions (with which the Secretary of State agreed) that

“(a) A Municipal Council should be set up in Hong Kong on the widest representative basis possible. The majority of members will be elected and the Council will gradually assume as many of the present functions of the Central Government as can appropriately be assigned to it. The Municipality will include Kowloon, but not that area of the New Territories outside Kowloon which, by reason of its rural character, is not entirely suitable for immediate inclusion in the area to be administered by the Municipal Council.

“(b) That the constitution of the Legislative Council should be modified with the object of securing on that body a more direct and a proportionately increased representation of the unofficial community. Under his recommendation (which the Secretary of State had accepted) the official members will be reduced to seven, and of eight unofficial members two will be directly nominated by the Municipal Council, and one each by the Hong Kong General Chamber of Commerce and the Unofficial Justices of the Peace. The remainder will continue to be nominated by the Governor.

“H.M. Government are satisfied that these measures constitute the best means of achieving their genuine desire and intention to give the people of Hong Kong a practical and effective share in the management of their own affairs.”

It will be noted that the statement does not go into detail on several matters which were much discussed, e.g., the size of the Council, nor the qualifications of electors and councillors. The problem of an overlapping administration in regard to certain services remains with the exclusion of the New Territories from the municipal administrative area. Important consequential changes will occur in the constitution of the Legislative Council.

ECONOMIC RECONSTRUCTION OF DEVASTATED AREAS.

In October, 1946, the Government requested the assistance of the Chamber in drafting a memorandum for the Sub-Commission appointed by the Secretary of State for the Colonies to deal with the Economic Reconstruction of Devastated Areas. The Sub-Commission is to report to the Economic and Social Council of the United Nations Organisation. The Working Group intends to visit devastated areas in the Malayan Union, Singapore and Hong Kong. A questionnaire covering a wide range was provided and although most of the questions had no bearing on the circumstance of this Colony, or could better be answered by a Government department, the following summaries of replies given by the Chamber to some of the questions may be of interest:—

- Q. *Effects of the war on population and manpower, including malnutrition, loss of education, etc.*
- A. The reply to this question must be left to Government and particularly to the Health & Education Departments. It will no doubt be remarked that the effect of war on population has been only temporary. The Japanese drove away hundreds of thousands of people but the Chinese have returned with surprising and even embarrassing rapidity.
- Q. *Effects of losses on productive capacity and conditions of living.*
- A. The effects of physical destruction and other losses on production capacity and conditions of living (especially housing) are matters which Government is best able to discuss, with the help of the factory inspection service and by reference to the Housing Report. It is to be noted that production capacity of local factories is more affected by shortage of raw materials than by damage done by the Japanese. The claims so far filed will also furnish information as to losses.
- Q. *Effects on the rate of industrialisation.*
- A. As to the effect of the war on the rate of industrialization and economic development, it is the opinion of the Labour Sub-Committee of the Chamber that the high level of wages which is one of the consequences of the war will lead to extensive mechanisation in industries, public utilities and undertakings such as storage companies which have hitherto relied upon “the inexhaustible supply of cheap labour” formerly regarded as one of the chief assets of Hong Kong. Another factor which incidentally affects the rate of industrialisation and economic development is the transfer of industry from Shanghai to Hong Kong in consequence of the highly unsatisfactory conditions at present prevailing in China as an aftermath of war.

Q. *Economic level compared with pre-war.*

A. A good deal might be written about the consumption level of foodstuffs and upon the considerable changes which are noticeable in the dietary of the Chinese since pre-war days. Consumption of consumers' goods has also changed a good deal but is a matter of world-supply and impossible to estimate with the slightest degree of accuracy in an entrepot like Hong Kong, particularly at a time like this when the population increases considerably from week to week. Government will no doubt be able to give a rough estimate of the movement of population, based on statistics of passengers carried, outwards and inwards, by steamers and trains.

Q. *Estimated attainable level as compared with pre-war output.*

A. The estimated attainable level, as compared with pre-war output, in various types of production is a question which, in the peculiar circumstances of Hong Kong, is quite unanswerable. When an adequate supply of raw materials is available no doubt pre-war experience will repeat itself and the Chinese will continue to embark upon various small scale industries and, equally probably, each month will see the passing out of existence of those which failed to succeed. Pre-war changes in the list of factories operating were very numerous and the same tendency is already observable in the monthly list of corrections issued by the Inspector of Factories.

Q. *Lack of transportation facilities.*

A. Under this head should be noted: reduced harbour facilities, lack of lighters and launches, and godown accommodation and equipment in Hong Kong. Lack of shipping and land vehicles in China inevitably affect the movement of goods, both import and export, and thus influence adversely the trade of the Colony. The Chinese Government's policy of barring foreign shipping from Chinese coastal and riverine trades and the recent restrictions upon imports are bound to have serious effects upon the trade of the Colony.

Q. *Lack of financial means.*

A. Under "Lack of financial means" it is to be noted that considerable sections of the Chinese population seem to have done well out of the war. But local Chinese factories are suffering from war losses and from expenses incurred in maintaining skeleton staffs, in some cases throughout the war period and since, because they have been unable to obtain raw materials but wish to retain a nucleus of skilled workers. It is probable that when manufacture is resumed it will be necessary for exporters to pay deposits on goods ordered in order to help manufacturers to finance their purchases of raw materials. Importers at present insist upon being paid a substantial proportion of the price when orders are placed for

goods and this tends to keep the manufacturers short of ready money. Settlement of 1941 accounts by the War Supplies Board will have some effect in putting the manufacturers in funds and it is hoped that these monies will soon be paid. Retention by the British Empire of Imperial Preference is of considerable importance to the small industries of Hong Kong, especially at the present time when their labour costs are exceedingly high and they are thus deprived of their principal aid in competing in other markets.

Government aid to industry in Malaya seems to have been promised and Hong Kong factories may also need a Government loan.

Q. *Lack of consumers' goods.*

A. "Lack of consumers' goods" is not now particularly apparent in Hong Kong; in fact, in some respects the market seems to be over-supplied. As a port which receives goods from all parts of the world and is at the "receiving end" of various countries' "export drives" the tendency is for goods to pile up in Hong Kong, the more so now that China is restricting import.

Q. *What is the level of consumption of foodstuffs and other consumers' goods and standards of housing, anticipated during the next five years or more?*

A. In a place like Hong Kong no one can anticipate "the level of consumption of foodstuffs and other consumers' goods and standards of housing, during the next five years or more". The prosperity of this port and the standard of life of its population depend upon factors outside its borders, primarily conditions in China and secondarily in the world generally.

Q. *To what extent do the changes proposed in the pre-war production pattern take into account the modifications in the economics of other countries?*

A. There is no doubt that Hong Kong has to take into account, but only passively, the modifications which occur in the economics of other countries. It has often happened in the past that a flourishing trade has disappeared on account of a duty or embargo upon imports imposed by another country, but there is nothing Hong Kong can do to prevent this and the merchants (who have many irons in the fire) have to turn their attention to other lines of trade when one of them is legislated against or disappears for any other reason.

Q. *To what extent do changes proposed in the pre-war production pattern take into account necessity to increase exports or imports?*

A. Increases in exports and imports are matters outside the control of an entrepot which merely adapts itself to prevailing conditions and handles the flow of trade in whichever direction it happens to be going.

Q. *To what extent will it be necessary to import labour?*

A. It is never likely to be necessary to import labour into Hong Kong: the difficulty is to prevent the place from being swamped by labour which imports itself to an extent which depresses the standard of living and makes it so difficult for the people to get work that the hawker problem becomes an insuperable one. "Imports of labour" are not only contemplated but are inevitable from China.

Q. *To what extent is the resumption of imports from and exports to Japan considered necessary or desirable (a) in assisting immediate recovery and (b) in relation to long term needs?*

A. Trade with Japan will assist immediate recovery as Hong Kong textile factories urgently require cotton yarn, artificial silk yarn and cotton cloth. The countries of the Far East also need the production of the Japanese textile industry. There is no doubt that Japan must export to maintain her population and that her output is needed by the world, looking at the matter from a long-term point of view. The inhabitants of many countries cannot afford to buy the more expensive textile manufactured in the United Kingdom. Higher labour costs will, however, restrain to some extent the severity of pre-war Japanese competition.

Report Approved.

It was reported in the Press early in March, 1947, that the Report of the Sub-Commission had been laid before the United Nations Economic & Social Council and approved. It was recommended that an economic commission for Asia be created on parallel lines to that established for Europe. The principal recommendations were:

1. That the proposed commission have authority to make studies of economic conditions and initiate measures for facilitating concerted action for the reconstruction of Asia and the Far East.
2. That it give priority to measures for the restoration of the devastated countries which are members of the United Nations.
3. That it should be empowered to establish such subsidiary machinery as it needs to carry out its responsibility.

The report stated: "There is perhaps an even greater need for an exchange of views and coordination of policies in Asia than in Europe, since the opportunities for such cooperation have in past been less. The area and population concerned are much greater and the economic interdependence of the countries of the region is likely to increase."

INTERNATIONAL TRADE ORGANISATION.

The Government of the United States put forward, at the end of 1945, a proposal that an International Conference be held in 1947, under the auspices of the United Nations, to consider questions of trade and employment. The Prime Minister announced in the House of Commons that both the United States and the United Kingdom intend, well in advance of the International Conference, to carry on between themselves and other countries, including British Commonwealth countries, preliminary negotiations designed to prepare the ground for the full International Conference. It is hoped that the countries attending the preliminary meeting will reach substantial agreement among themselves both on the adoption of effective domestic and international measures for the preservation of high levels of consumption and employment, and on the positive contributions which they are prepared to offer towards the reduction of trade barriers to all kinds. H.M. Government believe it is in the best interests of the British Empire to join in a determined effort to secure the clearance of trade barriers by concerted international action while the situation is still fluid. It is their aim, said the Prime Minister, to work in collaboration with other countries for the creation of conditions which will allow the largest possible exchange of goods in a future in which supply will have caught up with demand and in which it may be more difficult to find markets than to obtain goods.

Command Paper 6709 sets forth the agenda of the International Conference. The Assembly, which will include many nations (but not apparently the U.S.S.R.) will discuss tariffs and preferences, quantitative restrictions, subsidies, State trading and cartels and other types of trade barriers with a view to arriving at definitive measures for the relaxation of all kinds of restrictions upon trade. The Conference will discuss exchange control as an element in commercial policy; the nations taking part will be asked to endeavour to maintain full employment within their own jurisdictions while abstaining from measures which are likely to create unemployment in other countries or are incompatible with efforts to promote an expanding volume of international trade. The curbing of restrictive trade practices resulting from private international business arrangements will come up for consideration in relation to price fixing, earmarking of markets or territories, limiting production, suppression of technology or invention and various forms of discrimination. Inter-Governmental commodity arrangements will be discussed. It is hoped to establish machinery for consultation and collaboration, for facilitating equal access to raw materials and for eliminating all forms of discriminatory treatment in international commerce.

A number of undertakings will, if possible, be implemented. They include: equal treatment of imports as compared with domestic products; non-interference with goods in transit; agreement as to application of anti-dumping duties; elimination of customs formalities affording indirect production to domestic products; abstention from governmentally financed campaigns to discourage consumption of imported products; transmission to the Organisation of information, and collaboration with the Organisation. On the subject of subsidies it is advocated that the reasons for extent, nature and effects of subsidies in general should be reported to the Organisation and objections thereto should be discussed. The Organisation will meet once a year in Conference and an Executive Board will have power to make provisional decisions and exercise delegated powers. Commissions of experts, a commodity commission, an industrial and mineral unit and a Secretariat will be set up.

Hong Kong's Interest.

The Department of Supplies, Trade & Industry wrote to the Chamber of Commerce on August 10, 1946, enclosing papers from which the foregoing summary is taken and stating that, with a view to preparing lists of articles of United Kingdom and Colonial origin on which tariff concessions would be welcome from the Dominions, India, and foreign countries, preliminary lists were being prepared in London on the assumption that concessions desired by Colonial Governments would take the form of the maintenance of preferences already granted in the Ottawa Agreements and their successors. The Hong Kong Government had been asked as to the relative importance of the preferences now enjoyed and to make any other observations, including a statement of concessions which would be welcome by way of reduction of duties not involving increases in preferential margin.

The Export Sub-Committee of the Chamber held two or three meetings to consider these papers as a result of which the following letter was addressed to the Government on September 12:—

“ It is noted that there will be no question of introducing new preferences or of increasing the existing margin of preference and that, indeed, some modifications of existing preferential margins may be necessary. It is understood that promotion of free trade between member countries is one of the objects of the International Conference. If, however, preference is maintained by the countries of the British Commonwealth, the case to be made for Hong Kong is the maintenance of the preferences given before the Pacific War.

“ It should also be possible, if the Conference lives up to its ideals, to secure a relaxation of the ban imposed by some of the Dominions on certain exports from Hong Kong. The Sub-Committee has in mind Australia and Canada which have so far

excluded Hong Kong manufactured canvas rubber shoes, soft goods and torch cases, with the object, presumably, of protecting local industries.

“ If, as a result of the Conference, Imperial Preference is abandoned it would seem logical that certain consequential requirements, such as the United Kingdom's insistence on the use of Lancashire canvas and British rubber in the Hong Kong rubber shoe trade, would disappear. It is thought that, when conditions revert to something like normal as regards wages and cost of materials, this and other Hong Kong industries will be able to compete in other markets on account of lower wage costs.

New Territories Rice.

“ In normal times the New Territories production of rice does not exceed 5,000 tons per annum and is too expensive for local consumption. The local market, in normal times, consumes Siam and Saigon rice at \$6.00 or \$7.00 a picul as compared with New Territories rice at \$18.00 a picul. The largest buyers of the local product are the United States of America and Canada. Canada gives a preference to this rice by imposing a nominal import duty. Brown rice or paddy shipped to Canada is milled there and sent overland to inland points in the United States. The largest consumers are the Chinese populations of Canada and the United States of America. It is important to make a claim for this consideration from Canada because the United States, being a large rice producing country, might capture this small New Territories trade if Canada were to impose a high duty on the Hong Kong product. The names of the New Territories rices (Brown Rice and Paddy) are: Tsang Shing See Miu, See Miu extra quality and No. 1 See Miu.

Hong Kong Manufactured Goods.

“ The United Kingdom should be asked to maintain concessions given before the War to Hong Kong manufactured goods and efforts should be made to secure similar consideration from other parts of the British Empire. The following is as complete a list of the manufactured goods as the Sub-Committee is able to produce and it considers that the articles can be classified, in relation to the International Conference, as ‘ very important ’:— rubber shoes, torches, torch bulbs, batteries, sewing needles, hurricane lamps, wire nails; hardware (locks and hinges, pots and pans); piece goods (cotton, cotton and art silk); soft goods of all kinds (singlets, vests, underpants, sport shirts); garments (shirts, pyjamas, collars), hand-knitted gloves; hats, helmets, cloth umbrellas; leather goods (belts, shoes, boots, wallets, handbags); seagrass, rattan ware, rattan furniture, camphorwood chests; matches, mother-of-pearl and dobu buttons, toys; sugar, rope, paints; ginger (preserved and cargo), ginger in brine; Hong Kong canned goods.

“ Under the heading ‘ (2) less important ’ the Chamber desires to specify the following commodities:—firecrackers, vacuum flasks, electrical accessories.

Hong Kong Produce.

“ The Customs Authorities in the United Kingdom have ruled that lard derived from pigs is produce and not a manufactured article, and under Imperial Preference lard cannot qualify for remission of duty because the pigs come mostly from China and Formosa. If Imperial Preference is abandoned, Hong Kong lard should receive at least equal treatment with lard from China.

China Produce.

“ The Sub-Committee assumes that China, having signified an intention to take part in the Conference, will put in a claim for consideration on behalf of China produce, in regard to which she should have the support of Hong Kong, which is interested in the marketing of her principal South China exports.

“ The question is asked, ‘ Which preferences now enjoyed, could be dispensed with? ’ Generally speaking, the answer to this appears to be that, if Imperial Preference is abandoned by the British Empire, Hong Kong will have no difficulty in adapting itself. The few restrictions upon imported goods imposed by Hong Kong under the Imperial Preference scheme are unimportant and could be relinquished without damage to the Colony’s trade.”

The Government expressed its gratitude for this comprehensive statement of Hong Kong’s requirements and mentioned that it had been adopted as the basis of the Government’s recommendation to the Secretary of State, with acknowledgments to the latter of the service rendered by the Chamber.

LABOUR PROBLEMS.

Labour problems have been acute in Hong Kong since the end of the Pacific War, as in all the re-occupied countries of the Far East. Factors aggravating the situation are the shortage of skilled men who are almost in a position to demand any rate of pay, and the influx into the Colony of large numbers of wealthy former Shanghai residents who have been prepared to pay any price for what they wanted. Owners of small Chinese enterprises are willing to pay unusually high wages in order to get work done the product of which is saleable at high prices. Added to this, the world rice shortage has automatically led to a great increase on the pre-war cost of living and to successive demands being made by various labour organisations for higher wages.

Labour Advisory Board.

A Labour Advisory Board was set up under the Military Administration and after consultation with the leading employers in the Colony drew up a schedule classifying the various types of labour and setting out standard rates of pay. This document became well known as “ Circular 67 ”. All went comparatively well for some time, but anomalies began to appear and adjustments were made by some employers without reference to others, so that by the end of the year it was necessary to overhaul the complete schedule, which again underlines the importance of parallel as distinct from unilateral action in dealing with labour problems.

It was officially announced by Government in a press release on June 28, 1946, that the Labour Advisory Board had been superseded by a new Board appointed by H. E. the Governor and consisting of nine members under the chairmanship of the Labour Officer. The nine members were to be three representing European employers, three representing Chinese employers, and three representing Labour. An employer of labour who had been a member of the earlier Board wrote to Government protesting that the newly constituted Board contained no representation of European employers in Kowloon or of leading Chinese industrial concerns and urged that the size of the Board should be increased in order to make provision for such representation.

The Government’s reply to this was that the main principle underlying the selection of the members of the Board was that the interests of European and Chinese employers as a whole and of Labour itself should be represented, and that if it had so happened that the gentlemen selected as the representatives of European and Chinese employers were not directly connected with any of the utility and commercial enterprises situated in Kowloon that fact was purely accidental. Since it was the intention of Government that the six gentlemen appointed to represent European and Chinese business interests should represent the employers of the whole Colony it was hardly necessary to point

out that members of the Board were expected to consult the interests they represented before tendering advice to Government on any matter.

At this time, also, suggestions were made that representatives of employers on the Labour Advisory Board should not have been appointed by the Government but be elected by the Labour Sub-Committee of the Chamber of Commerce so that they might have a mandate and their position on the Board be strengthened.

To cope with the situation, the General Committee decided to increase the size of the Labour Sub-Committee and to appoint Mr. Lawrence Kadoorie as its Chairman. In particular, the representatives of employers on the Labour Advisory Board were invited to become members of the Labour Sub-Committee in order that an effective liaison might be maintained. These invitations were accepted and the double service thus rendered was found of great value.

Trade Union Legislation.

The first subject considered by the Labour Sub-Committee (at a meeting held on August 27) was a request from the Labour Officer for the present views of the Chamber on the subject of Trade Union legislation. It was suggested that a Model Ordinance, already adopted in most of the Colonies would meet local circumstances. The Sub-Committee was informed that the Labour Advisory Board was considering the Bill clause by clause; therefore discussion was confined to main principles and support was given to the recommendations being made by employers' representatives on the Board. In particular, strong objection was expressed to a clause placing trade unions outside the law in respect of tortious acts. Until local trade unions had proved themselves to be responsible organisations it was urged they should not be placed on a level which trade unions in the United Kingdom had achieved only after a century of experience. Experience in China and in Hong Kong had shown that trade unions were inclined to go much too far in disciplining members and in securing enrolment; also that dictation by organisations outside the Colony was an ever-present danger.

Wages Questions.

At a meeting of the Labour Sub-Committee on November 14 the Chairman produced tables which he had had prepared setting forth the comparison between various public utility companies in respect of wages and conditions of employment, with a view to a suggested revision of Circular 67. He remarked that costs in Hong Kong are now approximately four times what they are at Home. This referred to large organizations like the Dockyards but in other cases costs were sometimes as high as nine times as much. It had been said that if costs could be got

down to 100 to 150 per cent of pre-war there would be some chance of Hong Kong competing with the rest of the world. At present this port was second only to Shanghai in regard to expense. It seemed a good idea to ascertain the variations between one public utility company and another as the differences were being used to force up the price of labour. He hoped it would be possible to do something similar for the other companies so that employers could present a united front.

In the course of discussion it was suggested that the Services are seriously overpaying labour and that small Chinese concerns are doing the same. It was thought that the latter would welcome efforts to keep wages within reason. It was considered advisable to get the co-operation of a few Chinese employers on the Committee. The point was made that a minimum number of Chinese artisans should be employed by the Services in order to leave more available for the industries of the Colony. The easy conditions of work in the Services were also thought to be attracting workers away from industrial enterprises.

It was suggested that Circular No. 67 should be revised and then widely publicised; it had never been in print and the Chinese had never seen it. The Chinese view was that it would be impossible to fix a maximum wage because employers, in order to attract workmen for profitable jobs, would pay food or "lucky money". However, the Chinese did agree that if Circular No. 67 were widely known it would tend to bring down wages. It would take a long time to bring in a maximum wage by legislative methods and the danger was that all minimums would tend to rise to the maximum.

The Sub-Committee decided to put in hand arrangements for an extensive "community survey" in order to keep all employers of labour informed as to wages being paid in the Colony generally with the object of achieving as great a measure of standardisation as possible.

On November 21 the Labour Sub-Committee considered a draft of a suggested new Circular 67 submitted by the Assistant Labour Officer and confined to daily employed men only. The meeting approved the draft, subject to a few minor amendments, but expressed the opinion that monthly paid workers should also be dealt with. This view was confirmed by receipt of information that the Military Authorities were considering new scales of pay for clerical staffs. Protests were made at this unilateral action and members of the Labour Advisory Board were asked to voice this expression of opinion at the next meeting of the Board.

RULE OF THE ROAD.

In response to a request by the Government the Chamber on August 2, 1946, nominated Mr. R. Y. Frost as a member of a Committee appointed to consider the advisability of changing the traffic rule in Hong Kong so that vehicles would keep to the right of the road. The reasons for the proposal were that China had made the change and that the Canton-Kowloon highway had been opened. The Committee, by majority vote, recommended the change.

The Colonial Secretary announced in the Legislative Council on November 29 that Government had given careful consideration to this recommendation and to the arguments of the minority and had decided to make no change.

The Committee was unanimous that the Kowloon-Canton highway provided no sufficient grounds at the moment for immediate change, articles from the Chinese Press helped to confirm that there was no likely prospect of the highway being taken urgently into account for some years.

The majority, however, considered that the ultimate increased use of the highway would make a change desirable in the interests of safety for private and public vehicles and, as regards public service passenger vehicles, that right hand steering vehicles might be prohibited where a right-of-the-road rule prevailed. The encouragement of tourist and commercial intercourse, local and long distance, was also regarded as desirable. Commercial interests were in favour of the change, but not at the moment, stating that orders for left hand steering vehicles would be filled more slowly than orders for right since at present British manufacturers were devoting their energies to large-scale production of right-hand models. It was represented that a similar change in Canton, Shanghai and Kunming had gone through without dislocation.

Objection by Tramways.

Objections by Hong Kong Tramways, Ltd., were that heavy expense was involved in the conversion of the tramway rolling stock. This was estimated at \$50,000, in view of the necessity of a motor man's cab at the reverse end of the tram to protect the driver from the third class crowds. In addition, 17 cross-over points would require conversion. This would have to be done over a short period at the time of the change-over.

The bus companies opposed the change on the ground of expense. The Kowloon Company said it had 80 buses on order and expected a partial shipment in October, 1946. They were Tilling Stevens right hand drives and the firm could not supply left hand drives until 1948. Reconstruction of the bus terminus at the Kowloon Star ferry would also be necessary.

REVISED TRADE REGULATIONS OF THE CHINESE GOVERNMENT.

In November, 1946, the Chinese Government introduced "Revised Temporary Foreign Trade Regulations" the object of which was to achieve a managed economy, promoting export trade and encouraging the import of capital goods but discouraging the importation of luxury goods. The Regulations called for the registration of importers and the setting up of an Imports Regulation Board with sub-departments for allocating import quotas, the licensing of imports and the examination of applications for foreign exchange.

Mr. T. V. Soong, President of the Executive Yuan, issued the following statement in connection with the adoption by the Government of the revised Temporary Foreign Trade Regulations:

"During the period immediately following the war the Government directed its main efforts at supplying the country with goods which it had been denied during the eight war years. That shortage has been overcome by substantial commercial imports supplemented by generous UNRRA relief supplies which are continuing, and by the very large quantity of surplus goods in the Pacific Islands acquired from the U.S.A. that are still to arrive. The nation is thus assured of sufficient stocks of many categories of goods for some time to come. The position as regards supplies may now be considered satisfactory.

"This development allows the Government to shift its emphasis to the problems of reconstruction. The time has now come to inaugurate a period of selective importation in pursuance of the Government's overall policy. This will be done by expanding the present licensing system, instituted on March 1, 1946, to cover all imports.

"Imports will be divided into appropriate categories. Importation of necessities and raw materials and other legitimate requirements of domestic producers will be granted first consideration. Arrangements will be made to facilitate the importation of machinery and capital goods. Importation of non-essentials will be discouraged.

"The present measure will invigorate and expand domestic industry. The Government is confident that the need for this action will be generally appreciated as an all-important even though purely temporary step during the present phase of national reconstruction."

The new Regulations are too long for inclusion here in extenso. Capital goods are classified in Schedule I, goods to be imported under quota are placed in Schedule II, while Schedule III (a) is intended to contain a variable list of goods in respect of which the Foreign Exchange Examination Department of the

Central Bank of China will be authorised to consider applications for import licenses, this list to remain in force until modified. Applications in respect of goods not contained in the list currently in force will not be considered. Schedule III (b) "includes all goods other than those classified in Schedules I, II, III (a) and IV". Pending further notification the importation of goods in this schedule is temporarily suspended. Schedule IV contains a list of prohibited goods (principally luxury articles of food, confectionery, curios and ornamental ware).

Under the heading "Pre-Zero Commitments" appeared this note: "In the case of shipments from Hong Kong entry free of licence will be permitted only in respect of goods contracted for prior to November 17 and shipped from Hong Kong on or before November 20." (This notification was dated November 19.)

Regulations Explained.

Mr. F. P. Ling, general manager of the Central Bank of China, addressed two meetings of members of the commercial community on November 22 and 23 for the purpose of explaining the significance of the new instructions and an account of the meetings was issued to all interested members at the time.

Mr. Ling said that in March, 1946, when China instituted Trade and Exchange Regulations, it was in no sense a control because there was only a very small list of prohibited goods and five items of licensed goods: all the rest were free. The result was that merchants, irrespective of nationality, could do all the business they wanted to, subject to availability of shipping and goods. After eight years of war the country was short of goods of all kinds and it was thrown open to the reception of anything offered. The main item was cotton of which a huge amount was imported and used for such looms and spindles as had been left by the enemy. Much yarn and cotton cloth was made for the ill-clad millions of China. Gradual revision of the Regulations had taken place and now, after eight-and-a-half months, it was necessary to take stock of the situation and try and regulate, if not cut down appreciably, imports of consumer goods (luxury and non-essential articles) and give preference to the capital goods so urgently required for the rehabilitation of the country. These new Regulations came into force on the 17th November.

Mr. Ling stated that more liberal exchange conditions would be granted for capital goods; that the Government would decide how much of quota goods might be imported and would then distribute the quota amongst established firms. Merchants would be invited to meet and decide the respective shares in the quota. Failing agreement, Dr. Lee (in charge of quotas) would make the decision, which would be final. With regard to Schedule III it would be open to merchants to suggest additions to this variable list of imports. In no circumstances would goods on the prohibited list (Schedule IV) be allowed entry, no matter how small the quantity.

Mr. Ling said that South China was a special problem. Undoubtedly there would be cases in which importers and exporters in Hong Kong and South China would ask for special consideration. If firms had offices in Shanghai it would be best for them to register there; otherwise through the Chinese Customs in Hong Kong and/or Canton. The very fact that the Control had sent him here showed that they realised the importance of the problems in the South. Trade here was very different from the trade in Shanghai on account of the business relations between Hong Kong and Canton. It was by no means sufficient to make arrangements in Canton: they must be made in Hong Kong also, and this had been done through the local Customs office. This was a special gesture made by the Chinese Authorities outside the territory of China to give Hong Kong merchants the opportunity of sending goods into China, without reference to Shanghai.

Mr. Ling said that representations aimed at the improvement of the Regulations for the benefit of both China and the Colony of Hong Kong would be welcome. It was realised that Hong Kong is a very useful port for China. Closer working would benefit both. The financial interests of Hong Kong and China could not be separated. There were problems which called for mutual discussion in the most open-minded way.

Questions.

Questions being invited, Mr. Ling was asked how long an import licence would be granted for having regard to the long interval that often elapses between the placing of an order and the shipment of the goods. He replied that the time for shipment would be specified in the licence. Quota goods would be given three months: for other goods he did not know how long, possibly longer for capital goods—small machines a shorter time: other things longer. A longer period could be applied for, and it was for the Board to decide how long to allow. In the case of delay through a shipping strike, for instance, it would be necessary to write for special extension.

It was suggested that it might be necessary to consider extending the temporary licence period beyond 31st December. Mr. Ling replied that suggestions to that effect could be made. Criticism would be welcome. His instructions were, "Don't hold up trade". He did not think that the problem of goods not ready for shipment had yet been fully considered.

Mr. Ling mentioned that he was disappointed to find that foreign firms and banks had not yet re-opened in Canton to any extent and expressed the hope that they would do so in the near future. Those who had been in the China trade for a century or more he hoped would feel a sense of responsibility in this matter. Only with the cooperation of foreign firms could China hope to

recover her overseas trade. Foreign banks would be able to get as many facilities as the Bank of China or the Bank of Communications. The "export drive" would not be restricted to Chinese Banks. China was "a sick man" and would regain vitality by increasing exports and encouraging overseas remittances. China's recovery was not her own concern only, but every other nation's.

Chinese shipping restrictions were discussed at some length and it was urged that as Chinese shipping companies are not in a position to handle the trade it is a shortsighted policy to discourage foreign shipowners. The "export drive" is not likely to succeed without their help.

Mr. Ling mentioned that the need for an increase in the Customs staff to handle the new Trade Regulations is fully realised. Comments on this, based on the experience of the next few weeks, would be welcomed. On obtaining a licence to export goods into China a merchant is entitled to exchange and the Central Bank covers it.

Mr. Ling suggested that Hong Kong should ask for a branch Board of Control to be set up in South China. He was sure such a suggestion would receive favourable consideration. The meeting unanimously agreed that a branch Board would prove absolutely necessary.

Comments received from Shanghai during January, 1947, indicate that the Chinese Government is experiencing considerable difficulty in operating the New Regulations smoothly. Much delay has been the rule with regard to licences for pre-zero shipments. In regard to quota goods, no decision had been made on January 14 as to how these were to be handled. Quotas for the first quarter of 1947 are not likely to be announced for another month or six weeks. This delay will make it difficult, if not impossible, for importers to bring goods into China within the specified time for the first quarter of this year. It is now extremely difficult to obtain foreign exchange for any goods which are not considered absolute necessities.

All importers have been warned by an announcement in the Press that should they decide to bring goods to China without first obtaining an Import Licence they will do so at their own risk.

The general effect on trading is that business is largely at a standstill, and for smaller firms with little backing the present abnormally high overhead expenses are rapidly eating into their resources. Should this state continue for any length of time it will undoubtedly result in the closing of a number of the smaller importing firms.

In the meantime shipments continue to arrive, and as goods are unable to be imported and have to remain at the wharves which are now becoming seriously congested, additional expenses in the

form of wharf and storage charges are mounting. The risk of pilferage is also increased. Pressure has been applied by Banks and Chambers of Commerce, through Guilds and individual importers, to expedite procedure, so far with little result.

At the time of writing it appears too early to estimate the effect upon Hong Kong business of the new Regulations. Some deviation of cargo from Shanghai to Hong Kong has been reported but at the end of January the General Committee and the Import Sub-Committee held a special meeting to advise Government on the subject and recommended that no special control measures be taken at present. This advice the Government has accepted. The general expectation is that only cargoes on the water will constitute a problem and that new business in articles on the restricted list of imports will be brought almost to a standstill.

Simultaneously with the announcement of the first devaluation in 1947 of the C.N. dollar it was broadcast that as from February 6 further regulations for China's foreign trade would be enforced; all exports were to be subsidized by a bonus equivalent to the f.o.b. price being paid on the compulsory surrender of the foreign exchange involved in the transactions: at the same time a 50 per cent ad valorem duty was to be charged on all permitted imports.

These regulations had an effect diametrically opposed to that desired and the C.N. dollar declined sharply until President Chiang Kai Shek stepped in and cancelled them, substituting the following ten economic control measures which have in some part halted the catastrophic slump of the Chinese currency.

1. Institution of a new exchange rate of CN\$12,000 to US\$1.
2. Prohibition of Gold and foreign exchange transactions.
3. Extension of loans to productive enterprises.
4. Reduction of government expenditure.
5. Increase of revenue by more efficient collections.
6. Limiting of salaries and wages.
7. Cessation of government support to public utilities which from now on will have to pay their own way.
8. Disposal of government-owned industries (except heavy industries).
9. Punishment of profiteers.
10. Inspection of private bank accounts.

Comparison between the Years 1939 and 1946 of all Shipping
Entering and Clearing at Ports in the Colony.

Class of Vessels.	1939		1946		Decrease		Increase	
	No.	Tonnage	No.	Tonnage	No.	Tonnage	No.	Tonnage
British Ocean-going	3,664	10,145,162	1,671	4,546,106	1,993	5,599,056	—	—
Foreign Ocean-going	3,743	12,003,066	1,476	3,590,083	2,267	8,412,983	—	—
British River Steamers	6,846	6,460,273	1,138	963,070	5,708	5,497,203	—	—
Foreign River Steamers	768	232,065	366	64,866	402	167,199	—	—
Steamships under 60 tons	960	32,837	3,451	89,881	—	—	2,491	57,044
Junks, Foreign Trade	7,900	323,063	29,820	1,734,764	—	—	21,920	1,411,701
Total Foreign Trade	23,881	29,196,466	37,922	10,988,770	10,730	19,676,441	24,411	1,468,745
Steamships over 60 tons Local Trade	124	29,933	—	—	124	29,933	—	—
Steam Launches Local Trade	24,847	804,776	2,242	117,383	22,605	687,393	—	—
Junks, Local Trade	25,765	866,773	5,320	138,158	20,445	728,615	—	—
Grand Total	74,617	30,897,948	45,484	11,244,311	53,544	21,122,382	24,411	1,468,745
Net					29,133	19,653,637	—	—

HONG KONG TRADE RETURNS.
Total Values of Imports & Exports by Countries.

COUNTRIES	IMPORTS FROM		EXPORTS TO	
	Year 1939	Year 1946	Year 1939	Year 1946
	\$	\$	\$	\$
United Kingdom	39,696,659	43,925,729	22,416,927	16,587,944
Australia	7,125,254	42,631,952	3,917,183	4,178,547
Burma	1,035,097	—	5,342,962	1,938,468
Canada	4,843,377	11,232,663	2,552,570	840,222
Ceylon	272,262	244,782	1,399,501	2,864,397
East Africa	352,065	1,182,618	191,804	62,780
India	9,564,538	55,476,152	9,364,445	21,851,149
Malaya (British)	12,959,445	69,250,698	45,985,519	161,934,219
New Zealand	384,975	173,474	830,519	261,015
North Borneo	3,070,492	3,114,547	1,652,554	1,835,530
South Africa	1,580,260	1,128,691	3,978,928	1,194,560
West Africa	—	—	1,163,319	69,973
West Indies	4,747	12,780	5,175,887	168,679
British Empire, Other	932,001	20,060,283	2,925,876	1,045,192
Belgium	5,865,230	11,218,560	1,320,407	1,484,222
China, North	166,317,485	89,912,502	45,107,154	104,094,526
China, Middle	13,768,021	45,599,691	22,172,989	50,410,237
China, South	43,121,483	191,703,000	22,938,897	146,924,340
Cuba	4,856	—	203,796	121,537
Central America	10,762	95,608	2,006,842	128,182
Denmark	1,843,947	1,429,761	1,018,112	2,567,965
Egypt	97,666	591,474	424,465	2,777,146
France	2,633,014	2,597,959	7,129,723	3,820,823

COUNTRIES	IMPORTS FROM		EXPORTS TO	
	Year 1939	Year 1946	Year 1939	Year 1946
	\$	\$	\$	\$
French Indo China	40,659,632	59,120,561	55,479,502	32,273,019
Germany	13,065,134	—	12,612,096	—
Holland	4,430,979	1,044,837	6,181,732	1,912,421
Italy	1,521,372	6,404,893	579,131	543,593
Japan	27,430,342	—	6,554,750	237,994
Kwong Chow Wan	26,356,970	5,337,438	42,286,217	3,209,537
Macao	32,872,239	78,550,265	45,038,953	33,561,246
Norway	656,064	11,085,151	697,958	1,705,805
Netherlands East Indies ...	39,430,888	5,141,641	15,160,348	4,587,830
Philippines	2,562,610	15,983,109	11,357,493	17,995,589
Portugal	89,426	728,657	11,663	109,218
Siam	29,883,795	29,387,101	15,493,155	45,984,125
South America	666,515	186,489	1,265,063	430,274
Sweden	720,544	2,264,252	950,853	3,120,426
Switzerland	1,118,474	4,288,287	39,850	5,114
Spain	279,901	185,965	—	—
U. S. A.	51,900,622	119,565,078	76,884,885	83,702,127
U. S. S. R.	—	—	—	4,855,644
Others (including U.S.S.R. in 1939)	5,070,081	2,617,904	33,571,175	4,242,335
TOTAL	594,199,224	933,474,552	533,385,203	765,634,950
Total Br. Empire	81,821,172	248,434,369	106,897,994	214,829,675
Total Foreign	512,378,052	685,040,183	426,487,209	550,805,275

NOTES. Figures on these pages do not include Government sponsored cargo, value of which is believed to be in the neighbourhood of \$100,000,000 for the year. Nor are importations by U.N.R.R.A. included.

It is to be noted that values per ton were considerably higher in 1946 than in 1939 so that volume of goods handled in the post-war period is lower.

Total Values of Imports & Exports Under Main Groups.

Articles	IMPORTS		EXPORTS	
	Year 1939	Year 1946	Year 1939	Year 1946
	\$	\$	\$	\$
Animals, Live	14,169,620	32,083,085	460,650	—
Building Materials	7,746,045	20,918,573	3,122,520	3,306,059
Chemicals & Drugs	7,735,476	28,338,475	6,880,018	22,756,491
Chinese Medicines	25,827,689	65,983,226	23,268,855	60,034,448
Dyeing & Tanning Materials	8,102,058	11,634,373	8,843,189	8,292,368
Foodstuffs & Provisions ...	137,368,798	209,043,307	108,754,861	116,097,004
Fuels	16,398,663	11,954,488	731,052	881,256
Hardware	4,721,681	4,948,457	4,369,712	8,482,288
Liquors, Intoxicating	4,859,460	11,417,912	1,495,016	6,339,326
Machinery & Engines	10,687,605	6,184,429	6,995,323	1,439,004
Manures	7,748,035	1,282,353	8,109,776	4,233,298
Metals	36,981,429	40,010,984	37,481,458	39,703,842
Minerals & Ores	5,553,021	1,501,657	22,503,808	1,772,035
Nuts & Seeds	9,868,059	22,080,579	6,470,389	11,883,376
Oils & Fats	89,442,176	113,973,396	75,037,938	142,938,957
Paints	1,942,358	4,041,344	1,817,400	4,073,019
Paper & Paperware	10,640,028	40,938,057	8,362,044	31,554,421
Piece Goods & Textiles ...	99,200,739	100,932,708	72,620,655	128,891,514
Railway Materials	146,328	5,521	137,783	16,926
Tobacco	9,587,245	25,321,256	9,653,718	6,189,195
Vehicles	13,627,309	15,299,156	20,464,040	1,988,342
Wearing Apparel	4,440,732	10,488,226	28,519,637	18,738,008
Sundries	67,404,670	155,092,990	77,285,352	146,023,773
Merchandise Total ...	594,199,224	933,474,552	533,385,203	765,634,950
Treasure	5,323,925	20,242,169	75,403,626	57,115,400
Grand Total	599,523,149	953,716,721	608,788,829	822,750,350

Officers of the Hong Kong General Chamber of Commerce.
From date of Formation in 1861 to 1946

Year	Chairman	Firm	Vice-Chairman	Firm	Secretary	Asst. Sec.
1861	Alexander Percival	Jardine, Matheson & Co.	W. Walkinshaw	Turner & Co.	J. Johnson	
1862	James MacAndrew	do.	C. W. Murray	Birley & Co.	J. C. Baldwin	
1863	J. J. Mackenzie	Dent & Co.	C. F. Still	Liyall, Still & Co.	J. C. Baldwin	
1864	H. B. Gibb	Gibb, Livingston & Co.	H. B. Lemann	Gilman & Co.	J. C. Baldwin	
1865	H. B. Lemann	Gilman & Co.	H. B. Gibb	Gibb, Livingston & Co.	Edward Norton	
1866	John Dent	Dent & Co.	P. Ryrrie	Turner & Co.	Edward Norton	
1867	P. Ryrrie	Turner & Co.	W. Nissen	Siemssen & Co.	J. W. Wood	
1868	P. Ryrrie	do.	G. J. Helland	J. Burch & Co.	J. W. Wood	
1869	W. J. Bryans	do.	G. J. Helland	do.	A. Noel Blakeman	
1870	W. Keswick	Jardine, Matheson & Co.	J. B. Taylor	Smith, Archer & Co.	A. Noel Blakeman	
1871	P. Ryrrie	Turner & Co.	A. Zimmermann	Reiss & Co.	Ed. Baker, Acting	
1872	P. Ryrrie	do.	L. Kahn	do.	A. Noel Blakeman	
1873	P. Ryrrie	do.	L. Kahn	do.	A. Noel Blakeman	
1874	P. Ryrrie	do.	James Grieg	H'kong & S'hai Bank.	A. Noel Blakeman	
1875	P. Ryrrie	do.	James Grieg	do.	A. Noel Blakeman	
1876	P. Ryrrie	do.	W. Keswick	Jardine, Matheson & Co.	N. B. Dennys	
1877	W. Keswick	Jardine, Matheson & Co.	H. H. Nelson	Chartered Mercantile Bank.	H. L. Dennys	
1878	W. Keswick	do.	H. L. Dalrymple	Birley & Co.	E. George	
1879	W. Keswick	do.	H. H. Nelson	Chartered Mercantile Bank.	E. George	
1880	W. Keswick	do.	H. H. Nelson	do.	E. George	
1881	W. Keswick	do.	P. Ryrrie	Turner & Co.	E. George	
1882	F. B. Johnson	do.	H. L. Dalrymple	Birley & Co.	E. George	
1883	F. B. Johnson	do.	P. Ryrrie	Turner & Co.	H. M. Bailly	
1884	W. Keswick	do.	P. Ryrrie	do.	H. M. Bailly	
1885	W. Keswick	do.	A. P. MacEwen	Holiday Wise & Co.	H. M. Bailly	
1886	P. Ryrrie	Turner & Co.	A. P. MacEwen	do.	H. U. Jeffries	
1887	P. Ryrrie	do.	J. Bell Irving	Jardine, Matheson & Co.	H. U. Jeffries	
1888	P. Ryrrie	do.	J. Bell Irving	do.	F. Henderson	
1889	P. Ryrrie	do.	J. Bell Irving	Holiday Wise & Co.	F. Henderson	
1890	E. Mackintosh	Butterfield & Swire.	A. P. MacEwen	Jardine, Matheson & Co.	F. Henderson	
1891	E. Mackintosh	do.	J. J. Keswick	do.	Adam Lind, Acting	
1892	E. Mackintosh	do.	J. J. Keswick	Gibb, Livingston & Co.	F. Henderson	
1893	J. J. Keswick	Jardine, Matheson & Co.	A. G. Wood	Butterfield & Swire.	F. Henderson	
1894	J. J. Keswick	do.	E. Mackintosh	Gilman & Co.	F. Henderson	
1895	A. G. Wood	Gibb, Livingston & Co.	A. McConachie	Butterfield & Swire.	R. C. Wilcox	
1896	A. McConachie	Gilman & Co.	Herbert Smith	do.	R. C. Wilcox	
1897	R. M. Gray	Reiss & Co.	Herbert Smith	do.	R. C. Wilcox	
1898	R. M. Gray	do.	Herbert Smith	Gilman & Co.	R. C. Wilcox	
1899	R. M. Gray	do.	A. McConachie	Jardine, Matheson & Co.	R. C. Wilcox	
1900	R. M. Gray	do.	J. J. Keswick	Gibb, Livingston & Co.	R. C. Wilcox	
1901	Sir Thomas Jackson	Hongkong & Shanghai Bank.	C. S. Sharp	F. & O. Steam Nav. Co.	A. R. Lowe	
1902	C. S. Sharp	Gibb, Livingston & Co.	E. A. Hewett	Butterfield & Swire.	A. R. Lowe	
1903	E. A. Hewett	P. & O. Steam Nav. Co.	D. R. Law	do.	A. R. Lowe	
1904	E. A. Hewett	do.	D. R. Law	Gibb, Livingston & Co.	A. R. Lowe	
1905	E. A. Hewett	do.	A. G. Wood	do.	A. R. Lowe	
1906	E. A. Hewett	do.	A. G. Wood	do.	A. R. Lowe	
1907	E. A. Hewett	do.	A. G. Wood	do.	E. A. M. Williams	
1908	E. A. Hewett	do.	A. G. Wood	do.	E. A. M. Williams	
1909	E. A. Hewett	do.	J. R. M. Smith	Hongkong & Shanghai Bank.	E. A. M. Williams	
1910	E. A. Hewett	do.	J. R. M. Smith	do.	A. R. Lowe, Acting	
1911	E. A. Hewett	do.	H. Keswick	Jardine, Matheson & Co.	E. A. M. Williams	D. K. Blair
1912	E. A. Hewett, C.M.G.	do.	N. J. Stabb	Hongkong & Shanghai Bank.	E. A. M. Williams	D. K. Blair

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Officers of the Hong Kong General Chamber of Commerce.
From date of Formation in 1861 to 1946.

Year	Chairman	Firm	Vice-Chairman	Firm	Secretary	Asst. Sec.
1913	E. A. Hewett, C.M.G.	P. & O. Steam Nav. Co.	C. H. Ross	Jardine, Matheson & Co.	A. R. Lowe, Acting	D. K. Blair
1914	E. A. Hewett, C.M.G.	do.	J. W. C. Bonnar	Gibb, Livingston & Co.	E. A. M. Williams	
1915	E. A. Hewett, C.M.G.	do.	J. W. C. Bonnar	do.	E. A. M. Williams	
1915	D. Landale	Jardine Matheson & Co.	J. W. C. Bonnar	do.	A. R. Lowe, Acting	D. K. Blair
1916	G. T. Edkins	Butterfield & Swire.	S. H. Dodwell	Dodwell & Co., Ltd.	E. A. M. Williams	D. K. Blair
1917	P. H. Holyoak	Reiss & Co.	S. H. Dodwell	Dodwell & Co.	A. R. Lowe, Acting	D. K. Blair
1918	P. H. Holyoak	do.	S. H. Dodwell	do.	E. A. M. Williams	D. K. Blair
1919	S. H. Dodwell	Dodwell & Co.	E. V. D. Parr	P. & O. Steam Nav. Co.	E. A. M. Williams	D. K. Blair
1920	P. H. Holyoak	Reiss & Co.	E. V. D. Parr	Mackinnon, Mackenzie & Co.	E. A. M. Williams	D. K. Blair
1921	P. H. Holyoak	Reiss & Co.	A. O. Lang	Gibb, Livingston & Co.	D. K. Blair, Acting	D. K. Blair
1922	A. O. Lang	Gibb, Livingston & Co.	D. G. M. Bernard	Jardine, Matheson & Co.	E. A. M. Williams	M. F. Key
1923	D. G. M. Bernard	Jardine, Matheson & Co.	(E. V. D. Parr	Mackinnon, Mackenzie & Co.	D. K. Blair	M. F. Key
1924	J. Owen Hughes	Harry Wicking & Co.	A. O. Lang	Gibb, Livingston & Co.	D. K. Blair	
1925	P. H. Holyoak	Holyoak, Massey & Co., Ltd.	G. M. Young	Butterfield & Swire.	M. F. Key, Acting	
1926	D. G. M. Bernard	Jardine, Matheson & Co., Ltd.	A. O. Lang	Gibb, Livingston & Co., Ltd.	M. F. Key	
1927	D. G. M. Bernard	do.	A. O. Lang	do.	M. F. Key	
1928	T. G. Weall	Dodwell & Co., Ltd.	T. G. Weall	Dodwell & Co., Ltd.	M. F. Key	E. R. Price
1929	B. D. F. Beith	Jardine Matheson & Co., Ltd.	C. G. S. Mackie	Gibb, Livingston & Co., Ltd.	M. F. Key	E. R. Price
1930	C. Gordon Mackie	Mackinnon, Mackenzie & Co.	W. H. Bell	Asiatic Petroleum Co. (South China) Ltd.	M. F. Key	E. R. Price
1931	W. H. Bell	The Asiatic Petroleum Co. (South China), Ltd.	T. H. R. Shaw	Butterfield & Swire.	M. F. Key, Acting	E. R. Price
1932	J. A. Plummer	Bradley & Co.	T. H. R. Shaw	do.	M. F. Key	E. R. Price
1933	T. H. R. Shaw, (Acting from Dec. 18)	Butterfield & Swire.	T. H. R. Shaw	do.	M. F. Key	E. R. Price
1934	C. Gordon Mackie	Mackinnon, Mackenzie & Co.	T. H. R. Shaw	Butterfield & Swire.	M. F. Key	E. R. Price
1935	C. Gordon Mackie	Mackinnon, Mackenzie & Co.	W. H. Bell	Asiatic Petroleum Co. (South China) Ltd.	M. F. Key	E. R. Price
1936	W. H. Bell	Asiatic Petroleum Co. (South China) Ltd.	S. H. Dodwell	Dodwell & Co., Ltd.	E. R. Price, Acting	E. R. Price
1937	S. H. Dodwell	Dodwell & Co., Ltd.	A. W. Hughes	Union Insurance Society of Canton, Ltd.	M. F. Key	E. R. Price
1938	M. T. Johnson	Mackinnon, Mackenzie & Co.	A. L. Shields	Shewan, Tomes & Co.	M. F. Key	E. R. Price
1938	A. L. Shields	Shewan, Tomes & Co.	T. E. Pearce	John D. Hutchison & Co.	M. F. Key	E. R. Price
1939	T. E. Pearce	John D. Hutchison & Co.	J. K. Bousfield	Asiatic Petroleum Co. (South China) Ltd.	E. R. Price, Acting	E. R. Price
1940	J. K. Bousfield	Asiatic Petroleum Co. (South China) Ltd.	J. K. Bousfield	Asiatic Petroleum Co. (South China) Ltd.	M. F. Key, O.B.E.	E. R. Price
1941	S. H. Dodwell	Dodwell & Co., Ltd.	S. H. Dodwell	Dodwell & Co., Ltd.	M. F. Key, O.B.E.	E. R. Price
1942 to 1945	War in the Pacific		G. Miskin	Gilman & Co., Ltd.	M. F. Key, O.B.E.	E. R. Price
1945 to 1946	R. D. Gillespie	Imperial Chemical Industries (China) Ltd.	H. V. Wilkinson, D.S.O.	Mackinnon, Mackenzie & Co.	M. F. Key, O.B.E.	
1946			G. Miskin	Gilman & Co., Ltd.		

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**CHAMBER'S REPRESENTATIVES ON THE LEGISLATIVE
COUNCIL OF HONG KONG.**

<i>Date of Election</i>	<i>Name of Representative</i>	<i>Firm</i>	<i>How Elected</i>
1884	Thomas Jackson	Hongkong & Shanghai Bank...	Elected 2nd January.
1886	Alexander Palmer MacEwen...	Holiday, Wise & Co.	Elected 27th April, Mr. Jackson on leave.
1887	Alexander Palmer MacEwen...	do.	Elected 17th September, on retirement of Mr. Jackson.
1888	Bendyshe Layton	Gibb, Livingston & Co.	Elected 22nd May, Mr. MacEwen on leave.
1890	Thomas Henderson Whitehead	Chartered Bank of I.A. & China	Elected 18th September, on resignation of Mr. MacEwen.
1894	Alexander MacConachie	Gilman & Co.	Elected 9th June, Mr. Whitehead on leave.
1896	Thomas Henderson Whitehead	Chartered Bank of I.A. & China	Re-elected 19th September, on expiry of term.
1900	Herbert Smith	Butterfield & Swire	Elected 30th April, Mr. Whitehead on leave.
1900	John Thurburn	Mercantile Bank	Elected 18th June, on resignation of Mr. H. Smith.
1901	Thomas Henderson Whitehead	Chartered Bank of I.A. & China	Returned from leave, 12th July, 1901.
1902	Robert Gordon Shewan	Shewan, Tomes & Co.	Elected 5th June, Mr. Whitehead on leave.
1902	Robert Gordon Shewan	do.	Elected 3rd October, on expiry of term.
1903	Henry Edward Pollock, k.c. ...	Barrister at Law	Elected on 21st August, Mr. Shewan on leave.
1904	Robert Gordon Shewan	Shewan, Tomes & Co.	Returned from leave, 12th July, 1904.
1906	Edbert Ansgar Hewett	P. & O. Steam Navigation Co.	Elected 26th April, Mr. Shewan resigned.
1908	Murray Stewart	Stewart Bros.	Elected 17th March, Mr. Hewett on leave.
1908	Edbert Ansgar Hewett	P. & O. Steam Navigation Co.	Returned from leave, 15th October, 1908.
1912	Edbert Ansgar Hewett, c.m.g.	do.	Re-elected 25th April, 1912, on expiry of term.
1912	Murray Stewart	Stewart Bros.	Elected 25th May, 1912, Mr. Hewett on leave.
1912	J. W. C. Bonnar	Gibb, Livingston & Co.	Elected 10th September, 1912, Mr. Murray Stewart resigned.
1913	Edbert Ansgar Hewett, c.m.g.	P. & O. Steam Navigation Co.	Returned from leave 19th December, 1912.
1915	Percy Hobson Holyoak	Reiss & Co.	Elected on death of Mr. E. A. Hewett, c.m.g., 10th Dec., 1915.
1917	Stanley Hudson Dodwell	Dodwell & Co., Ltd.	Elected 29th May, Mr. P. H. Holyoak on leave.
1917	Percy Hobson Holyoak	Reiss & Co.	Returned from leave 31st October, 1917.
1918	Percy Hobson Holyoak	do.	Returned from leave 24th September, 1918.
1919	Edward Victor David Parr ...	Mackinnon, Mackenzie & Co.	Elected 18th May, Mr. P. H. Holyoak on leave.
1920	Percy Hobson Holyoak	Reiss & Co.	Returned from leave 24th March, 1920.
1921	Archibald Orr Lang	Gibb, Livingston & Co.	Elected 21st April, 1921, Mr. P. H. Holyoak on leave.
1921	Percy Hobson Holyoak	Reiss & Co.	Returned from leave, 18th June, 1921.
1921	Archibald Orr Lang	Gibb, Livingston & Co.	Re-elected 25th October, 1921.
1923	Percy Hobson Holyoak	Holyoak, Massey & Co., Ltd.	Elected 24th November, 1921, Mr. P. H. Holyoak on leave.
1924	Percy Hobson Holyoak	do.	Returned from leave, 3rd January, 1923.
1925	Percy Hobson Holyoak	do.	

**CHAMBER'S REPRESENTATIVES ON THE LEGISLATIVE
COUNCIL OF HONG KONG.**

<i>Date of Election</i>	<i>Name of Representative</i>	<i>Firm</i>	<i>How Elected</i>
1926	Dallas Gerald Mercer Bernard.	Jardine, Matheson & Co., Ltd.	
1926	Dallas Gerald Mercer Bernard.	do.	Elected 16th April, 1926, Mr. Holyoak on leave.
1927	John Owen Hughes	Harry Wicking & Co.	Elected 14th June, 1926, on death of Mr. P. H. Holyoak.
1928	John Owen Hughes	Harry Wicking & Co.	Elected 16th May, 1927, on Mr. Bernard's appointment to the Council on the nomination of H.E. the Governor.
1929	Benjamin David Fleming Beith	Jardine, Matheson & Co., Ltd.	
1929	John Owen Hughes	Harry Wicking & Co.	Elected 19th April, Mr. J. Owen Hughes on leave.
1930	John Owen Hughes	do.	Returned from leave 22nd November, 1929.
1931	Charles Gordon Stewart Mackie	Mackinnon, Mackenzie & Co.	
1932	William Henry Bell	The Asiatic Petroleum Co. (South China) Ltd.	Elected 4th May, 1931, on retirement of Mr. Owen Hughes.
1933	Charles Gordon Stewart Mackie	Mackinnon, Mackenzie & Co.	Elected 29th March, 1932, Mr. C. G. S. Mackie on leave.
1934	Charles Gordon Stewart Mackie	do.	Returned from leave, 8th February, 1933.
1935	William Henry Bell	The Asiatic Petroleum Co. (South China) Ltd.	
1936	Arthur William Hughes	Union Insurance Society of Canton, Ltd.	Elected 5th April, on resignation of Mr. Mackie.
1937	Marcus Theodore Johnson	Mackinnon, Mackenzie & Co.	Elected 26th July, on resignation of Mr. Bell.
1938	Andrew Lusk Shields	Shewan, Tomes & Co., Ltd.	Elected 18th May, on resignation of Mr. Hughes.
1939	{ Andrew Lusk Shields	Shewan, Tomes & Co., Ltd. ...	Elected 7th October, on resignation of Mr. Johnson.
	{ John Keith Bousfield	The Asiatic Petroleum Co. (South China) Ltd.	
1940	Andrew Lusk Shields	Shewan, Tomes & Co., Ltd. ...	Mr. Bousfield was elected on 25th May to serve during Mr. Shield's absence from the Colony.
1941	Andrew Lusk Shields	Shewan, Tomes & Co., Ltd. ...	Returned from leave, end of 1939.
1942	Andrew Lusk Shields	Shewan, Tomes & Co., Ltd. ...	
1944	Andrew Lusk Shields	Shewan, Tomes & Co., Ltd. ...	Died in Stanley Internment Camp, 24th July, 1944.
1946	Ronald Dare Gillespie	Imperial Chemical Industries (China) Ltd.	Elected 29th April, 1946.

Hong Kong General Chamber of Commerce

(ESTABLISHED 1861)

LIST OF MEMBERS, 1946—1947.

With the date of Election to Membership.

Individual Members.

Sir Robert Kotewall, c.m.g. 1927

Mr. J. L. Robinson1940 Mr. M. P. Talati1908

Firms.

Abbas Khan (1946) Co.1946	Banque de l'Indo-Chine1895
Abdoolally Ebrahim & Co. ...1940	Bata Shoe Co., Ltd.1947
Acil Import & Export & Refrigeration Service1946	Barma, H. T.1947
Advani, H. A., & Bros.1941	Batten & Co., Ltd.1940
Advertising & Publicity Bureau Ltd.1929	Blair & Co., Ltd.1946
Aircraft (China) Ltd.1946	Bosco Corporation, The1946
Allied Trading Co., Ltd. ...1947	Botelho, A. G., & Co.1940
Alves, J. M. & Co., Ltd. ...1910	Brighten Trading Co.1947
American Express Co., Inc. 1929	British-American Tobacco Co. (China) Ltd.1903
American President Lines, Ltd.1918	British Cigarette Co., Ltd. ...1938
Andersen, Meyer & Co., Ltd. 1921	British General Electric Co., Ltd.1915
Anderson & Ashe1929	Brutton & Co.1946
Anderson, Robert & Co. ...1947	Bunnan Tong & Co., Suc- cessors to A. Goeke & Co. (1935) Export1928
Annett, M. A. Ltd.1946	Butterfield & Swire1903
Arnhold Trading Co., Ltd. ...1936	C.B.I. Development Co., Ltd.1947
Asia Agencies1947	Caldbeck, Macgregor & Co., Ltd.1895
Asiatic Petroleum Co. (South China) Ltd.1908	Canadian Pacific Steamships, Ltd.1917
Associated China Traders, Ltd.1947	Canton Insurance Office, Ltd. 1895
Associated Produce Co.1946	Canton Overseas Trading Co. 1946
Backhouse, J. H., Ltd.1926	Cathay, Ltd.1947
Bailey & Co., Ltd., W.S. ...1898	Cathay Pacific Airways, Ltd.1947
Banker & Co., Ltd.1941	Caudron, K. & Co.1946
Bank Line (China) Ltd.1910	Carmichael & Clarke1915
Bank of East Asia, Ltd. ...1920	Carr Ramsey & Son, Ltd. ...1946
Banque Belge pour l'Etranger (Extreme - Orient) Soc. Anonyme1946	

Central Trading Co., Ltd.1934	Dairy Farm, Ice & Cold Storage Co., Ltd.1916
Chan Haupo & Co.1941	Danby & Hance1946
Channel Trading Co., Ltd. ...1937	Davie, Boag & Co., Ltd. ...1923
Chartered Bank of India, Australia & China1861	David, S. J. & Co.1932
Chase Bank1937	Dayaram & Sons1947
Chau Yue Teng1920	De La Rama Steamship Co., Inc.1946
Cheong-Leen, H. & Co.1946	Deacons1904
Chellaram, D.1936	Deacon & Co., Ltd.1939
Cheong Tai Co.1946	Dennis & Co., Ltd.1936
Chik Fung Co.1946	Dhabher, P. B., & Co.1940
China Bros. Hat Mfg. Co. ...1937	Dialdas, M. & Sons1946
China Co., Ltd.1946	Dinga & Sons1946
China Construction Co., Ltd. 1946	Dodwell & Co., Ltd.1903
China Engineers, Ltd.1940	Dodwell Motors Ltd.1946
China International Com- mercial Co., Ltd.1947	Douglas Steamship Co., Ltd. 1861
China Light & Power Co., Ltd.1915	Dunbar & Co., Ltd., L.1915
China Mutual Trading Co., Ltd.1947	Dunlop Rubber Co. (China) Ltd.1932
China Provident Loan & Mortgage Co., Ltd.1915	Eagle & Globe Steel Co., Ltd., The1941
China Sea Trading Co., Ltd. 1946	East Asiatic Co., Ltd.1935
China Underwriters, Ltd. ...1927	Eastern Trading Co.1937
China Vegetable Oil Corporation, Ltd.1947	Esmail & Sons, H.M.H.1941
Chotirmall, K. A. J. & Co. ...1936	Eu Tong Sen, Ltd.1938
Chui Tak Loong & Co.1946	Everett Steamship Corpora- tion1946
Chung Nam Flashlight Factory1946	Fancy Bazaar (Silk Store) ...1947
Chun On Fire Insurance Co., Ltd.1903	Far East Associated Mer- chants, Ltd.1946
Ciba (China) Ltd.1946	Far East Aviation Co., Ltd. 1946
Cohen & Co., Henry H.1947	Far East Flying Training School Ltd.1946
Colonial Trading Co.1938	Far East Import & Export Ltd.1947
Connell Brothers Co. (Hong Kong) Ltd.1910	Farview Trading Co., The ...1946
Connell, H. & Co., Ltd. ...1946	Fing Lee Co.1947
Continental Rubber Manu- factory1940	Fire Insurance Association of Hong Kong1915
Continental Trading Co., Ltd.1946	Fonson & Co.1947
Cook & Son, Thos., Ltd. ...1911	Foo Tai Ho Development Co., Ltd.1947
Credit Foncier d'Extreme Orient1938	Francois d'Hardivilliers1946
	Friesland Trading Co., Ltd. 1939
	Frazer & Scott1946

Fung Keong Rubber Manu- factory, Ltd.	1938	Hong Kong Enterprises, Ltd.	1946
Gande, Price & Co., Ltd.	1947	Hong Kong Fire Insurance Co., Ltd.	1895
Gerondal, A. E., & Co., Ltd.	1946	Hong Kong & Kowloon Wharf & Godown Co., Ltd.	1903
Getz Bros. & Co.	1941	Hong Kong Land Investment & Agency Co., Ltd.	1903
Gibb, Livingston & Co., Ltd.	1861	Hong Kong Match Factory, The	1941
Gidumal & Watumull, O. K., Ltd.	1938	Hong Kong Preserved Ginger Distributors Ltd.	1946
Gilman & Co., Ltd.	1861	Hong Kong Property Owners' Association	1939
Globe Trading Co., The	1941	Hong Kong Rope Manu- facturing Co., Ltd.	1900
Goddard & Douglas	1903	Hong Kong Rubber Manu- factory, Ltd.	1938
Gotla, P. D., & Co.	1940	Hong Kong & Shanghai Banking Corporation	1865
Green Island Cement Co., Ltd.	1900	Hong Kong & Shanghai Hotels, Ltd.	1921
Gregory, T. M. & Co.	1918	Hong Kong Stevedoring Co., Ltd., The	1946
Gulab, A. D.	1947	Hong Kong & Shanghai Lace Co.	1946
Hale, Hamilton & Co., Ltd.	1947	Hong Kong Telephone Co., Ltd., Successors to the China & Japan Telephone & Electric Co., Ltd.	1904
Hang Tai & Fungs Co.	1946	Hong Kong Tramways, Ltd.	1915
Hariram & Hariram	1946	Hong Kong United Trading Co., The	1941
Hari's Silk Store	1946	Hong Kong & Yaumati Ferry Co., Ltd.	1946
Harper, Wallace & Co., Ltd.	1928	Hong Kong & Whampoa Dock Co., Ltd.	1895
Harrisons, King & Irwin Ltd.	1946	Hop Tak Shing Co.	1946
Herbert & Herbert Co.	1946	Humphreys Estate & Finance Co., Ltd.	1940
Hillman Trading Co.	1947	Hung Fat Co.	1947
Himly, Ltd.	1920	Hunt, William & Co., Federal Inc., U.S.A.	1946
Ho Tung, Sir Robert	1893	Hutchison, J. D., & Co., Ltd.	1903
Holland China Trading Co., Ltd., Successors to Hotz, S'Jacob & Co.	1899	I On Marine & Fire Insurance Co., Ltd.	1947
Hong Kong Brewery & Distillery Ltd.	1933		
Hong Kong Can Co.	1946		
Hong Kong, Canton & Macao Steamboat Co., Ltd.	1903		
Hong Kong Canton Export Co., Ltd.	1933		
Hong Kong & China Gas Co., Ltd.	1896		
Hong Kong-China Trading Co.	1946		
Hong Kong Electric Co., Ltd.	1909		

Imperial Chemical Industries (China) Ltd.	1919	Lee & Co., Ltd., S.W.	1946
Indo-China Trading Co.	1946	Liddell Bros., & Co., Ltd.	1946
Indo-China Steam Navigation Co., Ltd.	1921	Liebermann Waelchli & Co.	1940
International Marketing Exchange Ltd.	1937	Li & Fung, Ltd.	1938
International Sports Co.	1946	Ling & Co., C. S.	1947
Ip Tak & Co.	1921	Ling Nam Hardware Mfg. Co., Ltd.	1946
Ip & Co., Matthew	1946	Lobo & Co., P. J.	1946
International Merchandising Co.	1946	Local Printing Press, Ltd., The	1946
Jardine Engineering Corporation, Ltd.	1922	Lowe, Bingham & Matthews 1907	
Jardine, Matheson & Co., Ltd.	1861	Loxley, W. R. & Co. (China), Ltd.	1903
Java-China-Japan Lijn	1904	Lunar Trading Co.	1947
Jebsen & Co.	1896	Lyemooon Enterprise	1947
Johnson, Stokes & Master ...	1895	Macao Electric Lighting Co., Ltd.	1922
Johnston Allen & Co., Ltd.	1947	Mackinnon, Mackenzie & Co.	1863
Jones & Co., Ltd.	1946	Mackintosh's Ltd.	1947
Sir Elly Kadoorie & Sons ...	1940	Macomber, Samuel & Co.	1946
Kailan Mining Administra- tion	1915	Malooof Ltd., Fred	1946
Karanjia & Co., C.M.	1938	Manners, John, & Co., Ltd.	1918
Kees O. & Co.	1941	Manufacturers Life Insurance Co., The	1946
Kelly Bros. Mfg. Factory ...	1946	Manufacturers United Trading Co.	1946
Keller Ed. A., & Co., Ltd.	1920	Marconi (China) Ltd.	1941
Kelly & Walsh, Ltd.	1946	Marconi International Marine Communication Co., Ltd.	1925
Kenworth Trading Co., The ...	1946	Marine Insurance Associa- tion of Hong Kong & Canton	1909
Kewalram Jhamatmal	1946	Marshall & Co., Ltd., James G.	1947
Kian Gwan Co. (China) Ltd.	1940	Marsman Hong Kong China, Ltd.	1939
Kingtuck Trading Co.	1946	Martin, T. A., & Co.	1938
Kishinchand Chellaram	1940	Maxim & Co.	1922
Klink Ltd., P. J.	1946	May & Baker Ltd.	1947
Kwong Fat Yuen & Co.	1946	Mercantile Bank of India, Ltd.	1903
Kwong Hing Hong	1947	Mee Tak Company	1946
Kwong, Ming & Co.	1946	Messageries Maritimes, Com- pagnie des, Successors to the Compagnie des Mess- ageries Imperiales	1863
Lammert Brothers	1919		
Lane, Crawford, Ltd.	1903		
Law, Robert & Sons Co.	1947		
Le C. Kuen & Co., Thomas... ..	1939		
Lebel Trading Co., Ltd., The ...	1941		
Lepack Company	1939		

Mollers' (Hong Kong) Ltd.	1946	Pure Cane Molasses Co. (Hong Kong), Ltd.	1930
Moris Trading Corporation	1946	Ramchand, G.	1937
Morton Bros. & Co., Charles	1946	Rathour, H. S., & Co.	1937
Mutual Trust Co.	1946	Reiss, Bradley & Co., Ltd.	1936
Nam Hing & Co.	1946	Robertson, Wilson & Co., Ltd.	1913
National Carbon Co. Fed. Inc., U.S.A., The	1941	Rolfe, C. H.	1946
National City Bank of New York	1903	Rondon & Co., Ltd., L.	1939
National Lacquer & Paint Products Co., Ltd., The	1940	Ross & Co. (China) Ltd. Alex.	1902
National Trading Corpora- tion	1946	Royal Insurance Co., Ltd.	1917
Nemazee, M.	1903	Roy Farrell Export-Import Co.	1946
Nestle & Anglo-Swiss Milk Products, Ltd.	1911	Ruttonjee & Son Ltd., H.	1946
Netherlands-India Commer- cial Bank N.V.	1907	Sangkee Trading Co.	1947
Netherlands Trading Society	1915	Sapooran & Co.	1946
New China Trading Co.	1946	Sassoon, David, & Co., Ltd.	1861
New England Co.	1946	Sassoon, E. D. Banking Co., The	1936
New Zealand Insurance Co., Ltd., The	1915	Scott & English Ltd.	1947
Nolasco & Co., Ltd., H.	1947	Schulthess & Co., De	1946
Northern Feather Works Ltd.	1946	Shewan, Tomes & Co., Ltd.	1903
Optorg Co. (Malaya) Ltd.	1939	Singon & Co.	1946
Ott, E. & Co., Ltd.	1946	South British Insurance Co., Ltd.	1917
Overseas, Ltd., The	1946	South China Traders	1946
Pacific Commercial Agency	1946	Spalinger U. & Co., S. A.	1940
Palmer & Turner	1946	Standard-Vacuum Oil Co.	1903
Pacific Trading Co., The	1947	Starbright Trading Co.	1946
Pacific Union Trading Co., Ltd.	1946	Steel Bros. & Co., Ltd.	1946
Paper Co. van Reekum (Hong Kong) Ltd., The	1941	Sui Heong Yuen	1927
Parsram, P., & Co.	1940	Sun Ah Silk & Cotton Weaving Factory	1938
Pavri & Sons, K. S.	1940	Sun Co., Ltd.	1947
Peat, Marwick, Mitchell & Co.	1946	Sun Fung Co.	1946
Penn E. Co.	1940	Sunny & Co.	1946
Percy Smith & Co.	1915	Swire & Maclaine Ltd.	1946
Phlox Limited	1946	Swatow Drawn Work Co.	1938
Pohoomull Bros. (India)	1936	Sze Wo & Co., Ltd.	1946
		Ta Hing Co. (H.K.) Ltd.	1947
		Taikoo Dockyard & Engi- neering Co. of Hong, Kong, Ltd.	1941

Takley Co., Ltd.	1946	Wan Fung Co.	1946
Taksen Trading Co., The	1947	Wang Kee & Co.	1938
Tan Kiet dit Yoan, Ets.	1946	Wassiamull Assomull & Co.	1946
Tavadia & Futakia	1947	Watanmal Boolchand	1936
Texas Co. (China), Ltd.	1915	Watson, A. S., & Co., Ltd.	1915
Thoresen & Co., Ltd.	1915	Wattie & Co., Ltd., J. A.	1946
Tsun Tsun Trading Co.	1940	Wayne & Haylitt Co.	1946
Tung Tai Hong	1946	Whiteaway, Laidlaw & Co., Ltd.	1946
Union Insurance Society of Canton, Ltd.	1885	Wicking, Harry & Co., Ltd.	1903
Union Trading Co., Ltd.	1915	Wilkinson & Grist	1915
Union Waterboat Co., Ltd.	1915	Williamson & Co.	1922
United Development Co.	1946	Wilson Trading Co.	1946
United Traders, Ltd.	1947	Wing On Co., Ltd., The	1941
Universal Export-Import Trading Co., The	1947	Wing Sang Hong	1946
Uttam, L. G.	1946	Wing Wo Hing	1946
Utoomal & Assudamal Co.	1936	Wong, T. O., & Co., Ltd.	1946
Vasunia, J. P., & Co.	1941	Wong, Tan & Co.	1938
Victory Trading Co.	1946	Xavier Bros., Ltd.	1928
Wah Hing Co.	1941	Yangtze Supply Corpn.	1947
Wah Keong Rubber Manu- factory, The	1940	Yau, James & Co.	1929
Wah Ngai Weaving Factory	1938	Yau Wing Hong	1946
Wai Kee & Co.	1946	Yu Tung Tai Ltd.	1946
Wallem Lambert Bros., Ltd.	1946	Yuen Kung Co.	1947
Wallem & Co.	1933	Yuen Sheung Hong	1946
		Zenith Agencies, Ltd., The	1946

Classified List of Members of the Chamber.

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| <p>Accountants and Auditors:
 Le C. Kuen & Co., Thomas.
 Lowe Bingham & Matthews.
 Martin, T. A. & Co.
 Peat, Marwick, Mitchell & Co.
 Percy Smith & Co.
 Wong Tan & Co.</p> <p>Advertising Agents:
 Advertising & Publicity Bureau,
 Ltd.,
 Peninsula Hotel,
 Kowloon.
 Cathay, Ltd.,
 309 Prince's Building.</p> <p>Aerated Water Manufacturers:
 A. S. Watson & Co., Ltd.</p> <p>Airways:
 Cathay Pacific Airways Ltd.,
 Prince's Building.</p> <p>Alcoholic Beverages:
 Caldbeck Macgregor & Co., Ltd.,
 Prince's Building.
 Central Trading Co., Ltd.,
 Union Building.
 Dodwell & Co., Ltd.,
 Hong Kong Bank Building.
 Gilman & Co., Ltd.,
 4A Des Voeux Road Central.
 Jardine, Matheson & Co., Ltd.,
 14/16 Pedder Street.
 Lane Crawford, Ltd.,
 Exchange.
 Rondon & Co., Ltd., L.,
 French Bank Building.
 Ruttonjee & Son, Ltd., H.,
 7, Duddell Street.
 Watson & Co., Ltd., A. S.,
 Alexandra Building.</p> | <p>Auctioneers:
 Lammert Bros.</p> <p>Aviation:
 Aircraft (China) Ltd.,
 National City Bank Building.
 Far East Aviation Co., Ltd.,
 National City Bank Building.</p> <p>Architects:
 Palmer & Turner.</p> <p>Banks:
 American Express Co., Inc., The
 P. O. Box 3.
 Bank of East Asia, Ltd.,
 Des Voeux Road Central.
 Banque Belge pour l'Etranger
 (Extreme Orient) S. A.,
 P. O. Box 27.
 Banque de l'Indo-Chine,
 French Bank Building.
 Chartered Bank of India,
 Australia & China,
 Chartered Bank Building.
 Chase Bank,
 15, Queen's Road Central.
 Cook & Son, Thos., Ltd.,
 P. O. Box 38.
 Hong Kong & Shanghai Banking
 Corporation,
 Hong Kong Bank Building.
 Mercantile Bank of India, Ltd.,
 7 Queen's Road Central.
 National City Bank of New York,
 P. O. Box 14.
 Netherlands-India Commercial
 Bank N.V.,
 P. O. Box 104.
 Netherlands Trading Society,
 Holland House.
 Sassoon, E. D. Banking Co., The
 Holland House.</p> |
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|---|---|
| <p>Booksellers:
 Kelly & Walsh Ltd.,
 York Building.</p> <p>Brewers & Distillers:
 Hong Kong Brewery & Distillery
 Ltd.</p> <p>Cement Manufacturers:
 Green Island Cement Co., Ltd.</p> <p>Chemicals:
 Imperial Chemical Industries
 (China) Ltd.,
 Prince's Building.
 Klink Ltd., P. J.,
 Alexandra Building.
 Kwong Ming & Co.,
 Wang Hing Building, 10
 Queen's Road Central.
 Shewan Tomes & Co., Ltd.,
 Chung Tin Building.
 Union Trading Co., Ltd.,
 York Building.</p> <p>Cigarette Manufacturers:
 The British Cigarette Co., Ltd.,
 256 Gloucester Road.</p> <p>Chemists & Druggists:
 A. S. Watson & Co., Ltd.</p> <p>Coal Contractors:
 Jardine, Matheson & Co., Ltd.
 Kailan Mining Administration.
 Reiss Bradley & Co., Ltd.
 Wallem & Co.
 Wang Kee & Co.
 Williamson, S. T., & Co.</p> <p>Cold Storage:
 Dairy Farm, Ice & Cold Storage
 Co., Ltd.,
 Windsor House.</p> <p>Dairies:
 Dairy Farm, Ice & Cold Storage
 Co., Ltd.</p> <p>Department Stores:
 Lane Crawford Ltd.,
 Exchange Building.
 Whiteaway, Laidlaw & Co., Ltd.,
 Des Voeux Road Central.</p> | <p>Wing On Co., Ltd., The
 Des Voeux Road Central.</p> <p>Engineers:
 Bailey, W. S., & Co., Ltd.,
 To Kwa Wan, Kowloon.
 China Engineers Ltd.,
 P. O. Box 148.
 Gilman & Co., Ltd.,
 4A Des Voeux Road Central.
 Hong Kong & Whampoa Dock
 Co., Ltd.,
 Kowloon Dock,
 Hung Hom.
 Jardine Engineering Corporation
 Ltd.,
 14/16 Pedder Street.
 Malcolm & Co., Ltd.,
 Hong Kong Bank Building.
 Taikoo Dockyard & Engineering
 Co. of Hong Kong Ltd.,
 Quarry Bay, Hong Kong.</p> <p>Engineers Consulting:
 Anderson & Ashe,
 Queen's Building.
 Carmichael & Clarke,
 Union Building.
 Goddard & Douglas,
 Alexandra Building.
 Marsman Hong Kong, China,
 Ltd.,
 Hong Kong Bank Building.</p> <p>Estate Agents:
 China Provident Loan &
 Mortgage Co., Ltd.,
 Connaught Road West.
 Credit Foncier d'Extreme Orient,
 P. O. Box 207.
 David & Co., S. J.,
 David House.
 Hong Kong Land Investment &
 Agency Co., Ltd.,
 Gloucester Building.
 Humphrey's Estate & Finance
 Co., Ltd.,
 Alexandra Building.</p> |
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Factories:

Chung Nam Flashlight Factory,
165, King's Road.
Fung Keong Rubber Manufac-
tory, Ltd.,
243, Des Voeux Road Cen-
tral.
Hong Kong Can Co.,
147-49, King's Road.
Hong Kong Match Factory, The
Bank of East Asia Build-
ing.
Kelly Bros. Mfg Factory,
60, Castle Peak Road,
Samshuipo, Kowloon.
Ling Nam Hardware Mfg Co.,
K.I.L. 4147, Ma Tau Wai
Road, Kowloon.
National Lacquer & Paint Pro-
ducts Co., Ltd., The
704/16 King's Road.
Sun Ah Silk & Cotton Weaving
Factory,
159 Connaught Road Cen-
tral.
Wah Ngai Weaving Factory,
70, Taipo Road, Kowloon.

Feather Exporters:
Deacon & Co., Ltd.,
Prince's Building.
Northern Feather Works Ltd.,
P. O. Box 156.
Rolfe, C. H.,
Alexandra Building.

Flour Broker:
L. Dunbar,
Queen's Building.

Flour Merchants:
Dodwell & Co., Ltd.,
P. O. Box 36.

Flying Training School:
Far East Flying Training School,
Ltd.,
National City Bank Build-
ing.

Forwarding Agents:
American Express Co., Inc.,
P. O. Box 3.

Cook & Son, Thos., Ltd.,
P. O. Box 38.

Godown Companies:

China Provident Loan &
Mortgage Co., Ltd.,
Connaught Road West.
Hong Kong & Kowloon Wharf
& Godown Co., Ltd.,
Tsim Tsa Tsui, Kowloon.

Hat Manufacturers:

China Bros. Hat Manufacturing
Co.,
253 Queen's Road Central.

Hotel Companies:

Hong Kong & Shanghai Hotels
Ltd.,
Exchange Building.

**Insurance Companies &
Associations:**

Canton Insurance Office, Ltd.,
Pedder Street.
China Underwriters, Ltd.,
4A, Des Voeux Road Cen-
tral.
Chun On Fire Insurance Co.,
Ltd.,
8, Queen's Road West.
Fire Insurance Association of
Hong Kong,
c/o Messrs. Lowe, Bing-
ham & Matthews,
Mercantile Bank
Building.
Gilman & Co., Ltd.,
4A Des Voeux Road Cen-
tral.
(Lloyd's Agents).
Hong Kong Fire Insurance Co.,
Ltd.,
Jardine Building.
I On Marine & Fire Insurance
Co., Ltd.,
24-26 Bonham Strand West.

Marine Insurance Association of
Hong Kong & Canton,
c/o Messrs. Lowe, Bing-
ham & Matthews,
Mercantile Bank
Building.
Manufacturers Life Insurance
Co., The
Windsor House.
New Zealand Insurance Co., Ltd.,
The
215, Asia Life Building.
Royal Insurance Co., Ltd.,
c/o Messrs. W. R. Loxley
& Co. (China) Ltd.,
York Building.
South British Insurance Co.,
Ltd.,
P. O. Box 227.
Union Insurance Society of
Canton, Ltd.,
Union Building.

Machinery Agents & Contractors:

Andersen Meyer & Co., Ltd.,
P. O. Box 73.
British General Electric Co.,
Ltd., The
P. O. Box 15.
Dodwell & Co., Ltd.,
P. O. Box 36.
Gilman & Co., Ltd.,
4A Des Voeux Road Cen-
tral.
Jardine Engineering Corporation
Ltd.,
14/16 Pedder Street.
Jebsen & Co.,
Pedder Building.
Kotewall, R. H.,
P. O. Box 252.
Malcolm & Co., Ltd.,
Hong Kong Bank Build-
ing.
Reiss Bradley & Co., Ltd.,
P. O. Box 78.
Shewan Tomes & Co., Ltd.,
P. O. Box 115-B.

Marine Surveyors:

Anderson & Ashe,
Queen's Building.
Carmichael & Clarke,
Union Building.
Goddard & Douglas,
Alexandra Building.

Medicine, Chinese: Manufacturers:
Eu Tong Sen, Ltd.,
Queen's Road Central.

Men's Outfitters:

Mackintosh's Ltd.,
Alexandra Building.

Mining Companies:

Kailan Mining Administration,
Hong Kong Bank Build-
ing.
Marsman Hong Kong China Ltd.,
Hong Kong Bank Build-
ing.

Molasses Importers:

Pure Cane Molasses Co., (Hong
Kong) Ltd.,
Marina House.

Motor Vehicle Dealers:

Dodwell Motors Ltd.,
Queen's Building.
Gilman & Co., Ltd.,
4A Des Voeux Road Cen-
tral.
Alex. Ross & Co., (China) Ltd.,
Windsor House.
Harper Wallace & Co., Ltd.,
Shell House.

Merchants & Commission Agents:

Abbas Khan (1946) Co.,
David House.
Abdoolally Ebrahim & Co.,
P. O. Box 308.
Acil Import-Export & Refrigeration
Service,
6 Knutsford Terrace,
Kowloon.

- Advani, H. A. & Bros.,
P. O. Box 390.
- Alves, J. M. & Co., Ltd.,
Queen's Building.
- Andersen, Meyer & Co., Ltd.,
P. O. Box 73.
- Anderson, Robert & Co.,
Room 401, Chung Tin
Building.
- Annett, M. A., Ltd.,
P. O. Box 586.
- Arnhold Trading Co., Ltd.,
Exchange Building.
- Associated China Traders Ltd.,
David House.
- Associated Produce Co.,
P. O. Box 389.
- Backhouse, J. H., Ltd.,
P. O. Box 611.
- Banker & Co., Ltd.,
P. O. Box 780.
- Barma, H. T.,
P. O. Box 768.
- Batten & Co., Ltd.,
Pedder Building.
- Blair & Co., Ltd.,
Holland House.
- Bosco Corporation, The,
Prince's Building.
- Botelho, A. G., & Co.,
Union Building.
- Bunnan Tong & Co.,
P. O. Box 887.
- Butterfield & Swire,
1, Connaught Road Cen-
tral.
- Canton Overseas Trading Co.,
P. O. Box 101.
- Caudron, K., & Co.,
French Bank Building.
- Carr Ramsey & Son, Ltd.,
Prince's Building.
- C.B.I. Development Co., Ltd.,
Room 315, Hong Kong
Bank Building.
- Central Trading Co., Ltd.,
P. O. Box 322.
- Chan Haupo & Co.,
P. O. Box 427.
- Channel Trading Co., Ltd.,
P. O. Box 845.
- Chau Yue Teng,
P. O. Box 544.
- Cheong-Leen, H., & Co.,
Asia Life Building.
- Chellaram, D.,
c/o Britannia Silk Store,
China Building.
- Cheong Tai Co.,
National Bank Building.
- Chik Fung Co.,
Prince's Building.
- China Co., Ltd.,
18, Connaught Road, Cen-
tral.
- China Construction Co., Ltd.,
P. O. Box 562.
- China Engineers, Ltd.,
P. O. Box 148.
- China International Commercial
Co., Ltd.,
Bank of East Asia Build-
ing.
- China Mutual Trading Co., Ltd.,
13-21, Ice House Street.
- China Sea Trading Co., Ltd.,
P. O. Box 1195.
- Chotirmall, K. A. J., & Co.,
P. O. Box 317.
- Chui Tak Loong & Co.,
P. O. Box 1383.
- Ciba (China) Ltd.,
French Bank Building.
- Colonial Trading Co.,
Stock Exchange Building.
- Connell Brothers Co. (Hong
Kong) Ltd.,
Oi Kwan Building.
- Connell, H., & Co., Ltd.,
Bank of China Building.
- Continental Trading Co., Ltd.,
P. O. Box 377.
- Danby & Hance,
Alexandra Building.
- Davie, Boag & Co., Ltd.,
P. O. Box 229.
- Dayaram & Sons,
P. O. Box 1642.

- Deacon & Co., Ltd.,
Hong Kong Bank Build-
ing.
- Dennis & Co., Ltd.,
P. O. Box 868.
- Dhabber, P. B., & Co.,
P. O. Box 932.
- Dialdas, M., & Sons,
20, Ice House Street.
- Dinga & Sons,
P. O. Box 157.
- Dodwell & Co., Ltd.,
P. O. Box 36.
- East Asiatic Co., Ltd.,
P. O. Box 835.
- Eastern Trading Co.,
22, Des Voeux Road, Cen-
tral.
- Esmail & Sons, H. M. H.,
P. O. Box 551.
- Fancy Bazaar (Silk Store),
42, Queen's Road, Central.
- Far East Associated Merchants,
Ltd.,
National City Bank Build-
ing.
- Far East Import & Export Ltd.,
P. O. Box 80.
- Farview Trading Co., The
French Bank Building.
- Fing Lee Co.,
Pedder Building.
- Fonson & Company,
Asia Life Building.
- Foo Tai Ho Development Co.,
Ltd.,
307, Prince's Building.
- Francois d'Hardivilliers,
5, Queen's Road Central.
- Friesland Trading Co., Ltd.,
Holland House.
- Frazer & Scott,
18, Connaught Road, Cen-
tral.
- Gerondal, A. E., & Co., Ltd.,
Union Building.
- Getz Bros. & Co.,
Exchange Building.
- Gibb, Livingston & Co., Ltd.,
P. O. Box 55.
- Gidumal & Watumull, O. K.,
Ltd.,
P. O. Box 568.
- Gilman & Co., Ltd.,
4A Des Voeux Road Cen-
tral.
- Globe Trading Co., The
37 Des Voeux Road Cen-
tral.
- Gotla, P. D., & Co.,
P. O. Box 800.
- Gregory, T. M., & Co.,
Queen's Building.
- Hang Tai & Fungs Co.,
P. O. Box 629.
- Hariram & Hariram,
P. O. Box 689.
- Hari's Silk Store,
44, Queen's Road Central.
- Harrisons, King & Irwin Ltd.,
c/o Lowe, Bingham &
Matthews (temporari-
ly), also King's Road.
- Hillman Trading Co.,
P. O. Box 1423.
- Himly, Ltd.,
P. O. Box 213.
- Holland China Trading Co., Ltd.,
David House.
- Hong Kong Canton Export Co.,
Ltd.,
French Bank Building.
- Hong Kong-China Trading Co.,
61, French Bank Building.
- Hong Kong Enterprises, Ltd.,
309-310, Marina House.
- Hong Kong & Shanghai Lace
Co.,
12, Wyndham Street.
- Hong Kong United Trading Co.,
The
P. O. Box 958.
- Hop Tak Shing Co.,
25, Connaught Road Cen-
tral.

- Hutchison, J. D., & Co., Ltd.,
P. O. Box 43.
- Hung Fat Company,
53, Des Voeux West.
- Indo-China Trading Co.,
Holland House.
- International Marketing
Exchange Ltd.,
P. O. Box 964.
- International Sports Co.,
45, Wyndham Street.
- Ip Tak & Co.,
Prince's Building.
- Ip & Co., Matthew
David House.
- International Merchandising Co.,
China Building.
- Jardine, Matheson & Co., Ltd.,
Pedder Street.
- Jepsen & Co.,
Pedder Building.
- Jones & Co., Ltd.,
Hong Kong Bank Building.
- Karanja & Co., C. M.,
P. O. Box 585.
- Kees, O., & Co.,
8, Des Voeux Road Central.
- Keller, Ed. A., & Co., Ltd.,
P. O. Box 659.
- Kenworth Trading Co., The
P. O. Box 839.
- Kewalram Jhamatmal,
Kowloon Hotel Building.
- Kian Gwan Co. (China) Ltd.,
Hong Kong Bank Building.
- Kingtuck Trading Co.,
10, Stanley Street.
- Kishinchand Chellaram,
P. O. Box 975.
- Klink Ltd., P. J.,
Alexandra Building.
- Kwong Fat Yuen & Co.,
33, Des Voeux Road West.
- Kwong, Ming & Co.,
10 Queen's Road Central.
- Lane, Crawford, Ltd.,
P. O. Box 83B.
- Law, Robert & Sons Co.,
Bank of China Buildings.
- Lebel Trading Co., Ltd., The
Union Building.
- Lepack Company,
P. O. Box 114.
- Lee & Co., Ltd., S. W.,
P. O. Box 784.
- Liddell Bros., & Co., Ltd.,
Union Building.
- Liebermann Waelchli & Co.,
P. O. Box 146.
- Li & Fung, Ltd.,
10, Queen's Road, Central.
- Ling & Co., C. S.,
French Bank Building.
- Lobo & Co., P. J.,
Prince's Building.
- Loxley, W. R. & Co. (China),
Ltd.,
York Building.
- Lunar Trading Co.,
Chung Tin Building.
- Maloof Ltd., Fred,
P. O. Box 1694.
- Manners, John & Co., Ltd.,
Mercantile Bank Building.
- Manufacturers United Trading
Co.,
P. O. Box 493.
- Marshall & Co., Ltd., James G.,
P. O. Box 731.
- Maxim & Co.,
Oi Kwan Building.
- May & Baker Ltd.,
Prince's Building.
- Mee Tak Company,
29, Jervois Street.
- Moris Trading Corporation,
Bank of East Asia Building.
- Morton Bros. & Co., Charles
China Building.

- Mutual Trust Co.,
Holland House.
- Nam Hing & Co.,
P. O. Box 927.
- National Carbon (Eastern) Co.,
156 Fuk Wah Street,
Shamshuipo, Kowloon.
- National Trading Corporation,
P. O. Box 497.
- Nemazee, M.,
Prince's Building.
- New China Trading Co.,
P. O. Box 1314.
- New England Co.,
Marina House.
- Optorg Co. (Malaya) Ltd.,
French Bank Building.
- Ott, E., & Co., Ltd.,
French Bank Building.
- Overseas, Ltd., The
Bank of East Asia Building.
- Pacific Commercial Agency,
37, Queen's Road Central.
- Pacific Trading Co., The
China Building.
- Pacific Union Trading Co., Ltd.,
Asia Life Building.
- Parsram, P., & Co.,
55, Wyndham Street.
- Pavri & Sons, K. S.,
32, Wyndham Street.
- Penn, E., Co.,
Pedder Building.
- Phlox Limited,
50, Queen's Road, Central.
- Pohoomull Bros. (India),
P. O. Box 459.
- Ramchand, G.,
Wyndham Street.
- Rathour, H. S., & Co.,
P. O. Box 797.
- Reiss, Bradley & Co., Ltd.,
P. O. Box 78.
- Robert Law & Sons Co.,
Bank of China Building.
- Robertson, Wilson & Co., Ltd.,
David House.
- J. L. Robinson,
Chung Tin Building.
- Rondon & Co., Ltd., L.
French Bank Building.
- Ross & Co. (China) Ltd., Alex.
Windsor House.
- Roy Farrell Export-Import Co.,
311 Prince's Building.
- Ruttonjee & Son Ltd., H.
7, Duddell Street.
- Samuel Macomber & Co.,
York Building.
- Sapooran & Co.,
P. O. Box 1557.
- Sassoon, David & Co., Ltd.,
P. O. Box 89.
- Scott & English Ltd.,
P. O. Box 1555.
- Schulthess & Co., De
P. O. Box 586.
- Shewan, Tomes & Co., Ltd.,
P. O. Box 115B.
- Singon & Co.,
35/37, Hing Lung Street.
- South China Traders,
P. O. Box 187.
- Spalinger, U., & Co., S. A.,
P. O. Box 765.
- Starbright Trading Co.,
P. O. Box 852.
- Steel Bros. & Co., Ltd.,
Shell House.
- Sui Heong Yuen,
P. O. Box 626.
- Sun Fung Co.,
P. O. Box 261.
- Sunny & Co.,
P. O. Box 952.
- Swire & Maclaine Ltd.,
1, Connaught Road Central.
- Swatow Drawn Work Co.,
Pedder Street.
- Sze Wo & Co., Ltd.,
270 Queen's Road, Central.
- Ta Hing Co. (H.K.) Ltd.,
St. George's Building.

Takley Co., Ltd.,
Pedder Building.
Taksen Trading Co., The
National Bank Building.
Talati, M. P.,
20, Ice House Street.
Tan Kiet dit Yoan, Ets.,
P. O. Box 1195.
Tavadia & Futakia,
12, D'Aguilar Street.
Thoresen & Co., Ltd.,
Queen's Building.
Tsun Tsun Trading Co.,
8, Des Voeux Road, Central.
Tung Tai Hong,
26, Des Voeux Road, Central.
Union Trading Co., Ltd.,
York Building.
United Development Co.,
P. O. Box 80.
United Traders, Ltd.,
P. O. Box 135.
Universal Export-Import Trading
Co., The
P. O. Box 931.
Uttam, L. G.,
P. O. Box 1731.
Utoomal & Assudamal Co.,
P. O. Box 355.
Vasunia, J. P., & Co.,
P. O. Box 406.
Victory Trading Co.,
Chung Tin Building.
Wah Hing Co.,
P. O. Box 841.
Wai Kee & Co.,
Bank of East Asia Building.
Wallem Lambert Bros., Ltd.,
Hong Kong Bank Building.
Wan Fung Co.,
P. O. Box 154.
Wassiamull Assomull & Co.,
46, Queen's Road, Central.

Watanmal Boolchand,
P. O. Box 644.
Wayne & Haylitt Co.,
Prince's Building.
Wicking, Harry, & Co., Ltd.,
Prince's Building.
William Hunt & Co., Federal
Inc., U.S.A.,
P. O. Box 539.
Wilson Trading Co.,
Prince's Building.
Wing Sang Hong,
China Building.
Wing Wo Hing,
David House, 3rd floor.
Wong, T. O., & Co., Ltd.,
P. O. Box 660.
Xavier Bros., Ltd.,
P. O. Box 527.
Yangtze Supply Corporation,
24, Connaught Road Central.
Yau, James & Co.,
P. O. Box 118.
Yuen Kung Co.,
Bank of East Asia Building.
Yu Tung Tai Ltd.,
P. O. Box 81.
Yau Wing Hong,
Bank of Canton Building.
Yuen Sheung Hong,
P. O. Box 811.
Zenith Agencies, Ltd., The
Queen's Building.

Oil Companies:

Asiatic Petroleum Co. (South
China), Ltd.,
Shell House.
Standard Vacuum Oil Co.,
Hong Kong Bank Building.
The Texas Co. (China), Ltd.,
Asia Life Building.

Paint Manufacturers:

National Lacquer & Paints
Products Co., Ltd.,
704/16 King's Road.

Public Utility Companies:

China Light & Power Co., Ltd.
Hong Kong & China Gas Co.,
Ltd.
Hong Kong Electric Co., Ltd.
Hong Kong Telephone Co., Ltd.
Hong Kong Tramways Ltd.
Hong Kong & Yaumati Ferry
Co., Ltd.,
144-148 Des Voeux Road
Central.
Macao Electric Lighting Co.,
Ltd., Macao.

Printers:

Local Printing Press, Ltd.,
13 Duddell Street.
Wing Fat Printing Co., Ltd.,
149 Wing Lok Street.

Rope Manufacturers:

Hong Kong Rope Manufacturing
Co., Ltd.,
Chung Tin Building.

Rubber:

Dunlop Rubber Co. (China) Ltd.,
Marina House.

Rubber Footwear Manufacturers:

Continental Rubber Manufactory,
Winslow Street,
Hunghom.
Fung Keong Rubber Manufactory,
Ltd.,
243 Des Voeux Road Central.
Hong Kong Rubber Manufactory,
Ltd.,
409 Tam Kung Road.
(Kayamally Building).
Wah Keong Rubber Manufactory,
The
4 Anchor Street, Kowloon.

**Rubber Plantations General
Managers of:**

Wattie & Co., Ltd., J. A.,
c/o Messrs. Thomson &
Co., Hong Kong Bank
Building.

Solicitors:

Brutton & Co.,
Windsor House.
Deacons,
Prince's Building.
Johnson, Stokes & Master,
Hong Kong Bank Building.
Wilkinson & Grist,
National City Bank Building.

Shipbuilders and Repairers:

Bailey, W. S., & Co., Ltd.
Hong Kong & Whampoa Dock
Co., Ltd.
Taikoo Dockyard & Engineering
Co. of Hong Kong Ltd.

Shipping Offices:

American President Lines, Ltd.,
St. George's Building.
Bank Line, (China) Ltd.,
King's Building.
Butterfield & Swire,
1 Connaught Road Central.
Canadian Pacific Steamships,
Ltd.,
Union Building.
Chau Yue Teng,
P. O. Box 544.
Cook, Thos., & Son, Ltd.,
P. O. Box 38.
De La Rama Steamship Co., Inc.,
Pedder Building.
Dodwell & Co., Ltd.,
Hong Kong Bank Building.
Douglas Steamship Co., Ltd.,
P. & O. Building.
East Asiatic Co., Ltd.,
P. O. Box 835.
Everett Steamship Corporation,
Queen's Building.
Gibb, Livingston & Co., Ltd.,
P. & O. Building.
Gilman & Co., Ltd.,
4A Des Voeux Road Central.

Hong Kong, Canton & Macao
Steamboat Co., Ltd.,
Queen's Building.

Indo China Steam Navigation
Co., Ltd.,
Jardine Building.

Jardine, Matheson & Co., Ltd.,
Jardine Building.

Java-China-Japan Lijn,
King's Building.

Jebsen & Co.,
Pedder Building.

Mackinnon, Mackenzie & Co.,
P. & O. Building.

Messageries Maritimes,
Compagnie des,
5, Connaught Road Cen-
tral.

Manners, John, & Co., Ltd.,
Mercantile Bank Building.

Mollers' (H.K.) Ltd.,
Queen's Building.

Shewan, Tomes & Co.,
P. O. Box 115b.

Thoresen & Co., Ltd.,
Queen's Building.

Wallem & Co.,
Hong Kong Bank Build-
ing.

Williamson & Co.,
P. & O. Building.

**Steel & Tool Manufacturers &
Suppliers:**

Eagle & Globe Steel Co., Ltd.,
Queen's Buildings.

Stevedores:

Hong Kong Stevedoring Co.,
Ltd.,
13-15 Salisbury Road,
Kowloon.

Wang Kee & Co.,
34-37 Connaught Road
Central.

Tobacco:

British American Tobacco Co.
(China) Ltd.,
256 Gloucester Road.

British Cigarette Co., Ltd.,
256 Gloucester Road.

Waterboats:

Union Waterboat Co., Ltd.,
Hong Kong Bank Build-
ing.

Weavers:

Sun Ah Silk & Cotton Weaving
Factory,
159 Connaught Road Cen-
tral.

Wah Ngai Weaving Factory,
70 Tai Po Road, Kowloon.

Wireless:

Marconi (China) Ltd.,
110 Queen's Buildings.

Marconi International Marine
Communication Co., Ltd.,
Shell House, 1st floor.