



Hong Kong
General Chamber of Commerce

Report
For The Year
1926



HONG KONG

General Chamber of Commerce

REPORT

FOR THE YEAR

1926.

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COMMITTEES, 1926-1927.

General Committee.

Hon. Mr. D. G. M. Bernard, (*Chairman*)

Hon. Mr. A. O. Lang, (<i>Vice-Chairman</i>)	Mr. J. A. Plummer,
Hon. Mr. A. C. Hynes,	Mr. T. G. Weall,
Mr. W. H. Bell,	Mr. N. S. Brown,
Mr. A. S. D. Cousland,	Co-opted:
Mr. Paul Lauder,	Capt. R. H. Campbell, M.C.
Mr. F. A. Perry,	Lt. Comdr. L. J. Pitcairn-Jones,
	D.S.C., R.N.

Correspondence Committee.

The Chairman,
The Vice-Chairman,
Hon. Mr. A. C. Hynes,

Arbitration Committee.

Mr. J. A. Plummer,
Mr. W. H. Bell,
Mr. Paul Lauder.

Metals and Sundries Sub-Committee.

Mr. J. Owen Hughes,	Mr. R. E. Ost,
Mr. P. S. Cassidy,	Mr. B. J. Lacon,
Mr. R. Melville Smith,	Mr. G. Miskin.

Trade Marks Sub-Committee.

Mr. W. E. L. Shenton,	Mr. D. H. Blake,
Mr. T. G. Weall,	Mr. W. H. Bell,
Mr. F. A. Perry,	Mr. A. S. D. Cousland.

Insurance Sub-Committee.

Mr. Paul Lauder,	Mr. G. S. Archbutt,
Mr. R. K. Hepburn,	Mr. C. V. Mark,
Mr. F. C. Hall,	Mr. F. S. Harrison.

Piece Goods Sub-Committee.

Mr. J. A. Plummer,	Mr. P. S. Cassidy,
Mr. A. S. D. Cousland,	Mr. R. E. Ost,
Mr. A. Piercy,	Mr. L. J. Davies,
Mr. F. G. Herridge,	Mr. G. Wragge.
	Mr. A. K. Mackenzie.

Export Sub-Committee.

Mr. O. Eager,	Mr. J. M. da Rocha,
Mr. J. M. Alves,	Mr. A. W. Van Andel,
Mr. P. E. Barker,	Mr. T. G. Weall,
Mr. W. L. Pattenden,	Mr. Wong Tak-kwong.

Inland Trade and Language School Sub-Committee.

Rev. T. W. Pearce, O.B.E., L.L.D.,	Mr. F. A. Perry,
Mr. G. F. Haslam,	Mr. W. H. Bell.

Legal Sub-Committee.

Mr. W. E. L. Shenton,	Mr. D. J. Lewis.
	Mr. D. H. Blake.

Shipping Sub-Committee.

Mr. R. Sutherland,	Mr. F. A. Wells,
Mr. M. T. Johnson,	Mr. F. H. Crapnell,
Capt. F. S. Adey,	Mr. H. F. Bunje,
Mr. Allan Cameron,	Mr. W. G. Goggin,
	Lt. Comdr. Pitcairn-Jones, D.S.C., R.N.

Secretary.

Mr. M. F. Key.

REPORT OF THE GENERAL COMMITTEE for 1926

The Political Situation.

AN ACCOUNT was given in the last Annual Report of the Chamber of the events which succeeded the Shanghai incident of May 30, 1925, and of the boycott of Hong Kong shipping and trade by Canton and Swatow.

This boycott continued during the greater part of 1926 and although negotiations were opened up between the Hong Kong Government and the Authorities in Canton there was no improvement in the situation until September. On the 18th of that month the Canton Government, through Mr. Eugene Chen, informed H.B.M. Consul-General that arrangements had been made to terminate the boycott of British goods on October 10th and that an extra tax of 2½ per cent. would be levied on all foreign imports. On October 9th a formal announcement was made that the boycott would be lifted next day. Thenceforward trade began to be resumed and although there were many difficulties to be contended with these were gradually overcome, and by the close of the year a fair volume of trade was being carried on between the two ports. The losses sustained by merchants both in Canton and Hong Kong during the strike and boycott, which had lasted for sixteen months, were very great and this fact, combined with the sense of insecurity in the neighbouring provinces due to civil war, piracy, banditry, heavy taxation and the lawless activities of uncontrolled labour unions, indicate that it will be a long time before trade in South China returns to its normal state.

With the seizure by a mob of the Concession at Hankow and the negotiations between Mr. O'Malley, representing the British Government, and Mr. Eugene Chen, representing the "Nationalist" Government, relating to the conditions under which the Concession is to be governed in future the political situation enters upon a new phase the outcome of which it is difficult to foresee. Expression may fittingly be given here to the sense of relief which came to foreign residents in China at the decision of the Powers interested in the International Settlement at Shanghai to concentrate a Defence Force there, lest there be a repetition of the events which occurred at Hankow or an outbreak of disorder in the Settlement through the assembling there of fugitives from contending Chinese Armies.

Obituary.

The Chamber sustained great losses during the year by the deaths of Sir Paul Chater, C.M.G., Mr. P. H. Holyoak and Mr. Ho Fook.

Sir Paul Chater had been a member of the Chamber since 1872 and, although the pressure of his numerous business interests and his duties on the Executive and Legislative Councils prevented his taking an active part in Committee work, his wise counsel on occasions of difficulty often rendered the Chamber great service. Sir Paul Chater will ever be remembered as the founder of many of the Colony's greatest business enterprises. His judgment, foresight and unswerving faith in the future of the Colony did much to make that future secure.

By the death of Mr. P. H. Holyoak the General Committee of the Chamber has lost a highly valued colleague and the business community a most able and public spirited representative. On five occasions Mr. Holyoak served with marked ability as Chairman of the Chamber, and he was its representative on the Legislative Council (except for periods of leave) from December, 1915, until April, 1926. The strain of work in the last few years was exceptionally heavy and Mr. Holyoak may be said to have died in harness. As H.E. the Governor said in paying a tribute in Council in May, 1926, "the Colony and especially the mercantile community owe Mr. Holyoak a deep debt of gratitude for his services during a difficult period of strain and stress: and we all mourn his death both as a personal and public loss and also as being in a measure a sacrifice due to unremitting labour for the good of Hong Kong."

The late Mr. Ho Fook had been a member of the Chamber for thirty years and had rendered much philanthropic and public service to the Colony.

Trade Statistics.

As recorded in the last Annual Report, the Colonial Government on grounds of economy closed the Statistical Branch of the Imports and Exports Department as from September 30, 1925. At the last Annual Meeting of the Chamber (p.136 of this Report) members adopted a resolution urging the reopening of the Department, and the Committee gave further consideration to the question during the year. The Colonial Government, on March 27, 1926, asked the Chamber, if it thought that the system should be re-established, to give reasons in detail to justify the expenditure and to make recommendations as to

any suggested improvements in the method of classifying the returns. Prolonged consideration to this request was given by sub-committees of the Chamber, but the suggestions put forward tended to increased sub-division of the commodity headings and consequently to no reduction of cost. The General Committee therefore decided, as no provision had been made by the Government in the estimates for 1927 for re-opening the department, to leave the question in abeyance for the present.

Issue of Rice Certificates.

Careful consideration was given during the year to the wording of the Rules under which the Chamber issues certificates covering the sale of rice for export from Hong Kong. Amendments in detail were decided upon which it is believed will make the rules a satisfactory form of contract to all concerned. It was also decided to restrict to members of the Chamber the issue of these certificates. The rules are set forth on page 173 of this Report.

University Commercial Course Fund.

A number of British Members of the Chamber in 1921 entered into an undertaking to subscribe \$20,000 a year for a period of five years, in order to promote Education on British lines in China and Hong Kong. The funds so raised furnished a grant of \$12,000 a year towards the support of the Department of Commerce in the University of Hong Kong, and \$8,000 a year in aid of Holy Trinity College, Canton.

The period of the guarantee having expired, the University Authorities, in January, 1926, enquired whether the University could count on the continued support of British Members of the Chamber. A circular letter was therefore issued to enlist the sympathy and support of former, and possible future, subscribers. In response to this appeal a number of British firms pledged themselves to contribute annually sums which amounted in all to \$11,570.00, for a period of three years. Since May, 1926, Holy Trinity College, Canton, has been closed owing to the impossible demands of the Chinese students, who desired to take control of the institution during the anti-British disturbances, and there is no prospect of early re-opening. The Committee of the Chamber therefore decided to allot to Hong Kong University the whole of the funds subscribed. With the addition of interest accumulated on the money subscribed from 1921 to 1925 the amount of the annual grant to the University will be made up to \$12,000, as before.

Patents Ordinance.

The Colonial Secretary wrote, on January 26, 1926, calling the attention of the Committee to the provisions of the Registration of the United Kingdom Patents Ordinance, 1925, Ordinance No. 13 of 1925, s.3. The effect of the three years limitation contained in that section was that unless a United Kingdom patent was registered in Hong Kong within three years it could not be registered at all, and after the expiration of that period any person was at liberty to use the patent in the Colony.

The Colonial Secretary added that the Ordinance in question was an adaptation of a form sent out by the Secretary of State for the Colonies as the result of the deliberations of the British Empire Patent Conference, 1922, and of the subsequent Imperial Economic Conference. When the draft ordinance was received in Hong Kong the Government drew attention to the proposed limitation of three years and inquired the reason for the proposal, pointing out that there was no such limitation of time in the ordinance then in force in Hong Kong. The reply received was that the Conference were aware that in some colonies no limitation of time for registration was imposed, but that it appeared probable that some colonies would desire to have a time limit, and therefore it was considered preferable, in the interests of uniformity, that the conditions for registration should be the same in all colonies in which the scheme should be adopted.

The draft bill was published in the Government Gazette 5th December, 1924, and no representation was received on the subject of the three years limitation. It was possible, of course, that this point was not noticed by any one. The Government asked for an expression of opinion from the Committee as to whether representations should be made to the Secretary of State with a view to the removal of any time limitation from the ordinance, although it was, of course, doubtful whether he would agree.

The Chamber replied on March 15, thanking the Government for directing attention to the three years limitation clause in the Ordinance and stating that after careful consideration and consultation with the Legal Sub-Committee, the Chamber was of opinion that retention of the three years limitation clause was undesirable. Prior to the new Ordinance, an English patentee could obtain protection in Hong Kong at any time

during the currency of his English patent, always provided he could show that the invention had not been used in the Colony. The Committee was of opinion that without this rule hardship might easily result. Frequently a patent did not become valuable until four or five years' use had demonstrated its worth to the market. The effect of the limitation would be to compel a patentee to spend money on protecting a patent in a large number of places, possibly before the outlay was justified by the success of the invention. The Committee therefore welcomed the Government's suggestion that representations be made to the Secretary of State with a view to the removal of any time limitation from the Ordinance.

Trade Facilities Act, 1926.

The Government on June 28 forwarded for the information of the Chamber copy of a circular despatch received from the Secretary of State for the Colonies referring to the Trade Facilities Act, 1926, which amended the Trade Facilities Acts, 1921 to 1925, by increasing the maximum limit of loans in respect of which guarantees may be given under those Acts and by extending by one year—i.e., to March 30, 1927,—the period within which such guarantees may be given. On September 8 the Government stated that a telegram had been received from the Secretary of State for the Colonies inquiring whether an extension of the facilities for a further period of 5 years on similar conditions would be of value to the Colony for the purpose of assisting local schemes for development. Loans would as at present be limited in amount to three-quarters of the interest payable in the first five years of the currency of the loan on the capital expended in purchasing articles of British manufacture.

Under the present Acts, wrote the Colonial Secretary, schemes could not be considered after March 1927, and the Secretary of State had asked for an early reply to his telegram in order that, if it appeared desirable, he might put forward proposals for an extension of time. The Government therefore requested the early views of the Chamber as to whether the proposed extension would be likely to prove of use to private interests in this Colony.

The Committee replied that it was understood that the loans appertained only to Government, Municipality or public utility undertakings and would appear to be only in the nature

of a guarantee for the payment of interest during such time as the Capital was non-revenue bearing, e.g., the construction of a railway. It was possible that the proposed extension of the facilities for a further 5 years might be of value to the Colony but its scope was very limited.

Tobacco Ordinance.

The Superintendent of Imports and Exports requested the Chamber, on May 1, 1926, to draw the attention of members concerned to section No. 32 of the Tobacco Ordinance, which provides: "No person shall import any Tobacco for sale except under and in accordance with an importer's licence." Reference to the list of holders of importer's licences made it clear, wrote the Superintendent, that many retailers who also imported had been under the impression that a retailer's licence alone was required. The term tobacco covered all tobacco products. The Chamber at the time notified firms likely to be interested, and this paragraph is published for general information.

Institute of Refrigeration.

A despatch from the Secretary of State for the Colonies with enclosures on the subject of the International Institute of Refrigeration was forwarded to the Chamber for consideration by the Colonial Government who enquired whether in the opinion of the Chamber it was desirable that the Colony should apply for admission to the Institute, the cost being apparently at least £40 per annum. The Chamber replied on May 10 that the proportion of the Colony's trade which involved cold storage was so small in comparison with the total that, in its opinion, no useful purpose would be served by applying for admission to the Institute.

London Chamber: Honorary Membership.

The Secretary of the London Chamber of Commerce wrote on July 9 stating that it had been decided by the Council of the London Chamber that members of overseas Chambers who might be visiting the United Kingdom should be given honorary membership of the London Chamber of Commerce for a period not exceeding three months, provided they were introduced by their home Chambers. Cards for the purpose of these introductions were enclosed. The Chamber replied that members would have pleasure in availing themselves of the arrangement when occasion arose.

Piece Goods Situation in 1926.

Gradual liquidation of stocks, with little in the way of new business, were the main features of the local piece goods trade during 1926. In April, the Piece Goods Sub-Committee considered the position arising from the decision of certain large Importers of Piece Goods to grant loans at reduced interest, under certain conditions and provided adequate margins were obtainable. The Chamber issued a circular to all Signatories of the Piece Goods Agreement setting forth the terms under which loans might be granted without breach of the Agreement.

The Chinese Piece Goods Guild, on June 18, put forward a proposal, similar to that promulgated by them in 1922, for a new Standard Contract based on ordering for arrival instead of for shipment, a lower rate of interest after the free storage period, and making clearance contingent on political conditions in the interior of China. The Chamber explained, in a letter dated June 26, that these proposals were unacceptable to Importers, and the matter was not pressed.

In December it was found desirable, in view of the persistence of difficult trading conditions, to issue a circular to Signatories of the Piece Goods Agreement making it clear that—without in any sense abandoning the Standard Form of Contract or making any alteration in the general terms of sale—Importers were permitted, in their discretion, to waive a portion of the interest charges should they consider the circumstances in a particular case to warrant a reduction.

Forward Bookings.

There has been no further correspondence during the year on the subject of the request addressed to the China and Japan Homeward Freight Conference, mentioned on Page 26 of the last Annual Report, that the period of 90 days, during which shippers can obtain the refusal of space from shipping companies be extended to six months.

The following circular from the New York Freight Bureau, under date January 18, 1927, was circulated at the time to all exporters:—

"I have been instructed to inform you the rate of freight on Rattan Furniture and Rattanware to New York, North Atlantic and Gulf Ports will be increased to

U.S. \$7.50 per 40 cu. ft. for shipments on and after 1st July, 1927, and no forward bookings can be made at the present rate of \$6.00 per c. ft. for shipment after 30th June, 1927.

"This notification must not be taken as creating a precedent nor altering the fact that all rates are subject to change without notice but it is felt notice should be given to Exporters in this instance because of the suspension of Note 1. in the freight tariff regarding forward bookings as far as Rattan Furniture and Rattan-ware is concerned."

Quarantine Service in China.

The Association of British Chambers of Commerce in China and Hong Kong at the Conference held in February, 1924, passed the following resolution:—

"That in the opinion of this Conference the absence of quarantine facilities at Chefoo and other of the smaller ports constitutes an ever-present menace to their commercial interests. The Conference would therefore urge the importance of providing quarantine facilities in all ports, or issuing regulations providing that ships which have become infected, destined for such ports, must proceed to other ports in which quarantine facilities exist."

Intimation was received from the Association on March 8, 1926, that the Foreign Office concurred in opinions expressed by the Board of Trade and the Ministry of Health that consideration of the establishment of a quarantine service in Chinese Ports should be deferred until after the conclusion of the International Sanitary Conference held in Paris in June 1926. On November 4, it was learned from the same source that in May the Health Committee of the League of Nations considered a report on the establishment of a Quarantine Service for China made by the Medical Director, Dr. Rajchman. The Committee decided that any survey of the Ports of China from the point of view of their Quarantine organisation should not be undertaken until a request for such had been received from the Chinese Government; in this view Sir George Buchanan, the British member of the Health Committee, concurred.

It was further stated that the question was not likely to be immediately affected by the subsequent conclusion of the International Sanitary Convention in Paris last June. China was represented by a Delegation which signed the convention

and if this document was ratified the Chinese Government might find that they had undertaken duties which would necessitate some re-organisation of the Quarantine Services at the principal Chinese ports. Should the help of the League of Nations be asked in this matter it might be given with advantage, but there was no likelihood of the Health Committee of the League taking the initiative.

Quarantine Regulations Against Amoy.

The General Chamber of Commerce in Amoy forwarded to the Chamber on July 5, 1926, a joint letter from Shipping Companies complaining of the quarantine regulations against Amoy then being enforced in Hong Kong. The Amoy Chamber wrote that these regulations were having a detrimental effect on trade between Amoy and Hong Kong and the parties in would be very grateful indeed if the Hong Kong Chamber could do anything towards the rescinding or alleviation of the embargo against Amoy. In their letter of complaint the Shipping Companies wrote that the Port Health Officer had supplied them with a complete list (so far as his information went) of cases of small pox and plague that had occurred in Amoy since January, 1926: this showed that in no week had there been more than six cases of small pox or 13 cases of plague. None of these had occurred along the water front or amongst the coolies who handled cargo ashore or afloat. To the best of the knowledge of the writers, no cases of plague had occurred amongst the passengers leaving Amoy. The infected area was known and was not one from which emigrants come. Under the regulations enforced by Hong Kong, steamers had to be fumigated if cargo was taken on board in Amoy; if passengers were also accepted their baggage must be fumigated. If no cargo or passengers were taken on board a certificate from the Port Health Officer must be obtained to that effect. In order to ensure that no passengers embark at Amoy precautions had to be taken, involving, in addition to the medical certificate, expense to the steamer. To the best of their knowledge Shanghai had not declared quarantine against arrivals from Amoy. Trade conditions were bad enough without the extra handicap resulting from these regulations, which the companies submitted were not justified by local conditions.

The Chamber took up this question with the Hong Kong Government with the result that a notification was received, on August 10, that H.E. the Governor had accepted the advice of

the Executive Council and had been pleased to rescind the order (Gazette Notification No. 124 of March 9, 1926) proclaiming Amoy to be a place at which infectious disease prevails. The Amoy Chamber was informed accordingly.

No Marine Insurance Claims payable in respect of illicit Cargo.

The Colonial Government informed the Chamber on June 25 that, with a view to putting all possible difficulties in the way of the illicit traffic in opium and dangerous drugs, an arrangement had been made between His Majesty's Government and the members of Lloyds and of the London Underwriters' Association that in all maritime insurance policies issued by them a clause would be inserted in the following terms:—

"It is understood and agreed that no claim under this policy will be paid in respect of drugs to which the International Opium Convention of 1912 applies unless (1) the drugs shall be expressly declared as such in the policy, and the name of the country from which, and the name of the country to which, they are consigned shall be specifically stated in the policy; and (2) the proof of loss is accompanied either by a licence, certificate or authorisation issued by the Government of the country to which the drugs are consigned showing that the importation of the consignment into that country has been approved by that Government, or, alternatively, by a licence, certificate or authorisation issued by the Government of the country from which the drugs are consigned showing that the export of the consignment to the destination stated has been approved by that Government; and (3) the route by which the drugs were conveyed was usual and customary."

The effect of this clause, which was based on the system of export authorisations and import certificates now embodied in the Geneva Convention of 1925, would be that in the event of the loss of an insured consignment of opium or drugs at sea, payment would only be made if it could be shown that the import of the opium or drugs into the country of declared destination had been approved by the Government of that country or that the export of the opium or drugs had been approved by the Government of the country of declared origin of the consignment. In view of the fact that ships carrying cargoes of opium to the Far East had been reported as taking unusual courses for the purpose of evading observation, it was also provided that no claim would be admitted under the policy unless the route taken was usual and customary. It was hoped that by this clause the use of insurance facilities by persons engaged in illicit traffic for the purpose of raising money to finance their transactions

would be checked. The Government requested the views of the Chamber as to the possibility of obtaining the agreement of local insurance companies to the insertion of a similar clause in all policies issued by them.

On enquiry, the Marine Insurance Association of Hong Kong informed the Chamber that the Institute of London Underwriters had already conveyed this information to local insurance companies, and that the Association had issued a circular recommending the use of the clause by Members. The Government was notified accordingly.

Harbour Development.

In continuation of references to Harbour Development in Hong Kong in previous issues of the Annual Report, the following official statement in connection with the introduction of the Colonial Budget in October, 1926, is reprinted for the sake of continuity:—The Port Development Department has been re-absorbed into the Public Works Department under the supervision of the Director of Public Works, and the separate post of Port Engineer has been abolished—the holder now on leave being transferred to the post of Manager, Railway, which will shortly fall vacant. This change has been made after the fullest consideration by His Excellency the Governor who is satisfied that Port Development works are in this Colony so closely interconnected with works falling under the Public Works Department as to make it necessary in the interests of efficiency to bring them all under the same control. Provision has been made under Port Development for one new temporary Engineer to carry out the survey of the Harbour, the necessity for which was recently represented to the Finance Committee.

Federation of British Chambers.

The Chamber on January 18, 1926, notified its assent to a proposal to change the title of The British Imperial Council of Commerce (to which this Chamber is affiliated) to "The Federation of Empire Chambers of Commerce." (Later, this title was modified). The reasons for the change were thus given in a memorandum issued by the Council:—

"The weight given by Governments to the representations of an organisation, and the influence exerted by it through the Press, depend upon its representative character.

"The British Imperial Council of Commerce, since its inception in 1911, has been handicapped by the fact that its title does not indicate its constitution.

"The Council speaks for British Chambers of Commerce throughout the Empire and in foreign countries, but its present title does not make this clear, as would be the case if it were called "The Federation of Empire Chambers of Commerce."

"The functions of the Federation would in no wise encroach upon or overlap those of the Associations of Chambers of Commerce which exist in the United Kingdom, Australia, South Africa, the West Indies, etc. Its business would be to view every question from the Empire standpoint and it would not deal with subjects which solely concern a single Dominion or Colony (or indeed the United Kingdom) which naturally fall within the scope of the local Association of Chambers.

"Its objects would be precisely similar to those of the British Imperial Council of Commerce, and this would be made clear in the Rules governing the organisation, which would require some modification. The proposal is that the constitution should remain substantially unaltered, although what is now the British Imperial Council of Commerce would become the General Council of the Federation. The Rules generally would, apart from consequential modifications, remain unchanged with one important exception.

"The one change of importance would be that hereafter the triennial Congress would be confined to the representatives of Chambers and Boards forming the Federation, and in accordance with this proposal it would be necessary to incorporate the Rules governing the organisation and conduct of the Congress in the Rules of the Federation.

"There appears to be no valid reason why a Chamber should be permitted to take part in the Congress if it holds aloof from the body through whose activities the Congress is kept in being and its decisions rendered as far as possible effective.

"The 129 present members of the British Imperial Council of Commerce include practically all the larger Chambers in the Empire, and the very low subscription (in the case of Chambers with less than 250 members, it is only £2. 2s. 0d.) can form no barrier to the smallest Chamber joining."

At the Annual Meeting held in London on June 9, 1926, however, it was decided, after discussion, that the better title would be:

**"THE FEDERATION OF CHAMBERS OF COMMERCE
OF THE BRITISH EMPIRE."**

Speakers from Australia, Bermuda, and elsewhere, urged that it would be a mistake to omit the keyword "British," and the meeting took this view, even though it necessitated a somewhat lengthy title.

The Eleventh Congress of Chambers of Commerce of the Empire takes place in October, 1927, at Cape Town.

Chinese Language School.

On proceeding on furlough (as noted in the last Annual Report, p.33) the Rev. Dr. T. W. Pearce, O.B.E., tendered his resignation as Director of Studies in the Chamber's Chinese Language School. The Committee presented Dr. Pearce with a travelling case as a mark of the Chamber's appreciation of invaluable services rendered during the last ten years. In an accompanying letter it was observed that, under the guidance of Dr. Pearce, since 1916, a great many young men in business life in Hong Kong had acquired a practical knowledge of spoken Cantonese which had been of direct benefit to themselves, and of indirect value to the whole community. To the breaking down of barriers between Occidental and Oriental races in the Colony Dr. Pearce's skilled and patient labours in the Chinese Language School had largely contributed, and were deserving of the best thanks of the whole community.

The Committee wished Dr. Pearce a pleasant holiday and a safe return to Hong Kong where they hoped he would spend many happy years, and continue, as he had kindly promised, to take a friendly interest in the furtherance of Chinese Language study under the auspices of the Chamber.

In acknowledging the presentation Dr. Pearce wrote that his services as Director of Studies in the Chinese Language School had been a source of satisfaction to himself personally, and he was only too pleased if they had been a means of benefit to others. The working of the School proved that spoken Chinese could be learned by young men engaged in mercantile pursuits; and in many instances learned very successfully.

Venue of the Imperial Conference.

The Vancouver Board of Trade wrote on May 19 requesting the support of the Chamber in pressing a suggestion that a much clearer conception of the problems of the Empire would result if the Imperial Conference were held at different points in the Empire instead of always in London. An invitation was being extended to the Imperial Conference to hold its next meeting in the city of Vancouver which, the letter emphasized, occupies an exceedingly strategic position for such a Conference, easily accessible from Australia, New Zealand and India, and is the half-way mark between the above countries and Great

Britain and South Africa. The Committee expressed sympathy with the suggestion, which, it was thought, would probably be discussed when the Conference met.

Contagious Diseases of Animals.

The Government invited the concurrence of the Chamber in the view that the benefit which the Colony would derive from accession to an International Office to be created at Paris for dealing with contagious diseases of animals would not justify the expenditure involved (about £60). The Committee, after consulting the Directors of the Dairy Farm, agreed with the Government's view.

Inferior Gunny Bags.

In 1922 Exporters agreed to include in all appropriate contracts with Dealers a stipulation that "a good, sound and serviceable quality of both inner and outer gunny bag must be supplied." The subject was brought forward again in 1926 when it was decided (by circular dated June 10,) to ask all Exporters to agree that the Chamber's Surveyors be instructed to accept no containers that in their opinion are not suitable, sound, clean and in every way satisfactory for the voyage in view. Exporters unanimously expressed their agreement with this proposal and the Surveyors were instructed accordingly.

Improved Parcels Mails Service.

On January 27, 1927, the Chamber placed before the Colonial Government a suggestion that the Postal Authorities of the United Kingdom be asked to increase the opportunities for the despatch of parcels mails from the United Kingdom to this Colony. At present there is only a fortnightly parcels service, and it was urged that a parcels mail should be carried in conjunction with each weekly letter and paper mail *via* Suez. It was pointed out that under present arrangements shipment samples of piece goods, for instance, frequently arrive late and, as dealers will not take up goods until the arrival of the samples, the consequent delay in payment costs Importers in the course of the year an appreciable loss in interest, simply due to the late arrival of parcels. The Chamber therefore requested the Government to make representations to the authorities at Home on this subject.

Yunnanese Scholarships.

The Government wrote on February 19, 1926, that, of the four scholarships for Yunnanese students (two maintained by the Government and two by the Chamber of Commerce), the two which came into effect on January 1, 1922, would expire at the end of 1926. The Government asked whether the Chamber considered it desirable that two further scholarships be awarded on similar conditions with effect from January, 1927. The Chamber wrote on April 19 that it was prepared to make the same contribution as before, namely, \$2,240 per annum, and the vacant scholarships were accordingly filled. The new students came into residence at the end of the year. As customary, they will spend their first year at St. Stephen's College, Hongkong.

Treaties of Commerce.

The Committee agreed with the decision of the Government to give notice of accession on behalf of Hong Kong to a provisional arrangement for regulating commercial relations between the United Kingdom and Bulgaria. Information was received on October 19, 1926, that note had been taken of the accession of Hong Kong and that the stipulations of the Agreement would apply as from July 10, 1926.

The Chamber also agreed with the accession of Hong Kong to a General Treaty of Friendship and a Treaty of Commerce and Navigation between the United Kingdom and Siam; also to accession to a Treaty of Commerce and Navigation between the United Kingdom and Estonia.

A Treaty of Commerce and Navigation between the United Kingdom and Hungary was signed on July 23, 1926, and pending its ratification the Hungarian Government agreed, by an exchange of notes, to continue to grant, on condition of reciprocity, most-favoured-nation treatment to goods produced or manufactured in the Colonies and Protectorates which have acceded to the Treaty, of which Hong Kong is one.

The Albanian Government, on November 9, 1926, noted the accession of Hong Kong to the Agreement respecting commercial relations between the United Kingdom and Albania recorded in notes exchanged on June 10, 1925, and reported that it had issued instructions with a view to most-favoured-nation treatment being accorded to merchandise from the Colony.

Duplication of Observatory Signals.

The Chamber wrote to the Government, on May 12, 1926, stating that the desirability had been considered of duplicating the Time Ball and Typhoon Signals in a position from which they would be more readily visible from the Western area of the Harbour. Shipping interests were strongly in favour, the urgency of the matter having become the more pressing with the completion—then approaching—of the Peninsula Hotel. The Western end of Stonecutters Island commended itself as a suitable second site, and the Chamber had made tentative enquiries of the Naval and Military Authorities with a view to ascertaining if there were any insurmountable objections to its use. A position above, or in the neighbourhood of, Kowloon Railway Station had been suggested in the course of discussion of the subject, but it was the general opinion that the amount of smoke from steamers at wharves in that vicinity rendered the site less suitable for the purpose. There was apparently no one position in the Harbour from which the signals would be observable from all parts. In the opinion of the Chamber it was essential to shipping that the Time and Typhoon Signals should be visible in the Western area of the Harbour, and the Chamber requested the Government to examine the practicability of the present proposals with a view to early action.

As there were difficulties in obtaining a speedy decision with regard to the proposal to use a site on Stonecutters Island, an alternative scheme was put forward by Mr. R. Sutherland, Chairman of the Shipping Sub-Committee of the Chamber, that a mast for displaying, at least, duplicate typhoon distant signals might be installed above the premises of the Hong Kong Wharf & Godown Company's premises. A duplicate time ball, it was realised, would require a substantial structure. General approval of this proposal, and the willing consent of the Wharf Company, were obtained, and the Chamber wrote to the Government, on July 21, 1926, asking for sanction and that the work might be put in hand immediately. The Government replied, on November 12, that arrangements had been made with the Wharf & Godown Company for the erection of a signal staff on the No. 48 Godown at Kowloon Point and that the work would be undertaken by the Company at the expense of the Government. An expression of the Government's thanks to the Chairman and members of the Shipping Sub-Committee for services rendered in this connection was subsequently received.

Membership.

During the year there were eleven withdrawals from membership of the Chamber,—two on account of death—and the following accessions:—

Mr. Frank Austin,

Messrs. W. R. Grace & Co.

The China Agency and Trading Co., of Hong Kong, Ltd.

Messrs. A. P. Leong Hingkee & Co.

Their election by the Committee requires confirmation at the Annual Meeting.

Finances of the Chamber.

Reduction of membership through death and other causes has affected receipts under the heading of Members' Subscriptions, which are less by \$1,500 than in 1925. Chamber's fees in respect of surveys, however, show an increase of \$2,348., as compared with last year.

On the year's working, after provision for doubtful debtors' accounts, a balance of \$6,876.25 has been carried to General Reserve Account. A deficiency on the working of the Chinese Language School—the accumulation of several years—amounting to \$5,405.29, has been written off and the General Reserve Account now stands at \$48,901.64 as compared with \$47,430.68, at the end of 1925.

Cash and Investments have increased to \$44,197.66, as against \$37,025.23 in 1925.

During the year the Chinese Language School, by the use of the Chamber's Boardroom for class teaching and other economies, has been conducted less expensively than hitherto and, if it is even moderately well supported, may be expected to pay its way in future.

Hongkong Chamber of Commerce.

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1926.

EXPENDITURE.		INCOME.	
Office Rents, Lighting & Telephone		Members' Subscriptions	\$33,900.00
Secretarial Expenses:—		Market Report Sales	1,400.98
Salaries	17,406.00	Annual Report Sales	424.15
Secretary's Home Leave Passage & Salary ...	6,073.77	Survey Fees Collected	\$16,946.38
Servants Wages		<i>Less Paid</i>	11,361.18
Audit Fee			5,585.20
Market Report—Cost of Publication		Interest Account:—	
Annual Report—Cost of Publication		Hongkong Club Debentures	560.00
Books & Newspapers.....		Fixed Deposits	1,361.82
Printing, Advertising & Stationery		Current Account	112.44
Postage & Petties			2,034.26
Telegrams			
Market Report—Old Subscriptions w/off			
Subs:—Federation of Chambers of Commerce ...			
Depreciation of Safes, Furniture etc.			
Entertaining.....			
Provision for Doubtful Debtors Accounts			
Extraordinary Expenditure:—Yunnanese Scholarships			
Surplus of Income over Expenditure for the year on General Account			
CHINESE LANGUAGE SCHOOL	CHINESE LANGUAGE SCHOOL	CHINESE LANGUAGE SCHOOL	CHINESE LANGUAGE SCHOOL
Lecturer's Fee	1,200.00	Students Fees	1,420.00
Printing, Advertising & Stationery	21.15	Current Account Interest	15.22
Servants' Wages.....	55.00	Expenditure in excess of Income—Chinese Language School	72.86
Postage & Petties	6.93		
Furniture written off.....	10.00		
Presentation to Rev. Dr. Pearce	215.00		
	\$1,508.08		
			\$1,508.08
			\$43,344.59

Hongkong General Chamber of Commerce.

BALANCE SHEET DECEMBER, 1926.

LIABILITIES.		ASSETS.		
Sundry Creditors:—		Fixed Deposits:—		
Survey Fees	\$465.12	Hongkong & Shanghai Banking Corp'n.....		\$33,000.00
Market Report Subs. paid in advance	10.00	Hongkong Club 8% Debentures		7,000.00
Sundry Expenses and Audit Fee	221.72	Hongkong & Shanghai Banking Corp'n.—Current Account	2,950.01	
Farewell Address Surplus	277.18	Chinese Language School—Current Account.....	1,247.65	4,197.66
General Reserve Account:—		Sundry Debtors:—		
As on 1st January, 1926	47,430.68	Members' Subscriptions, <i>less</i> Reserve.....	250.00	
Add Surplus for 1926 as per attached account	6,876.25	Market Report Subscriptions.....	50.00	
	54,306.93	Shroff's Imprest.....	100.00	
<i>Less</i>		Office Boys' Imprest.....	50.00	
Chinese Language School:—		Survey Fees (since paid).....	1,076.89	1,526.89
Deficiency to 31/12/25	\$5,332.43	Accrued Interest:—		
" 31/12/26	72.86	Fixed Deposit.....	1,101.11	
	5,405.29	Hongkong Club Debentures	140.00	1,241.11
		Stationery Stock.....		400.00
		Furniture & Fixtures:—		
		Per Last Account	2,658.00	
		Additions—1926.....	480.00	
			3,138.00	
		<i>Less</i> Depreciation	628.00	2,510.00
				\$49,875.66

We beg to report that we have audited the above Balance Sheet with Books, Accounts and Vouchers of the Chamber. Such Balance Sheet is in our opinion, properly drawn up so as to exhibit a true and correct view of the Chamber's affairs as at 31st December, 1926, according to the best information and the explanations given to us and as shown by the Books of the Chamber.

We have obtained all the information and explanations we have required.

PERCY SMITH, SETH & FLEMING,
*Incorporated Accountants,
Auditors.*

Hongkong, 10th February, 1927.

LOWE BINGHAM & MATTHEWS,
*Chartered Accountants,
Treasurers.*

**REPORT OF A COMMITTEE OF INQUIRY INTO
FIRE BRIGADE ORGANISATION.**

As noted in the last Annual Report, page 68, the Chamber on March 9, 1926, approached the Colonial Government with a suggestion, arising out of a fire at the Hong Kong Hotel on January 1, 1926, that a Commission of Inquiry into the local Fire Brigade organisation be appointed. This request was acceded to and a Committee was set up consisting of:—H.E. the General-Officer-Commanding, Major-General C. C. Luard, C.B., C.M.B., (Chairman), the Hon. Mr. C. McI. Messer, C.B.E., the Hon. Mr. H. T. Creasy, the Hon. Sir Henry Pollock, K.C., the Hon. Mr. A. O. Lang, the Hon. Mr. H. W. Bird, the Hon. Mr. R. H. Kotewall, LL.D., the Hon. Mr. D. G. M. Bernard, Commander C. A. Browne, R.N., Major C. E. F. Wyncoll, and Mr. Geoffrey S. Archbutt.

The report of the Committee was laid before the Legislative Council on May 27. Confining itself solely to urban and sub-urban districts, the report did not consider rural districts such as Repulse Bay, although in such localities fire fighting organization must receive consideration in the future. The subject, the Committee remarked, appeared to fall into four broad sections,—Personnel, Equipment, Construction, and Legislation. The Committee was of opinion that the considerations which were most urgent related to Personnel; there should be an immediate increase both of European and Chinese staff, as at present not only were the conditions of service rendered unduly irksome by the shortage, but a great deal of really necessary work could not be carried out at all. The Committee advised the further engagements of one Inspection Officer, at an initial salary of £320 and three Sub-Officers at an initial salary of £220. As soon as accommodation was available, yet another additional officer should be engaged—if possible, a retired Naval rating—whose duties should be primarily on the fire floats. As regards the Chinese staff, the Committee were of opinion that the present shortage of recruits was due almost entirely to the conditions of service and they were confident that, with the introduction of the "shift" system with its consequent increase of leave, the Chinese personnel could be raised to its proper number. This they considered to be 120 firemen, who should be engaged as soon as accommodation was available. All engagements should be on a three years agreement to avoid constant changes in personnel.

As regards the position of the Chief Officer of the Fire Brigade, it was considered that an officer should be engaged who would be able to take over complete administrative and technical control of the Brigade, and it was suggested that an Ex-Naval Officer, with fire fighting experience, should, if possible, be appointed at a salary of £700 to £900.

The Committee stated that they were satisfied with the present Equipment, but they considered that a fully qualified European mechanical engineer should be engaged to look after the valuable machinery and equipment of the Fire Brigade. Hong Kong and Kowloon should be regarded as entirely separate districts. It should, however, be kept in mind, if and when provision of a trans-harbour vehicular Ferry was being considered, that in cases of urgency it might be desirable to bring appliances from one side to the other. The No. 2 Fire Float should at present be retained, but the possibility of acquiring a Motor Float in the place of this should be kept in view. The No. 1 Tender in Hong Kong and the No. 2 Pump in Kowloon should be replaced at once, and two A.J.S. Machines, with the usual first-aid and fire appliances, should forthwith be supplied for use on the Peak.

The question of Construction, which included not only the erection of Stations, but the provision and control of Mains, and the system of fire installations in private buildings, was considered by a technical sub-committee. The following broad principles in the Sub-Committee's report should be stressed. The increase in the European personnel would only be effective if it provided an officer or officers with ample time, not only to inspect and test from time to time all "private" installations, but also to devote attention to testing the staffs thereof, (where they were in any measure permanent) in efficient operating. This officer should also be available for the inspection of the actual installation of fire fighting appliances.

In view of the fact that buildings erected previously to the passing of the Public Health and Buildings Ordinance could not at present legally be controlled in this respect, the utmost care should be taken to consider the question of private installations in all its bearings in connection with any future Legislation. Generally the London County Council regulations should, as far as possible, be made to refer to all large new buildings in Hong Kong and Kowloon, even to large Chinese Stores, where a considerable number of the Staff slept on the premises. It was not

considered economically practicable that they should be made to apply to Chinese tenement houses, but in these every effort should be made to encourage the erection of concrete staircases rather than the present wooden ones, which were a serious source of danger in case of fire. All ship-building yards and oil installations should be required to have private fire-fighting systems, and the regulations existing for the construction of oil installations should be strictly carried out.

The immediate erection of a Main Station and Headquarters in Kowloon at the junction of Prince Edward Road and Coronation Road was recommended. The erection of two sub-stations in Victoria was also recommended, one near the Lee Garden and one in the Western District, if possible near the Sailors' Home. A small sub-station near the Taikoo Dock at Shaukiwan was also recommended. With regard to the Mains, the Committee considered it vital that the installation of the new 15" mains should be pressed on with all speed, and that all mains of less than 6" diameter should be at once replaced by 6" mains.

A sub-committee consisting of the Hon. Sir Henry Pollock, K.C. and Hon. Mr. R. H. Kotewall, LL.D., dealt with the question of new legislation needed. The Sub-Committee pointed out that the owners of high buildings, five storeys and over, owed a duty not only to themselves but also to the owners of adjacent buildings in regard to the provision of adequate fire-fighting apparatus. The provision of storage tanks on buildings exceeding 75 feet in height should be considered. Legislation appeared to be required in regard to the careless storing in offices or domestic tenements of cinema-films seeing that such films are of a highly inflammable nature. General Legislation should be passed to give the Governor in Council power to make Regulations in regard to the prevention of, escape from, and extinction of, fires.

LOCAL PROGRESS IN WIRELESS TELEGRAPHY IN 1926.

The Chamber is indebted to the Colonial Government for the following notes on the development of Wireless Telegraphy locally during 1926:—

New Installations.—Additional sets have been installed during the year as follows: a 1½ K. W. transmitter at the Royal Observatory, a ½ K. W. transmitter on the rescue tug, two ¼ K. W. transmitters on police launches, and a 100 watts transmitter at the Water Police Station, Tsim Sha Tsui.

Improvements to Existing Plant.—The rearrangement of the transmitting plant at D'Aguilar has been carried out, with the result that more efficient control of the plant is now possible, and room for an additional transmitter has been provided without enlarging the present buildings. The reception of all wireless messages addressed to V.P.S. (D'Aguilar) is now effected direct in the Post Office Building, this arrangement saving both time and personnel previously occupied in transmitting messages by landline to and from Cape D'Aguilar.

Press Messages.—The reception of "Rugby Press" has resulted in approximately a quarter of a million words of news being received direct from England and distributed free of cost to the local papers. It is hoped still further to improve this service in the present year.

Law and Regulations.—An Ordinance called the Wireless Telegraphy Ordinance of 1926 was passed during the year to amend the law relating to Wireless Telegraphy. One of the principal objects of the Ordinance is that it makes it necessary for receiving sets to be licensed. This is accomplished by amending the definition of the term "telegraph" so as to include apparatus for receiving as well as apparatus for sending. The other principal object of the Ordinance is that it makes it an offence to maintain, or possess, a wireless telegraph station without a licence. The old Ordinance made it an offence only to establish a station, or work apparatus, without a licence. It will be noticed that the term "wireless telegraph station" is defined in the Ordinance as including any apparatus which has been installed for the purpose of being used for wireless telegraphy.

Fresh Regulations were made on September 9, 1926, for the issue of receiving licences, which are now obtainable from the Postmaster-General.

Government School of Wireless Telegraphy.—This School for training Asiatic operators is to be re-opened in 1927. The following are the principal terms and conditions:—

(a) Candidates must be British subjects and must have a good knowledge of English. (b) Approved students will be given one month's trial free and on the satisfactory completion of trial will be accepted for training in the Government School of Wireless Telegraphy. (c) The fee will be \$10 per month payable to Colonial Treasurer in advance. (d) The average period of training required for a student to obtain a Coastal Certificate is from six to nine months. (e) The pay of a Ships Operator varies from \$60 to \$100 per month with food and accommodation. (f) The Government do not undertake to employ or to secure employment for successful students, but successful students will be eligible for consideration for vacancies in the Government W/T Operators' staff. (g) The Government scale of pay for Wireless Telegraph Operators is from \$900 to \$1500 per annum according to ability and service. No food is supplied; quarters are provided at out stations and on Government vessels only. (h) Operators employed by Government who have been trained in the Government Wireless Telegraph School will have their fees refunded after two years' satisfactory service, and will be eligible for appointment to the permanent staff. (i) Applications should be made to the Electrical Engineer, Public Works Department, "P.&O" Building.

Short Wave Working with England has been effected on 240 watt transmitter. It is hoped that a more powerful transmitter will be obtained and the service established on a commercial basis during 1927 or early in 1928.

Traffic.—Radio telegrams exchanged with ships numbered 11,532, containing in all 135,473 words, this being an increase of 2,069 messages and 15,020 words over the previous year. The total number of interport traffic messages handled was 10,029, representing 101,665 words, and the total paid traffic messages numbered 26,706, representing 316,664 words.

The unpaid traffic total amounted to 11,722 messages of 506,338 words, which included 364 Rugby Press messages, representing 229,211 words, and 10,389 meteorological messages representing 241,345 words. A total of 795 messages (14,155 words) were exchanged with Pratas Observation Station. Service messages numbered 6,867 containing 113,770 words.

The grand total of all messages handled amounted to 45,296 representing nearly a million words.

INTERPORT SERVICE.

Canton.—Owing to unsettled conditions in South China, this Service has only been in operation during the last five months of the year. Compared with the previous year, forwarded traffic (2,765) shows a decrease of 591 messages, and received traffic, (1,490) shows an increase of 519, thus giving a total decrease of 72 messages.

Swatow.—The service has not been resumed owing to disturbed conditions in Swatow and the inability of the Swatow Station to work with Hongkong. Compared with the previous year the decrease amounts

to 6,044 messages which represents a loss of revenue of approximately \$26,000. It is hoped to resume the service as soon as the new Swatow Station is completed.

Hanoi.—Compared with the previous year, forwarded traffic increased by 39 messages and received traffic decreased by 150 messages, the total decrease being therefore 111.

Kwongchow.—Compared with the previous year, forwarded traffic messages increased by 5 and received traffic increased by 158 messages, an increase of 163. Owing to the increased terminal charge applicable to French Indo-China, which increased the total wireless charge for this service by 20 cents in the case of Kwongchow and 7½ cents in the case of Hanoi, and to the low conversion rate applied by the Cable Companies during the second half of 1926, the wireless charge was higher than the cable charge, and this, together with unsettled conditions and bad trade, has operated against large increases of traffic on these services.

Yunnanfu.—Compared with the previous year forwarded traffic increased by 511 messages and received traffic by 811, an increase of 1362. Traffic on this service is gradually increasing, but until a direct service with Yunnanfu is in operation, with correspondingly reduced rates, no great increase is to be expected.

Macao.—Compared with the previous year forwarded traffic increased by 520 messages and received traffic by 330, a total increase of 850. The increased traffic on this service is entirely due to the breakdown of the cable service, and is not expected to continue.

OIL POLLUTION OF NAVIGABLE WATERS.

The inconvenience and loss due to the pollution by oil of coastal waters and fishing grounds are well known. Steps have been taken in several parts of the Empire and in a number of foreign countries to prohibit the discharge of oil in territorial waters or in harbour waters. It is generally recognised, however, that the nuisance cannot be effectively abated unless the discharge of oil or oily mixtures within certain limits outside territorial waters can be prevented, and with this object in view an International Conference, held at Washington in June, 1926, recommended that areas should be prescribed on the coasts of maritime countries and on recognised fishing grounds within which oil or oily mixtures should not be discharged, and that each Government should require vessels flying its flag to respect all such areas.

The Colonial Government, on December 15, 1926, enquired of the Chamber whether in its opinion there are any special points to be considered in regard to the circumstances of this Colony, in order that, should H.M. Government decide to participate in an International conference for the general purpose recommended by the Conference, the form of instrument may be suitable for adoption by this Government. The Committee replied on January 21, 1927, that this Chamber welcomed International action in this matter and was not aware, after enquiry, of any special points in regard to the subject which required to be considered.

The Clauses of the Draft Convention on Oil Pollution of Navigable Waters held at Washington in 1926 are as follows:—

I.

The respective Governments may establish areas in waters adjacent to their coasts within which discharge from the vessels specified in Art. III. of oil or oily mixtures as defined in Art. II. shall be prohibited, in accord with the following principles:—

(a) In the case of coasts bordering the open sea, such areas shall not extend more than 50 nautical miles from the coast except that, if such extent is in particular instances found insufficient because of peculiar configuration of the coast line or other special conditions, such areas may be extended to a width not exceeding 150 nautical miles.

(b) In case the Government of any country desires to prescribe an area any part of which may be within 150 nautical miles of the coast of another country, that Government shall inform the Government of such other country before the area is prescribed.

(c) Due notice of the establishment of any area or areas, and of any change thereof, shall be given to the Governments of maritime States, in the form of charts or otherwise, by the central agency mentioned in Article VII.

II.

The discharges which may be prohibited in any area prescribed pursuant to Article I. are (a) crude, fuel or Diesel oil or (b) any mixture containing more than .05 of one per cent. of such oil, or having a content of such oil sufficient to form a film on the surface of the sea visible to the naked eye in daylight in clear weather.

III.

The vessels which may be affected pursuant to the provisions of Article I. are all seagoing vessels, other than war vessels, carrying crude, fuel or Diesel oil, in bulk as cargo or as fuel for boilers or engines. Special provisions may be adopted to meet the case of small vessels of limited bunker capacity, but such vessels shall be required to take all reasonable precautions to prevent oil pollution.

IV.

The respective Governments agree to take the necessary measures to ensure that vessels classed as war vessels shall take every possible precaution to prevent oil pollution.

V.

Each Government will require vessels of the class specified in Article III., flying its national flag, when within any area prescribed pursuant to Article I., to refrain from discharging oil or oily mixtures as defined in Article II.

VI.

The respective Governments agree:—

(a) That no penalty or disability of any kind whatever in the matter of tonnage measurement or payment of dues be incurred by any vessel by reason only of the fitting of any device or apparatus for separating oil from water.

(b) That dues based on tonnage shall not be charged in respect of any space rendered unavailable for cargo by the installation of any device or apparatus for separating oil from water.

(c) That the term "device or apparatus for separating oil from water," as used in paragraphs (a) and (b) of this Article, shall include any tank or tanks of reasonable size, used exclusively for receiving waste oil recovered from the device or apparatus, and also the piping and fittings necessary for its operation.

VII.

The Government of is invited to establish a central agency for the purpose of receiving, co-ordinating and circulating to the Governments of maritime States information relating to the system of areas established under the terms of this Convention, the experience with that system, and other data pertaining to the problem of oil pollution of navigable waters and means for dealing with that problem.

In the event of this invitation being accepted the other contracting Governments undertake to forward to the central agency the data specified in paragraph (c) of Article I. hereof, and also all other information which they consider appropriate for the purposes of this Article.

VIII.

The Government of the United States will invite the Governments of maritime States other than the signatories to adhere to the present Convention. Such adherence shall be notified to the Government of the United States and by the latter to all the other Governments' signatories to the Convention.

IX.

The present Convention shall take effect as soon as the ratification of five of the Governments represented at the Washington Conference of June, 1926, shall have been notified to the Government of the United States. It may be denounced by any Government on notification to the Government of the United States to take effect one year from the date upon which such notification shall have been made.

TYPHOON WARNINGS.

At the instance of shipping interests the Chamber addressed the Government on October 30, 1926, on the apparently short notice given of a typhoon which occurred on September 27. The following considerations were placed before the Government:—

It would appear, having regard to the barometer readings of September 26th at 6.0 hrs., showing at the Pratas a drop of 13/100" from September 25th, 14 hrs., and the storm warning issued on September 26th, 11 hrs., placing the typhoon 310 miles distant from the Pratas—some five hours later than the fall of the barometer at the Pratas was noted—that ample evidence was afforded of the storm's approach, and that Hong Kong should have been warned as soon as this evidence was in the hands of the Observatory.

At 6 a.m. on September 26, the Pratas was indicating a rapid fall of the barometer, which, proportionally to distance, was also showing at Hong Kong, and at the Pratas the wind had also increased in force and was definitely cyclonic. It thus appeared to be fairly clear that the Storm was crossing the China Sea and was more than likely to strike the coast in the vicinity of the Colony. By 2 p.m. on that day the glass at Hong Kong had dropped another 12/100—the wind conveyed no information. At the Pratas, only 180 miles distant, the glass had dropped still further, 11/100, and the clearly indicated cyclonic wind had increased to force 7.

Nevertheless no local signals whatever were displayed during the daylight hours in Hong Kong on September 26. This appeared difficult to explain as the shifts of wind at the Pratas, backing from N.N.E.2 on September 25th, (14h.), through North 5 on September 26th, (6h.), to N.N.W.7 on September 26th, (14h.), were obviously cyclonic, and, combined with the drop in the barometer both at the Pratas and at Hong Kong, these signs afforded every reason to assume that a storm was advancing rapidly toward the coast. Also there were other precursory signs in the clouds, and in the swell which throughout the whole of Sunday beat upon these shores, and which, with the gradient between Hong Kong and the Pratas, and the news coming forward from that station, would seem to have warranted that at least a warning should have been given to Hong Kong some hours earlier than it was.

It was suggested that it would be interesting to know at what hour the barometer readings of September 26th, 6 hrs., were received

at Hong Kong, and when the information was received which defined the Storm as being in Lat. 19N. Long. 122E., as the inference conveyed by the drop in the barometer at The Pratas alone, as contained in the reading of September 26th, 6 hrs., was apparently sufficient to warrant the hoisting of the No. 1 Signal at Hong Kong.

A question also arose as to the accuracy of the given positions of the storm. At 11 hours on September 26th it was placed in Lat. 19N., Long. 122E., and at midnight it passed a few miles south of the Pratas. It had thus travelled at 24 miles per hour a distance of 310 miles in 13 hours, a rate which was somewhat abnormal.

The meaning placed upon the Red Signal is: "A typhoon exists which may possibly cause a gale at Hong Kong within 24 hours." That for practical purposes is not sufficiently definite as it might mean one hour, or 23 hours.

On this occasion No. 1 Signal was hoisted at 21 hrs., 10 m. on September 26, and the No. 4 Signal at 2.20 on September 27, the typhoon passing very near the Colony in the small hours of September 27. Therefore in the case under review there was only an interval of 5 hours 10 minutes between the hoisting of the Red and Black Signals, and this interval was absolutely inadequate for the raising of steam in vessels, for which a minimum of 16 hours is necessary. It was suggested that in view of this, the meaning to be conveyed by the Red Signal needs to be reconsidered.

The Government replied on November 15, enclosing comments by the Director of the Royal Observatory, Mr. T. F. Claxton, in answer to the criticisms which had been offered. The Director stated that observations were received from Pratas every hour from 8 a.m. on the 26th of September to 7 a.m. on the 27th. The barometer at Hong Kong certainly fell between 6 hrs. and 15 hrs. on the 26th, but then rose 0.028 inches until 17 hrs.

The Director's own opinion, at that time, based on all the observations available, was that the typhoon would enter the coast near Amoy.

The backing of the wind at Pratas from a steady N.N.E. wind until 1 p.m., on September 26th, to N.N.W. at 2 p.m., until 8 p.m. and the N.W. winds at Gap Rock, indicated that the typhoon would pass to the E. and N. of Pratas toward Amoy, (as in the case of the previous typhoon which passed about 80 miles E. of Pratas on

September 10th, and thence to Amoy on September 11th, without producing more than a moderate N.W. wind at Gap Rock).

At 16 hrs., 50 m., on the 26th the following warning was received from Shanghai.—"Typhoon within 120 miles of lat. 19N. and long. 123E., moving N.W."

Another warning from Shanghai was received at 23 hrs., 10 m.—"Typhoon within 60 miles of lat. 20N. and long. 121E., moving N.W."

Both these warnings indicated that the typhoon was approaching Amoy, which it undoubtedly was, at the time. The backing of the wind at Pratas and N.W. winds at Gap Rock could have no other meaning.

It was not until 21 hrs., that a change of track was definitely indicated, and No. 1 local typhoon signal was then hoisted.

As to the fall of the barometer up to 6 hrs., on September 26th, and the suggestion that "ample evidence was afforded of the storm's approach, and Hong Kong should have been warned as soon as this evidence was in the hands of the Observatory," Mr. Claxton wrote: "Hong Kong was warned. At 11 hrs., 04 m. on the 26th the following signal was hoisted:—"Typhoon of unknown intensity within 60 miles of latitude 19N. and longitude 122E., moving N.W. This was amplified in the morning weather report by the following statement:—

'The present probability is that it will pass near Amoy to-morrow.'

As to the comments above regarding the shifts of the wind at Pratas up to 14 hrs. on the 26th, combined with the drop in the barometer at Pratas and Hong Kong, the Director declared that the shift of the wind at Pratas indicated that the typhoon was moving towards Amoy. And if the fall of the barometer at Hong Kong up to 14 hrs. indicated that the typhoon was approaching the Colony, one could only assume that the subsequent rise up to 17 hrs., indicated that the typhoon was moving away from the Colony. At 6 hrs. on the 26th, in the opinion of the Director, it was *not* "fairly apparent that the Storm was crossing the China Sea and was more than likely to strike the coast in the vicinity." At this time the typhoon had not entered the China Sea, but was near Aparri and was moving toward Amoy.

As regards the accuracy of the given position of the storm the Director wrote:—

“The position signalled at 11 on the 26th (lat. 19 N. and long. 11 E.) was that determined from the 6 a.m. observations. The longitude appears to be correct, but the latitude may be nearly a degree too far north. The deduced rate of travel of this storm was as follows:—

PERIOD.					RATE OF TRAVEL.
d.	h.		d.	h.	m.p.h.
26	6	to	26	14	18
26	14	to	27	1	20
27	1	to	27	8½	24

“In conclusion I should like to draw attention to the phenomenal rate of travel attained by this typhoon after passing Pratas. As a rule the rate of travel decreases when the typhoon curves, but in this case there is no evidence of a decrease, even during curvature. The relatively short warning of this gale was due to the typhoon's change of track on the evening of September 26th, and to its abnormally high rate of travel.”

As regards the meaning of No. 1 Local Typhoon Signal, the Director stated that its object was to give 24 hours notice of a gale, but this was not possible in exceptional cases such as the typhoon under consideration. Owing to the vagaries of typhoons, change of direction, change of speed and the formation of “secondaries,” 24 hours warning could not in every case be guaranteed.

Finally the Director suggested an amendment of the explanatory note which appears at the end of the Hong Kong Storm Signal Code (Local), which reads as follows:—

“The object of the code is to give at least 24 hours warning of a gale (Force 8 by Beaufort's Scale—or 40-45 m.p.h. mean velocity by Dines Anemometer) and also warnings of expected changes in the direction and force of the wind. Owing, however, to the uncertain movements of

typhoon and to insufficient telegraph observations, it will occasionally happen that Signals 2 to 5 may be displayed without a gale occurring at Hong Kong, or even Gap Rock, but the reverse is not likely to happen except in the case of typhoons forming in the vicinity and travelling rapidly towards Hong Kong, or of a located typhoon increasing its rate of progression abnormally.”

The Director suggested that the words in italic should read:—

“ should the direction of motion of a located typhoon alter, or its rate of progression increase, abnormally.”

The Chamber, on March 3, 1927, wrote to the Colonial Government suggesting the following alternative wording of the Clause:—

“The object of the code is to give at least 24 hours warning of a gale (Force 8 by Beaufort Scale, or 40-45 m.p.h. mean velocity by Dines Anemometer) and also warnings of expected changes in the direction and force of the wind. Owing, however, to the uncertain movements of typhoons it will occasionally happen that signals 2 to 5 may be displayed without a gale occurring at Hong Kong, or even Gap Rock, but the reverse is not likely to happen except in phenomenal instances similar to the Typhoon of 1906 when the storm was upon the Colony without the Barometer providing adequately a 24 hour warning.”

The words “and to insufficient telegraphic observation” were omitted from the suggested draft (it was explained) for the reason that in 1927, with radio observations coming in from ships at sea, and from the Pratas Island Observation Station, the conditions in 1920 when the clause was first printed no longer applied.

The words “except in the case of typhoons forming in the vicinity and travelling rapidly towards Hong Kong, or of a located typhoon increasing its rate of progression abnormally,” had also been omitted. The reasons for this were that the wording of the original appeared a little too wide. As a general rule there was ample time in which to give 24 hours warning, the only exception being phenomenal cases such as that of the typhoon of September 18th, 1906. On that occasion, the barometer—instead of beginning to indicate the diurnal rise at 4.0 a.m.—began to fall. From 6.0 to 8.0 a.m. the fall was rapid, from 8 to 10 a.m. it was cataclysmic.

From 10 a.m. a rapid rise took place, and at noon the barometer was at the same height as it had been at 7.30 a.m.

In an instance such as this a 24 hours warning was impossible, but it was a curious fact that in this case in 1906, and also in the case of September 26, 1926, the fall of the barometer commenced at the lowest point of the diurnal fall. It was at these periods that prescient deductions were of more importance than on the cusps of the daily range where a fall of the barometer was more noticeable.

With reference to the comments by the Director of the Royal Observatory on the criticisms submitted as to the apparent delay in exhibiting the local signal of the approach of the typhoon of September 27th, 1926, the Chamber stated it considered that an error of judgment was made by the Director on that occasion, and that he attached too great weight to an infinitesimal rise of the barometer when the instrument's general tendency was undoubtedly in a downward direction.

The Chamber must take exception also to the suggestion that hoisting of the signal under the China Seas Storm Signal Code was a sufficient warning to Hong Kong. This code was not under review in the present case and reference to it only confused the issue. The "China Seas Storm Signal Code" was generally regarded as a series of signals giving, solely for the benefit of shipping, general information regarding depressions or gales very often 1,000 miles distant from Hong Kong, and these signals had no immediate bearing on local weather conditions.

The "Hong Kong Storm Signal Code (Local)," on the other hand, was intimately bound up with the well-being and safety of the Colony, particularly in respect of vessels and native craft in the harbour, or in close proximity to Hong Kong, and the incident under discussion was in connection with this code, and no other.

As this volume goes to press, a further letter—which has not yet been considered by the Shipping Sub-committee of the Chamber—has been received from the Government, enclosing a further minute by the Director of the Royal Observatory.

Under date March 22, 1927, the Colonial Secretary wrote:

With reference to your letter of 3rd March, 1927, regarding the typhoon of 27th September, 1926, I am directed to inform you that, for the reasons given in Mr. Claxton's minute dated 14th March, 1927, forwarded herewith, this Government considers that the

foot note to the Local Storm Signal Code should be amended in accordance with the proposal contained in Mr. Claxton's memorandum of 5th November, 1926, forwarded with my letter No. 3087/1926 of 15th November, 1926.

2. Government regrets the short notice given of the typhoon of 26th-27th September, 1926, which was due to the typhoon's change of track on the evening of 26th September and to its abnormally high rate of travel, not to an error of judgment.

3. As regards the China Seas Code, I am to add that so far is it from being solely for the benefit of shipping that it has been considered desirable to post translations of it at the Post Office and on the Ferry Wharves for the benefit of the General Public. The China Seas Code gives the position and track of the typhoon and the local code shows what wind the typhoon is expected to cause at Hong Kong.

The Director's minute (dated March 14, 1927) was as follows:—

I think the words, "insufficient telegraphic observations" should be retained. Both cable and wireless services are liable to break down in typhoon weather and, moreover, only a small proportion of the ships within call of Hong Kong send wireless weather telegrams to the Observatory.

The sentence "typhoon forming in the vicinity and travelling rapidly towards Hong Kong" is by no means "wide". It exactly describes the typhoon of 1906, September 18, so far as can be judged from the information available. As regards the sentence "should the direction of motion of a located typhoon alter or its rate of progression increase, abnormally," this was inserted to meet the case of typhoons similar to those of 1926, September 26-7. If there is definite information available that a typhoon is approaching Amoy and the typhoon changes its track towards Hong Kong, 24 hours warning cannot be given, unless its rate of progression is so low that on its new track it takes more than 24 hours to reach the Colony.

Similarly if a typhoon increases its rate of progression by say, 100 per cent., what appeared to be a 24 hours warning to the forecaster becomes only a 12 hours warning. It would be simple to hoist No. 1 Signal whenever a typhoon appeared to be within, say, 600 miles of Hong Kong, irrespective of its direction or rate of progression, but this would be reverting to an obsolete practice which it is the purpose of the present code to avoid.

In view of the explanation given in my memorandum of 1926, November 5 and of the Zikawei warnings quoted therein I regret that the Chamber should consider that "an error of judgment was made by the Director" in the management of typhoon warnings displayed on 1926, September 26. Apparently he erred in good company, for as late as 26d. 21h. the Zikawei Observatory stated that the typhoon was within 60 miles of latitude 20 N. and longitude 121 E. moving N.W. i.e., towards Amoy. The Pratas Observatory also stated at 12 h. that the typhoon was travelling N.W., and not until 22 h. did they alter the direction to W.N.W.

As regards the weight to be attached to an "infinitesimal rise of the barometer", I may point out that the barometer falls at an accelerated rate as a typhoon approaches the station. If then after a considerable and slightly accelerated fall from 6 h. to 15 h. not only does the acceleration cease but the barometer actually rises for three hours in succession (allowing for diurnal variation) can too much weight be attached to this change of conditions?

Incidentally this change alone was not the deciding factor against hoisting Signal No. 1: we had in addition the definite information that the typhoon was moving towards Amoy.

In the Chamber's letter it is stated that in the typhoons of 1906, September 18 and 1926, September 26 "the fall of the barometer commenced at the lowest point of the diurnal fall." As a matter of fact *the barogram* in each case indicated a fall beginning at the highest point of the diurnal curve.

I am not sure that I understand the sentence "It is at these periods that prescient deductions are of more importance than on the cusps of the daily range where a fall of the barometer is more noticeable."

It is the Observatory's practice to apply the correction for diurnal variation to all readings of the barometer before making any deductions as to whether the barometer is rising or falling.

In his criticism Captain Rolfe stated that at 2 p.m. on September 26 "No signals whatever were displayed at Hong Kong." The Chamber now takes exception to my mentioning that at 11 h. 04 m. the following signal was hoisted:—

"Typhoon of unknown intensity within 60 miles of latitude 19 N. and longitude 122 E. moving N.W.," which signal was amplified in the morning weather report by the following statement:—

"The present probability is that it will pass near Amoy, to-morrow."

It would scarcely be logical to say on one mast that the typhoon is approaching Amoy from latitude 19° and longitude 122° and on the other (local) storm signal mast to say that it will produce a gale at Hong Kong within 24 hours.

I made no suggestion that the China Seas Storm Signal Code was a sufficient warning to Hong Kong, or that the local code should not be used as early as possible after a review of available data has been made.

REGULATIONS FOR OPERATION OF THE RESCUE TUG.

The Harbour Master wrote, on April 16, 1926, stating that the Government Rescue Tug "Kau Sing" had been delivered to the Harbour Department and was ready for service. As the primary use of this vessel was to render assistance during typhoon weather to craft in difficulties in the harbour it would be necessary to draft special orders for such occasions as a guiding principle to the Officer in Command. The design of the Tug was considered and specified by a Sub-Committee of the Chamber of Commerce consisting of Messrs. R. Sutherland (Chairman), R. M. Dyer, J. Reid, W. Lang, and Capts. T. Arthur and W. Davison. As the matter of the use of the Rescue Tug in typhoon weather so closely affected the shipping firms in the Port, the Harbour Master asked that the Chamber of Commerce would appoint a small Sub-Committee to discuss with him and to assist in drafting the necessary orders to be issued to the Tug.

The Chamber on April 29, nominated the following as a special committee:—Mr. R. Sutherland (Chairman of the Shipping Sub-Committee of the Chamber), Mr. T. N. Chau (Shiu On S. S. Co., Ltd.), Capt. P. H. Rolfe (Marine Superintendent, Indo-China S. N. Co., Ltd.), Capt. R. Innes (Marine Superintendent, China Navigation Co., Ltd.), Capt. E. H. Neave, (Senior Wharfinger, Hong Kong & Kowloon Wharf & Godown Co., Ltd.)

The principal recommendations of the Committee were that the upper bridge of the vessel should be enclosed, with a clear view deck house; that the existing life boat was too heavy for handling in typhoon weather and should be replaced with a four-oared double-ended whaler of much lighter design; that the appointment of a fully qualified European Master was essential; that, as the Harbour Office would be the centre to which reports would be made and would be in wireless telegraphic communication with the "Kau Sing" it was also essential that a responsible European Officer should be on duty night and day at the Harbour Office in case of emergencies. It was considered that the crew should be increased in view of the possibility that it might be necessary to send away a boat's crew; also that the crew should be efficiently trained in life saving work. The St. John's Ambulance Brigade should be asked to supply two trained men to go on board when the Red Signal is hoisted and remain on board until the Black Signal is lowered, in order to be available to render first aid to persons apparently drowned.

Detailed regulations for the work to be done by the "Kau Sing" were drafted by the Committee; of these the following may suitably be quoted here:

"The master of the Rescue Tug is to bear in mind that the paramount duty of the 'Kau Sing' is to save life, and he should remain under way until all harbour craft are in positions of safety, and should get under way again as soon as he considers that weather conditions allow him to render aid."

Particulars of the towing charges, etc., were published in the Hong Kong Government Gazette No. 32 of July 30, 1926.

On July 7 the Harbour Master notified the Chamber that the Government had accepted all the recommendations put forward by the Committee. Certain work involved thereby was being put in hand immediately and steps were being taken to secure the services of a suitable fully qualified Master Mariner to act as Master. It was announced on the introduction of the Colonial Budget in October that the separate post of Master of the Rescue Tug disappeared as the duties would be performed by an additional Boarding Master.

COMMERCIAL ARBITRATION.

An interesting enquiry was received by the Chamber from the Federation of Chambers of Commerce of the British Empire, under date June 23, 1926, on the subject of Arbitration in relation to inter-Imperial trade. For the sake of convenience the replies furnished by the Chamber to the questions asked in the letter are printed beneath the particular question, in italic type. The Federation wrote:

The Tenth Congress of Chambers of Commerce of the British Empire adopted a resolution as follows:—

"This Congress records its appreciation of the great value to trade of a wide use of Arbitration Clauses in contracts. In view of the fact that the advantages of Arbitration do not appear to be used in inter-Imperial trade to the extent which would appear both practicable and beneficial, this Congress requests the Council to set up a special Committee in London, with corresponding members resident in India and each Dominion and Colony, to perform the following duties:—

(a) To study the facilities and legal sanctions at present existing in regard to Arbitration in inter-Imperial trade and to make representations in the proper quarters for any improvements that may appear desirable.

(b) To take steps to inform business men throughout the Empire of the existence of such facilities and the advantages to be enjoyed from using them."

A Committee was subsequently appointed, and has since been engaged in collecting information as to the facilities and legal sanctions at present existing in all parts of the Empire. The Committee propose eventually to issue a report which will be available for business men who will thus be able to ascertain at a glance what legal rights they have in respect of arbitration anywhere in the Empire.

It is in these circumstances that I am writing to ask whether you would be good enough to supply the necessary information as regards Hong Kong.

(A)

The Report will have to show:—

- (1) Whether a person who is sued in, say, a Hong Kong Court on a dispute which the parties have agreed to submit to arbitration can successfully plead the

existence of that agreement and have the legal proceedings stayed and the dispute referred to arbitration:—

(a) When the arbitration is to take place in Hongkong.

(b) When the arbitration has been held elsewhere within the Empire.

- (2) What assistance the Law of Hongkong will give to the successful party in an arbitration in enforcing the awards:—

(a) When the arbitration has been held in Hongkong.

(b) When the arbitration is to take place elsewhere within the Empire.

Answer.

Arbitration provisions, similar to those contained in the Arbitration Act, 1889, of England, are embodied in the Hongkong Code of Civil Procedure and the decisions of the English Courts are followed in Hongkong.

(1.a) The answer is in the affirmative, subject to the provisions of the Hongkong Code of Civil Procedure, which indicate the terms on which a stay can be obtained.

(1.b) This depends on all the circumstances of the case and an exact answer cannot be given. The law of Hongkong, being English law, it may be said that when a stay can be obtained in England so also can it be obtained in Hongkong.

(2.a) The Hongkong Courts will enforce such an award.

(2.b) The same reply applies as to question (1.b).

The Committee's enquiry thus naturally divides itself into two parts, one concerning the validity of submissions (that is, agreements to submit to arbitration), the other the enforcement of awards.

(B)

In the first place, however, the Committee would be glad to know whether there exists in Hongkong a specific Arbitration Law dealing with arbitrations which take place within the Colony; if so, they would be obliged if you could give

them the general substance of that law. On the other hand, should there not be a specific law on the subject, it is desired to know whether the Common Law admits of arbitration in commercial disputes, that is to say, whether a submission is valid and enforceable, and whether an arbitration award is legally enforceable.

Answer.

Arbitration provisions similar to those contained in the Arbitration Act, 1889, of England are embodied in the Hongkong Code of Civil Procedure, copy of which is enclosed herewith.

(C)

The next question is whether the Hongkong Courts would recognise and give effect to a submission when the arbitration was to be held not in Hongkong but elsewhere within the Empire.

Answer.

The answer is the same as the answer to (A) and Clause (1.b).

(D)

In this connection, the Committee are informed that Hongkong has not so far adhered to the League of Nations' Protocol on Arbitration Clauses, as has been done by a number of the Dominions and Colonies.* I enclose a copy of this Protocol, from which it would appear that the Courts of an adhering country would give effect to a submission to arbitration outside that country if both parties were subjects of countries which had adhered to the Protocol. The Committee would be glad to know how the Courts of Hongkong would deal with submission to arbitration outside their territory when either of the parties was not so subject, and also whether the Hongkong Courts would in any circumstances give effect to submissions to arbitration outside their territory.

Answer.

This appears to be much the same enquiry as (C) and the same comments apply thereto. It is within the jurisdiction of the Hongkong Courts to deal with submissions to arbitration outside their jurisdiction provided the parties submit to the jurisdiction of the Court and, on the same proviso, to adjudge the rights of the parties, subject to questions of foreign law and many other considerations, which arise when a British Court is called on to adjudicate on a foreign contract.

* A full statement of the reasons for this was printed in the Annual Report for 1925, p.79.—SECRETARY, CHAMBER OF COMMERCE.

(E)

With regard to the enforcement in the Colony of awards in arbitrations held in other parts of the Empire, the Committee are advised that Hongkong has passed legislation reciprocal to Part II of the United Kingdom Administration of Justice Act, 1920. Under this legislation it is understood an award given in another part of the Empire which has passed similar legislation can, by registration in the High Court, obtain the force of a judgment of that Court and can be similarly enforced without the necessity of an action being brought.

Answer.

This is correct.

(F)

The Committee would be obliged if you could furnish them with a copy of the Hongkong enactment, and inform them to what parts of the Empire its operation has been extended by Order in Council. They would also be glad to know whether awards given in parts of the Empire which have not passed such legislation are enforceable in Hongkong, and if so, by what means.

Answer.

The Chamber is not aware that the operation of the Hongkong enactment has been extended. The awards referred to have no special validity in Hongkong. An action of an ordinary character would have to be taken with the same incidents generally, as those indicated in the comments on (D).

(G)

There is one further point. In order to be complete, the Committee's Report must give a list of the leading Arbitration Courts, Committees, Panels, etc., which are in existence in the various parts of the Empire, together with such information as to their constitution and procedure as may be available. I should be much obliged, therefore, if you would give me this information as regards Hongkong.

Answer.

The Hongkong General Chamber of Commerce provides facilities for arbitrations: there is nothing in Hongkong analogous to an Arbitration Court, Committee, etc. Arbitrations in Hongkong are the subject of private agreement.

**THE TERM "FAIR MERCHANTABLE QUALITY"
IN LONDON CONTRACTS.**

Correspondence of interest to Exporters of China Produce has taken place in recent months on the above subject. The Chamber has endeavoured to obtain the insertion in contracts of a more definite term, or, alternatively, the setting up of some maximum and minimum figures of assay.

Wood Oil.

On representations by a member, the Chamber called the attention of the London Chamber of Commerce to the term "Oil to be in good merchantable condition" occurring in Contract 32 of the London Oil and Tallow Trades Association form of contract for the sale of wood oil. The Chamber wrote (on April 14, 1925), that this clause appeared to be in need of a more lucid definition and requested the London Chamber to make representations on the subject to the London Oil and Tallow Trades Association. It was noted that the contract made no mention of analysis, and this Chamber enquired whether it was customary in cases of dispute for an analysis to be made and, if so, what standard the wood oil was required to pass. In connection with a recent claim regarding a shipment from Hong Kong the arbitration award was based solely on "fair, merchantable quality," an expression which left shippers in the dark and without the opportunity of benefiting by experience should they have other contracts questioned in future.

The London Chamber, on June 30, 1925, stated that they had brought the matter to the notice of the London Oil and Tallow Trades Association, and also mentioned that the adulteration of China wood oil with other oils to the extent of as little as 2 per cent. was sufficient to render the wood oil so far unmerchantable that an arbitrator would make an allowance of 50 per cent. of the full value. With regard to the question of analysis the London Chamber enclosed a statement by an experienced analyst as follows:—

**REASONABLE AND USUAL LIMITS FOR ANALYTICAL FIGURES
IN CONNECTION WITH CHINA WOOD OIL.**

(x) Moisture	0.1	to 0.3
(x) Ash	0.01	to 0.05
Specific Gravity @15.5°C	0.9395	to 0.9460
Saponification Value	190	to 195
Unsaponifiable Matter	0.5	to 1.2%
Iodine Value	160	to 185
Refractive Index @25°C	1.5165	to 1.5175
		(Reject below 1.5155).
(x) Free Fatty Acids	0.5	to 1.5%
(x) Colour Reading: Lovibond Scale through 25 mm. cell yellow: ..	45 (about)	
red:	4 to 5½	(Allowance if over 6).
(x) Polymerisation Test. Standard American Method (Browne) (sic)	6 to 10 minutes	(Reject over 12.)
Worstall	8½ minutes—	(polymerisation mass must be of good colour)
(x) Any figure exceeding the higher limit given for the tests marked (x) should be considered as the subject of a claim, or as justification for rejection in the cases stated above.		

The other tests are with the object of detecting a mixture with foreign oil, and in every case where such foreign oil is indicated attention will be drawn to it in the certificate. Where no foreign oil is indicated no observation is usually made."

In a covering letter the analyst remarked that China wood oil was in a similar position to a number of other oils in that the standard of quality had never been very definitely laid down or agreed upon in the United Kingdom. In practice, if the buyer was not satisfied with the consignment, he either made a claim or went to arbitration. In either case an analysis was invariably made and the opinion of the analyst was taken into consideration by the arbitrators in making their award.

The Chamber then sought the opinion of the Hong Kong Government Analyst on the question whether the conditions set forth above could be complied with commercially. The Government Analyst replied (September 2, 1925):—

"I am of opinion that the greater part of the oil which would be passed by our usual method of examination here, would pass the tests outlined by the London analyst.

"The limits for free fatty acid and also for Browne's heat test (which is not American as stated) are also very low. I consider that free fatty acid up to 2.0% should be permitted. As regards Browne's test, I have never found an oil which gave a value anything like as low as 6 minutes. Pure oils prepared from selected nuts in this laboratory both by expression and by extraction, when freshly prepared and in their best condition, gave values of 8 and 8½ minutes. The rejection limit should be raised from 12 to 13 minutes.

"All the tests can, of course, be made in the Government Laboratory, but the examination is too lengthy for regular commercial practice.

"I would suggest that the following tests be selected namely Specific Gravity @ 15°C: Refractive Index @ 20°C: Iodine Value (Wijs Method): Browne's Heat Test: Colour by Lovibond Tintometer: and Free Fatty Acids, and that an endeavour be made to come to agreement with the London chemists as to the limiting values for pure oil, with a view, if possible, of having the Hong Kong certificate accepted as final by the London buyers."

Writing further to the London Chamber on September 30, 1925, this Chamber noted that the Analyst's Report quoted was not put forward as the accepted standard: also there were one or two points in it which appeared to call for comment. For example, in the Polymerisation Test (Browne) the period given was "6 to 10 minutes (Reject over 12)," whereas Browne himself stipulated a maximum of 13 minutes. It would be interesting to know how these two sets of figures were reconciled. With regard to the test for Free Fatty Acids, both a Government and Private Analyst in Hong Kong were of opinion that the limit for Free Fatty Acids, 0.5 to 1.5 per cent. was too low and that a maximum of 2 per cent. should be permitted. The Committee would be glad to have London expert opinion on these points.

To this the London Chamber replied on November 5, 1925:—

"As regards the Analyst's Report not being put forward as the accepted standard, I would say that no standard of quality for China wood oil has been laid down or agreed upon in this country.

"I have obtained expert opinion on the two points upon which you comment, namely, the polymerisation test (Browne) and the test for free fatty acids. The opinion is as follows:—

"(1) *Polymerisation Test.* What Browne actually says is that most oils take from 9-12 minutes and that samples taking from 12½-13 minutes should be further investigated. American chemists have paid a great deal of attention to Browne's test, and after considerable experience, have definitely decided to reject all samples over 12 minutes. It does not appear to be reasonable that what would be rejected in America should be accepted in this country.

"(2) *Free Fatty Acids.* Examination of a very large number of wood oils have given an average of just below 1.5 per cent., although a number of them reach 2 per cent. and a few actually exceed that figure. Notwithstanding this, the figure is not of such very great importance within these narrow limits that a maximum of 2 per cent. might not be permissible. On the other hand it must be realised that any attempt to fix the maximum figure too high might have the effect of lowering the quality of oil received in this country, because the better quality oils would go to countries—such as America—where a higher standard is demanded."

The comments of the Hong Kong Government Analyst on this letter were invited and he replied on December 29, 1925:—

"In considering samples of wood oil giving a heat test figure (Browne's method) of between 12 and 13 minutes and/or free fatty acid figure between 1.5 and 2 per cent., it must be first decided whether it is a question of *quality* or *genuineness* which is to be determined.

"In most laboratories, I am inclined to think an oil with the above characteristics would be regarded as possibly genuine, though not of the first quality, that is to say, that although no extraneous substance had been added, the oil had been prepared perhaps from immature nuts or heated at too high temperature, and as a result, the oil was deficient in quality.

"When such an oil is submitted for examination for report as to genuineness it cannot be regarded as other than genuine on the above figures alone.

"It is, of course, open to the London Chamber of Commerce to decide to accept not merely genuine oil but only genuine oil of first quality, and to fix standards accordingly. There can be no doubt that for such oil the Browne's heat test figure should not exceed 12 mins. and the free fatty acid figure 1.5%."

The Chamber therefore wrote to the London Chamber on March 12, 1926, inviting attention to certain points still outstanding in the correspondence on this subject. The first was whether it was customary in case of dispute for an analysis and/or test to be made in regard to China wood oil. The letter proceeded:—

"Secondly, it is essential that there should be some laid down maximum and minimum figures of assay, otherwise there is no possible means by which Exporters in China and Hong Kong may know precisely the quality they are expected to supply.

"The two points to be considered in regard to wood oil are 'genuineness' and 'highest possible quality.' The South China wood oil, in a genuine form, should be allowed to have a maximum of 2 per cent. fatty acids, as to which the expert whom you quote in your letter of 5th November says, 'the figure is not of such very great importance within these narrow limits that a maximum of 2 per cent. might not be permissible.'

"My Committee is of opinion, however, that, as the point at issue in an arbitration may turn on the percentage of fatty acids present, it is highly desirable that a maximum be laid down. If 'highest possible quality' is under consideration a maximum of 1.5 per cent. would undoubtedly mean that the majority of the shipments from this Port would have to be refused.

"As to the polymerisation test, shipments from China invariably come in between the limit of 9 to 12 minutes (Browne's test)—incidentally Browne's is not an American test, as stated in the enclosure to your letter of 30th June, 1925: Mr. Browne was the Hong Kong Government Analyst for many years."

To this the London Chamber replied on April 23, 1926, that they had communicated with the appropriate body in Great Britain with a view to definite figures being laid down, and upon receipt of their reply would write again.

Cassia Oil.

The Chamber addressed a similar enquiry on April 14, 1925, to the London Chamber of Commerce with regard to the term "fair merchantable quality" in the c.i.f. contract form of the General Produce Brokers' Association of London, covering the sale of cassia oil. The Secretary of the London Chamber replied, on August 6, 1925, stating that the definition of the term had been brought to the notice of the General Produce Brokers' Association. Enquiries had also been made as to what London merchants understood by the term, and the information obtained was that cassia oil should, besides giving its required analysis, be practically free from sediment, dirt, suspended matter, and water, and should be of fair aroma and colour. The containers should be up to the usual standard, and in proper condition inside and out.

With regard to the "required analysis," the following was the opinion of an analyst who had had considerable experience with this oil:—

"The characters of a Cassia Oil of fair merchantable quality should be as follows:

Specific Gravity @15.5°C	1.060—1.070
Refractive Index @ 20°C	1.585—1.600
Natural Cinnamic Aldehyde (Bisulphite Process)	Not less than 80%
Colour and Odour.	Normal.
Appearance	Clear and Bright.
Practically free from moisture or sediment.	

"As a check on the last requirement, a 4 oz. sample of the oil should be clear and bright, and after standing for 24 hours should remain so and show no deposit of moisture and not more than the slightest visible deposit of dirt."

The Chamber sought an opinion from the Government Analyst on this specification also; the reply was that the specification was similar to that adopted in the Government Laboratory and the Analyst saw no reason why it should not with perhaps slight modifications be adopted for the Hong Kong trade. He would suggest that the colour of samples should be definitely measured with the Lovibond Tintometer, instead of being merely reported as normal, and that, as regards the determination of cinnamic aldehyde, the details of the process should be incorporated in the specification. As regards the latter the Hong Kong Laboratory was quite ready to follow any suggested method proposed as a standard method by the London trade chemists, but the following was a description of the method in use at present:—

DETERMINATION OF CINNAMIC ALDEHYDE.

PROCESS:—10 cc. of the sample is pipetted into a 125 cc. Hirscholm flask and about 50 cc. saturated solution of sodium bisulphate is added. The solid bisulphite is bought in 4 oz. bottles and a fresh bottle opened for each sample of cassia oil.

The oil and bisulphite solution are well shaken, the flask is then immersed in a boiling water bath and repeatedly shaken. The heating is continued until no more solid particles are present, additions of bisulphite solution being made about every 15 minutes.

When the clear oil floats on the top of the salt solution, the flask is removed from the bath, sufficient bisulphite solution is added to bring the oil layer into the neck, the flask is then allowed to cool and the reading is taken."

A letter was then addressed to the London Chamber, under date March 12, 1926, as follows:—

"Your letter of the 6th August, 1925, has been under discussion with local analysts and, much as my Committee regrets troubling you again, there are certain points on which it is highly desirable, in the interests of Exporters in China and Hong Kong, that a more definite understanding should be reached as between London buyers and their suppliers.

"You point out that London Merchants understand that cassia oil should, besides giving its 'required analysis' be practically free from sediment, dirt, suspended matter and water, and should be of fair aroma and colour. On this, however, I have to point out that water must always be present, because the distillation process takes place in water. One of our local analysts mentions that oil perfectly clear and bright in appearance can give 2 per cent. of water and still be quite satisfactory.

"Seeing that an analytical report is called for in the case of cassia oil, it seems desirable that a generally recognised specification should be agreed upon between those concerned, and my Committee would greatly appreciate any assistance which your Chamber can give towards arriving at such an agreement.

"Exporters naturally desire to know the exact quality of cassia oil they are expected to supply. Under existing conditions, in the absence of any accepted specification, awards in cases of dispute are necessarily granted according to the opinions of various arbitrators and may vary considerably as between one parcel and another."

On August 10, 1926, the London Chamber forwarded the following copy of a letter received from the General Produce Brokers' Association of London, under date August 7, 1926:—

"Regarding your letter dated 30th ult., my Committee did not find any general desire on this side for a standard specification as, they were informed, it was generally understood by the trade what the characteristics should be for an oil of fair merchantable quality, which is the most usual guarantee.

"There being no specific standard, you will readily realise that it is quite open to the parties to agree upon any form of guarantee when negotiating a contract.

"I am therefore afraid this Association cannot usefully take any further action in the matter."

On receipt of this information the Chamber wrote on October 26, 1926, that the Association's inability to take up a more helpful attitude in this matter was greatly regretted. It would be necessary, in future, for shippers in China to agree with their London buyers the standard of cassia oil to be supplied before making contracts.

Synthetic Cinnamic Aldehyde.

Early in the year the Export Sub-Committee considered a report that synthetic cinnamic aldehyde had been imported into Hong Kong. Views of local analysts were sought as to whether addition of the synthetic product to raise the standard from, say, 75/80 per cent. to 80/85 per cent. would be detected or not. The Government Analyst replied on February 16, 1926, as follows:—

"I was not aware that this synthetic aldehyde was being imported into this Colony but if this is being done, it is obvious that such may be used for fortifying lower grade cassia oils. Such addition would not be detected in the ordinary analysis and it is difficult to say whether such addition of a normal constituent, not to the prejudice of the purchaser, could in any light be regarded as adulteration, being similar in nature to, for example, the addition of cream to milk. As the synthetic aldehyde is chemically identical with the naturally-occurring aldehyde, it is difficult to see on what grounds objection can be made to the practice."

Mr. A. C. Franklin wrote:—

"The Synthetic article, *when pure*, is identical with the naturally occurring and its addition to cassia oil could not be detected, as only small amounts would be added and these would not affect the analytical results. In the past a synthetic aldehyde was used containing chlorine due to the method of manufacture, and this could be detected, but the absence of chlorine is no proof of freedom from addition of synthetic aldehyde."

Traces of Kerosene.

The Committee then wrote to the Analysts asking if it was possible for synthetic cinnamic aldehyde, after being added to cassia oil, to disappear in course of time. The letter added that the Committee also discussed the possible effect upon essential oils of being brought down from the interior in old kerosene tins, this being the common practice. Would the probably slight percentage of kerosene thus added to the oils, be discoverable by the form of assay now in use, and, if not, could the method followed be extended to trace such slight addition.

The Government Analyst replied:—

"As regards the question of synthetic cinnamic aldehyde, I may say that this would not disappear in course of time, being in every way identical with that normally present in the oil.

"The question of detecting traces of kerosene in oils is not so simple. If kerosene tins are drained before use the amount remaining on the sides and bottom would not amount in all probability to more than 5 cubic centimetres. This would represent, in four gallons of oil approximately 0.03%. The present method of examining the oil would not detect such a trace of petroleum, and to devise a test for the same would not be a simple matter. Experiments have been initiated and are at present being carried out to ascertain whether the usual methods for detecting petroleum in essential oils can be rendered much more sensitive and also as to whether the aniline dye method devised in this Laboratory for detecting traces of kerosene in arson cases, can be modified for use on these oils."

Mr. J. M. da Rocha wrote to the Chamber suggesting that with reference to the Government Analyst's letter as to the employment of the aniline dye method in a modified form for detecting traces of kerosene in Cassia Oils, the Government Analyst might be willing to make the following experiment:—

"Distill off about 5% of the total value of oil used in the test.

This first fraction from the oil should not separate into layers either at room temperature or when chilled in ice water. Such a separation would indicate the presence of petroleum."

The Government Analyst replied that the proposed test had been examined and it had been found possible by its means to detect quantities of kerosene in cassia oil from 2 per cent. upwards. and for dealing with adulteration of this order, it would be quite useful. In reply to a further letter the Government Analyst expressed his willingness to include this test of cassia oil for the purpose of Hong Kong certificates, until a more sensitive test for kerosene was worked out, and to make no increased charge in respect thereof.

Mr. Franklin's views on this test were also invited and he wrote:—

"The suggested distillation test will detect kerosene in cassia oil in quantities from 2 per cent. upwards and has given positive results with 1 per cent. Experiments have been made by adding known quantities of kerosene to cassia oil proved to give no indication of its presence by this test. I am of opinion that it would be possible to detect by this test kerosene derived from old tins, though it might fail to indicate any fraudulently added as a kerosene-resin mixture.

"It should be observed that the test as described is somewhat misleading. The first fraction *always* separates into two layers, owing to the presence of a little water, but the absence of the petroleum is shown by both layers dissolving to a clear liquid when alcohol is added. Petroleum is insoluble in 80% alcohol.

"*Synthetic Cinnamic Aldehyde.* This is not likely to disappear in course of time, but, like that naturally present, it undergoes gradual oxidation to cinnamic acid."

FREIGHT REBATES.

The Chamber on February 11, 1926, addressed the Toyo Kisen Kaisha on the subject of freight rebates in respect of rice shipments to the West Coast of South America by Toyo Kisen Kaisha steamers, suggesting that the present system of freight rebates might be altered or at least amended. It was pointed out that the method was to allow a rebate of G.\$2.00 per ton of 2,000 lbs., payable as follows:—

Shipments made during Period July 1, to Dec. 31.

G.\$1.00 returnable on the 1st Jan. of following year.

G.\$1.00 returnable on the 1st July of following year.

Shipments made during Period Jan. 1, to June 30.

G.\$1.00 returnable on the 1st July of following year.

G.\$1.00 returnable on the 1st Jan. of second following year.

This system entailed considerable hardship on shippers, who thus did not receive money owing to them until a considerable time had elapsed, the maximum period being one-and-a-half years. The freight rate for Callao, for example, is G.\$13.00., with a rebate of G.\$2.00.—this rebate being instituted, it was believed, at the time that the freight rate was G.\$30.00.—and the refund showed a percentage of slightly over 15 per cent. The amount of this rebate was invariably all the profit the Exporter had in the transaction, and, under existing close competition in trade, sometimes more. Under present conditions of bad trade it was most inconvenient to merchants to have sums representing gain on legitimate business tied up for long periods. With regard to the 15 per cent. itself, the Committee pointed out that this was 5 per cent. more than was held back by the many important steamship lines who were signatories to the China Homeward Freight Conference, and that, in any case, the Toyo Kisen Kaisha, being the only line operating steamers direct to the West Coast of South America, there was no necessity at all for a system of rebates on this route.

The Chamber strongly urged the abolition of the present system, or, failing that, that the retention of the G.\$2.00 be waived by the Company, if the shipper guaranteed, under a duly executed bond, to support no other Company than the Toyo Kisen Kaisha in the direct trade with the West Coast of South America. Another alternative to abolition of the rebate system,

was suggested, namely, that the Company should at least reduce the rebate to 10 per cent., payable on the basis adopted by the China Homeward Freight Conference.

The Chamber requested the Toyo Kisen Kaisha to take up this question with their principals as soon as possible. The local office of the Company transmitted these representations to the head office; meanwhile an arrangement was entered into whereby the San Francisco and South American Line steamers of the Toyo Kisen Kaisha were taken over by the Nippon Yusen Kaisha, and the Chamber renewed the correspondence with the latter Company, which on May 5, wrote that they had decided to continue the rebate system of the Toyo Kisen Kaisha, with some modifications. The letter continued:—

“The new system will provide that we pay to the shippers, on and after the 1st July, the second G.\$1.00 per ton on the freight contributed during the half year ending the 31st October of previous year, and the first G.\$1.00 per ton on the freights contributed during next half year ending the 30th April, and on and after the 1st January, we shall pay the second G.\$1.00 per ton on the freights contributed during half year ending the 30th April of previous year and the first G.\$1.00 per ton on the freights contributed during next half year ending the 31st October of previous year.

“We believe this new system, being more liberal than that formerly adopted by the Toyo Kisen Kaisha, will receive the satisfaction of shippers concerned.”

In reply to this communication it was objected that the proposed system of rebates called for a considerably longer retention of the amount due to shippers than was the custom of signatories of the China Homeward Conference, and the Chamber asked if the Company could not pay on the same basis that was the custom with this latter Tariff.

The Company replied, on June 23, that the deferred rebate of G.\$2.00 per ton is payable in the proportion of G.\$1. semi-yearly, under the same procedure as adopted by the China Homeward Conference; so that it would be seen that the Company did not retain the amount for a much longer time than under the China Homeward Conference ruling.

HONGKONG SHIPPING AND FREIGHT IN 1926.

The Chamber is indebted to Messrs. George Grimble and Co., for the following report on shipping and freight in 1926:—

In commenting upon China Coast freights we find the year 1926 opened with a few prosperous months for shipowners, but owing to the anti-British boycott in ports under the jurisdiction of the Canton authorities, British owners were not benefited in any way. Fortunately all British steamers trading in Chinese waters are specially built for the China Coast trade, so that in spite of the hospitality denied them by Chinese Labour Unions and Canton Strikers, so far as the transportation of cargoes in South China ports is concerned, British owners managed to retain a fair share of the passenger traffic for emigrants from Amoy and/or Hongkong to the Straits Settlement. From January to April, great activity was shown in the direct shipment trades to and from Canton. There were also numerous enquiries for tonnage for rice trips, Saigon/Canton, Rangoon/Amoy and Swatow, or Canton, but as only non-British steamers could be employed, and as Norwegian and Chinese owners were holding out for timecharterers, charterers' requirements were filled with difficulty and at fairly high rates.—55 cents per picul for Saigon/Canton, \$7.50 per ton of rice from Haiphong to Canton, \$8.00 per ton from Rangoon to Amoy and Swatow, \$9.00 per ton to Canton, and 47½ cents per picul from Saigon to Philippine Isles, were paid in the month of February, and these can be taken as top rates for the year under review.

Encouraged by the high rates ruling in February for trips, and by the profitable passage money earned on the heavy passenger traffic from Canton to Saigon, Swatow and/or Hoihow to Bangkok or Singapore, Amoy to Straits Settlements and Java, and from Canton to Hoihow, Pakhoi and/or Haiphong and vice versa, Bangkok and Saigon rice merchants and local speculators plunged into time-chartering Norwegian and Chinese steamers on an extensive scale. Taking advantage of a rising market, Norwegian and Chinese shipowners, who happened to have tweendecks steamers available for immediate delivery, succeeded in securing fairly remunerative rates, especially for modern 3500/3000 tonners with Hongkong Government Passenger Licenses.

With the exception of Japanese steamers, almost all small and medium sized non-British steamers were absorbed by Chinese

charterers in April for 6 or 12 months Timecharters. Late enquiries from Haiphong and/or Canton for further prompt tweendeckers of 1500/2400 tons d/w. could not be filled, unless forward delivery could be agreed upon by charterers to enable Norwegian owners to work their tonnage from Europe to Eastern waters.

Towards the end of April, signs were not wanting that the general condition of the freight market had taken a decided change for the worse. Most of the non-British steamers taken on Timecharter were intended for the direct importation of rice, coal, beans, sugar and salt, etc., chiefly to Canton and occasionally to Swatow, but the innumerable strikes between the labourers themselves, the heavy fines recklessly imposed upon timecharterers' native agents by Canton Strikers, and the unnecessarily long delays to steamers through having to wait for suitable berths within the Canton Harbour limits, greatly crippled the shipping business in Canton, and rendered the position of native merchants untenable.

In May, the poor offerings of berth cargoes from Rice ports, and the higher prices demanded for bunker coals, increased the hardships of charterers. Steps were taken by Bangkok and Saigon millers to subcharter their timechartered tonnage for other trades, beginning with their non-tweendeck steamers, and, as the situation became increasingly hopeless, their modern coasters with Passenger Licenses, also. But even by accepting business at rates below the original charterhires, millers strenuous efforts to subcharter their steamers met with only partial success. These subcharters however afforded only temporary relief to the original charterers, for during the following slack months, even a few of these steamers were thrown up by subcharterers. The only business which showed a fair return for the outlays of native timecharterers, was Canton/Singapore/Java/Canton and Canton/Hoihow/Pakhoi/Haiphong and vice versa. Non-British steamers under timecharter in this trade were profitably employed by charterers up to the end of November.

The heavy volume of tonnage booked for timecharters naturally curtailed the demand for tonnage on tripcharters, for when freights became scarce, shippers had always their own timechartered steamers to be first cared for. Very little chartering therefore was done for Saigon/Hongkong, and the few fixtures arranged for British steamers this year were at exceedingly poor rates. Canton generally affords a better market for white rice flour and cargo meal, which, in normal times, were loaded in Bangkok and/or Saigon/Hongkong steamers for transshipment to Canton from Hongkong in Chinese junks. But since the anti-British boycott

started, these rice products have been shipped direct to Canton in timechartered non-British steamers. There is only a small demand for rice meal in Hongkong, and as it is always difficult to arrange for full cargoes of only clean white rice to suit Hongkong's requirements, the result is that only a limited number of trip charters in this direction were put through this year.

From April to July, the berth rate Saigon/Hongkong was never more than 20 cents per picul. From August to early December, berth cargoes for Hongkong became so scarce that regular liners had to be diverted to coal and salt trades from the Annam Coast to Hongkong. In November and for the first half of December, the few regular liners still kept on the Saigon/Hongkong run had to be satisfied with small parcels of rice at 12 cents per picul.

Chartering to Hongkong from Bangkok has been exceptionally light this year. Although Pakhoi and Hoihow were closed to British shipping early in the year, British regular liners invariably managed to secure a fair share of the berth cargoes from Haiphong direct to Hongkong, up to the end of May.

Situation in Haiphong.

A severe flood in July wrought havoc on the new rice crop in Tonkin and interrupted the railway communication between Yunnanfu and Haiphong. Shipping consequently suffered. The godowns at Haiphong were full of cotton yarns and general cargoes discharged from Hongkong steamers waiting for the first opportunity to be railed to Yunnanfu, until there was no space for the storage of further shipments from Hongkong. The old crop was exhausted in June. Apart from small parcels of coal and cement obtained "on the berth," regular liners always performed their Hongkong/Haiphong/Hongkong round trips, from July to October, in ballast.

When the new crop was harvested in November, the French Government prohibited its export. In December, however, special export permits were granted to Chinese millers, and once more small partcargoes of rice were obtainable for regular liners at the tariff rate of 35 cents per bag of 256 lbs. Towards the end of the month, it was reported that the Tonkin authorities had again placed an embargo on the export of rice for a further period of 3 months, i.e. from January to March, 1927.

Sugar Freights:—Return sugar freights from Philippines to Hongkong or North China for steamers fixed Saigon/Philippines were difficult to obtain. Sugar cargoes from Quinhon and Tourane

were carried to Hongkong by small sized regular liners. For August shipment, Java to Hongkong, a few fixtures were arranged in London at 40/45 guilder cents per picul. The anti-British boycott in Canton led to the fixtures of a couple of Norwegian steamers on "time" for the conveyance of Wet Sugar and/or Molasses from Java direct to Canton. Bookings of space were done in Canton from May to November, at \$12.00 per ton.

Extensive Emigration.

Passenger traffic:—The civil war in South China, aided by the favourable opportunity of securing employment for Chinese labourers in Java and Straits Settlements, made native emigration from South China Coast ports unusually heavy this year. Without taking into consideration those vessels which sailed direct from Swatow and Amoy with emigrants for the Straits Settlements and from Hoihow to Bangkok or Singapore, it is estimated that the deck passengers from Hongkong—including those picked up at Amoy on the way here—cannot be far short of 220,000 for the year under review.

Coal Freights:—Japanese and Formosan coals imported into Hongkong were chiefly carried in Japanese bottoms. Coal were also shipped to Hongkong from Borneo in timechartered steamers, and from Hongay in British liners in the Haiphong/Hongkong trade. Rates between \$3.00/\$2.25 per ton were paid for Hongay/Hongkong coal trips. \$3.75/3.25 per ton was readily accepted by Japanese steamers for coals from Haiphong, Hongay, Port Courbet, Port Redon or Kebao to Canton or Swatow. Japanese Coal of good quality for bunkers could be had for \$15.00 Hongkong Currency, per ton, f.o.b., t.i.b., from January to June. After the outbreak of the Coal Strike in England, Japanese importers asked higher prices for bunker coals as it was reported that heavy stocks of coal were bought in Japan for account of consumers in Europe. Prices asked by Collieries in Borneo for slack and lumpcoals for Hongkong or Canton were too high for the local market. In December, \$18.75 per ton, f.o.b., t.i.b., was asked for Japanese lumpcoals of the best quality for bunkering steamers.

Beans:—The demand for tonnage on trips from Newchang and Dalny to Canton and/or Swatow continued unabated up to the end of May. In March, about 10,000 tons beancakes were sold in Canton for forward delivery, with the result that many Chinese steamers and a Norwegian steamer of 50,000 piculs cargo capacity were chartered for consecutive trips; rates paid varied from 32/40

cents per picul. In June, chartering gradually subsided, and in August and September, nothing was done at all. In August, a severe drought in Manchuria retarded the growth of new season beans, and the lateness of the new crop was fully anticipated. Steamers chartered at the end of September for loading at Newchang and Dalny "end of October," were unable to secure full cargoes of new season beans. In all, six steamers of a total capacity of 175,000 piculs were chartered for the new bean season, from October to the 20th of November, as against nine steamers of a total capacity of 250,000 piculs for the corresponding period of last year.

Timecharters.

With bunker coals at prohibitive prices; with the ever increasing stevedorage rates in these waters; and with the many other unforeseen circumstances and delays in South China ports during the year, owners of tramp tonnage have found it impossible to entertain trips at the rates quoted by charterers during the period under review, and have consequently always tried to fix their tonnage for long term timecharters whenever the opportunity offered itself.

In former years, when the idea of acquiring tonnage for their own trade was practically unknown to conservative Chinese millers, Norwegian owners met with no difficulty in fixing their steamers for 6 or 12 months Timecharters when the new crop rice from Bangkok, Saigon and Haiphong was available for export. The position has now changed however, for in addition to the numerous Norwegian steamers, which are mostly non-tweendeckers, all anxiously seeking timecharters, Chinese steamers, some of which were also competing for similar business. Charterers know perfectly well that with the limited demand for tonnage on 12 months timecharters, they can pick and choose the most economical tonnage to suit their trades.

Due credit should be given to foreign owners for having fixed their steamers on 12 months timecharters at the right moment. Higher rates were obtained in 1926 than in the previous year, for modern tweendeckers of 3,600 tons d/w., 11 knots speed, with saloon passenger accommodation and with Hongkong Government Passenger Licenses, \$14,500/\$15,000; for 3,200 tons d/w., with 10 knots speed, \$11,000/\$12,000; and for 2,700 tons d/w. with the same speed, \$9,500 per month. Non-tweendeckers, which are not so much favoured by Chinese charterers, had to be satisfied with shorter periods at greatly reduced rates.

Norwegian and Chinese owners found a better outlet in the Bangkok market for fixing their tonnage on timecharters than in Saigon, for many Chinese millers in the latter port are also ship-owners now. Very few steamers were taken up on timecharter for account of Saigon rice exporters this year. British steamers, owned by The China Navigation Co., Ltd., and The Indo-China S. N. Co., Ltd. were confined to their own regular trades and steamers owned by other British Steamship Cos. in Hongkong were seldom offered for timecharters.

Acquisition of steamers by Chinese.

Within the space of four months, from January to April, the Norwegian s.s. "Drufar," "Childar," "Passat," "Drafn," "Eiger," "South Africa," "Alm" and "Forde," the German s.s. "Weimar" and the British s.s. "Haifoong" were sold to Northern Chinese, who, having the advantage of a cheaper portage bill, and not so strict a Survey, were not very particular regarding the condition of the various steamers they acquired. In several instances, owners accepted payments of purchase prices in instalments. To Hongkong Chinese, only three steamers were sold during the year.

Chinese millers in Haiphong and Saigon are making every effort to be independent of timechartering, and are still in the market for the purchase of additional modern cargo and passenger steamers for their own business.

PIRACY IN SOUTH CHINA WATERS.

During the year under review there has been a marked increase in the number of piracies in South China waters. These depredations upon shipping are for the most part of two well marked types. In the case of local steamers, officered by Europeans and manned by a Chinese or other native crew, the pirates usually embark as passengers and take the ship by surprise at a convenient opportunity. In most of these cases it has been the custom to compel the ships' officers to steer for the notorious pirates' headquarters, Bias Bay (in Chinese territory a few hours steam from Hong Kong), and there unload loot and, sometimes, take passengers away to be held to ransom, the ship being then released. Bias Bay has proved to be the headquarters of the pirates responsible for most of the piracies of this type, which are usually classed as "Piracies from Within."

In number beyond all computation is the second type of attack, in which pirates in small craft levy an unceasing toll upon Chinese junks, towed launches, fishing boats and other vessels in the waters of South China. To the Hong Kong police authorities alone as many as twenty-one piracies of this kind were reported during 1926 and this number forms but a tithe of those which take place in neighbouring waters. These are the "Piracies from Without"—a form of attack to which, in the changed conditions of modern times, coastal and river steamers are now rarely subjected.

The Recapture of the s.s. "Sunning."

When passengers produce arms and make a surprise attack upon the handful of European officers in charge of a steamer manned by a Chinese crew (on whom in practice no dependence can be placed for assistance in defence) it is not surprising that the pirates usually make an easy capture. The case of the China Navigation Company's steamer, "Sunning" was, however, a notable exception. On November 15, 1926, a gang of armed pirates who embarked as passengers gained control of the vessel while she was approaching Hong Kong from Amoy. Mr. Thomas Parke Beatty (Chief Officer) and Mr. Joseph William Hurst (the Second Officer) decided to make an attempt to recapture the ship. They managed to secure some arms which had been

overlooked and they proposed to take unawares the pirates within the bridge grilled area and so regain possession of that defensible portion of the ship. This was done. Two pirates were knocked down with the deep sea lead and there ensued for some hours a sharp encounter with about sixteen pirates who endeavoured by a vigorous attack in force to retake the bridge. The pirates were evidently prepared to stick at nothing in order to regain control. They used the Chief Engineer (Mr. George Cormack) and Chinese passengers as screens against the bullets from the bridge. In consequence, the Chief Engineer was wounded but, being rescued by the holders of the bridge, he also took part in the fight. In an attempt to enforce surrender the pirates set fire to the ship, but the defenders stood fast. Some of the pirates then embarked in one of the boats and left the ship in desperation; there were heavy seas running at the time and it is believed that all these pirates perished. As the flames got a stronger hold another boatload of pirates left, and were captured by H.M.S. "Bluebell." The remaining pirates gave up the contest and mingled with the passengers, hoping to escape. Distress signals were then sent out and other ships came to the aid of the "Sunning," the fire was extinguished in time to save the ship from destruction and she was towed into port.

The Committee is sure that members will desire that an expression of warm appreciation be placed on record by the Chamber of the courageous conduct of Captain Pringle, Mr. Beatty, Mr. Hurst and Mr. Cormack—and of Mr. William Orr and Mr. Andrew Duncan, (second and third Engineers respectively), who heartily supported them—on this occasion. In the face of great odds they carried out with daring and resource an enterprise of great difficulty and danger, and heroically maintained their stand even when the pirates did their worst by setting fire to the ship.

BIAS BAY PIRACIES.

The following is a list of vessels which, in recent years, have been captured by pirates disguised as passengers and taken to Bias Bay:—

January 21, 1921, S.L. "Kung Hong".

Pirated between Hong Kong and Shan Mei by about twelve men armed with revolvers. Arms were apparently carried on board in Hong Kong concealed in buckets with false bottoms. The launch was taken to Bias Bay and personal property worth \$22,000 stolen.

December 15, 1921, S.S. "Kwong Lee".—Regd. tonnage 1468 tons.

Pirated when carrying 230 Chinese passengers from Shanghai to Hong Kong. About 35 pirates joined the ship as passengers in Shanghai. Property, money and jewellery worth about \$120,000 were stolen. One Chinese passenger was shot dead and his body thrown into the sea. The pirates left the ship in a junk near Bias Bay.

December 18, 1921, S.L. "Wah Sun".

Pirated between Ma Kung and Shan Mei by about ten men armed with revolvers, who came on board as passengers. At Bias Bay money, jewellery and clothing valued at \$21,000 were taken ashore.

May 22, 1922, S.L. "Wah Sun".

This vessel was again pirated, in Ping Hoi Harbour, by several men who came alongside in sampans. The vessel was taken to Bias Bay where personal effects worth \$5,000 were taken ashore.

October 4, 1922, S.L. "San On".

Pirated by nine men who came on board at Tai Po, with revolvers which they concealed in a clock. They disembarked in a junk near Bias Bay, taking with them personal effects stolen from passengers.

November 19, 1922, S.S. "Sui An".—Registered tonnage 1047 tons.

This vessel, belonging to the Hong Kong, Canton & Macao Steamboat Co., Ltd., was pirated on a Sunday evening on her return from Macao to Hong Kong when she was carrying approximately 60 saloon passengers, 135 second class and 220 third class passengers. Pirates about 60 in number boarded the ship in Macao. They shot dead two Indian guards and wounded the captain, two guards and passengers. Ship taken to Tsang Chau Island, N.E. of Bias Bay. Pirates left in sampans which came from the shore. Money, jewellery and clothing stolen to the value of over \$34,000.

October 27, 1923, S.S. "Sanning".—Registered tonnage 532 tons.

River Steamer, Shiu Hing S.S. Company, on the Hong Kong Kongmoon run, pirated off Castle Peak after leaving Hong Kong with about 300 passengers. The Captain, Chief Officer and one Indian guard were wounded and personal property worth \$20,000 was stolen. The pirates left at Bias Bay in the ship's boats.

December 27, 1923, S.S. "Hydrangea".—Registered tonnage 561 tons.

The vessel was carrying about 500 passengers from Hong Kong. When near Bias Bay about 45 of the passengers showed themselves to be pirates; they were armed with revolvers and stole personal effects to the value of \$23,369 and some of the more valuable cargo, worth \$10,000.

October 3, 1924, S.S. "Ning Shin".—2897 gross tonnage.

This vessel, on the Shanghai-Foochow run, was pirated when carrying silver bars worth approximately Taels 97,000. 34 pirates joined the ship amongst 250 Chinese passengers on board. One quartermaster was killed and one sailor wounded. The ship was taken to a place off Bias Bay where sampans came alongside. The silver and cargo and the loot taken from the passengers were unloaded into the sampans.

January 13, 1925, S.S. "Hong Hwa".—Registered tonnage 1924 tons.

A Singapore steamer pirated by about 30 men armed with revolvers who were amongst the 357 passengers on board. The ship was taken to Bias Bay and property worth \$53,360 taken ashore in the ship's boats. The ship's wireless was put out of action by the pirates.

December 18, 1925, S.S. "Tung Chow".—Regd. tonnage 1263 tons.

This China Navigation Company steamer, proceeding from Shanghai to Tientsin, was captured by pirates who embarked in Shanghai as passengers. When one day out they made their attack and forced the officers to bring the ship southward to Bias Bay, which was reached after a voyage of four days and nights. There were 14 European passengers on board (including five ladies), and 120 Chinese passengers. In resisting the pirates the Captain (Mr. McIntosh) was severely wounded and, in falling, also broke his ankle. Only the Chinese passengers were robbed. When other ships were encountered on the long journey down the coast the officers were threatened with death if they made any sign which would arouse suspicion. At Bias Bay sampans came alongside and property taken from the Chinese passengers, with about \$30,000 removed from the strong room of the ship, were taken ashore.

February 8, 1926, S.S. "Jade".—Registered tonnage 386 tons.

The vessel was pirated eight hours out from Kwang Chow Wan on her way to Hong Kong. She was carrying bullion valued at \$82,900. There were ten third class passengers, who boarded the ship at Kwong Chow Wan, and seven of these declared themselves as pirates. They took the boat right into Bias Bay and called two sampans from the shore, which took them and the bullion to land.

March 6, 1926, S.L. "Tai Yau".—Registered tonnage 122 tons.

Six of the passengers produced revolvers and seized the ship. At Bias Bay they took ashore the money and clothing they stole from the passengers.

March 25, 1926, S.S. "Hsin Kong".—Registered tonnage 1262 tons.

This vessel, on a voyage from Shanghai to Canton, was pirated near Swatow. At Bias Bay the pirates took ashore cargo and loot from the passengers by means of a boat which was lying in readiness at an arranged spot.

July 13, 1926, S.S. "Kwang Lee".—Registered tonnage 646 tons.
Owners: The China Merchants S. N. Co., Ltd.

Pirates disguised as passengers gained control of the ship near Hong Kong and took her to Bias Bay, where they went ashore with loot valued at \$200,000, and a number of Chinese passengers whom they held for ransom.

August 17, 1926, S.S. "Hoi Nam".—Registered tonnage 484 tons.

While on her way from Shanmei to Canton this vessel was taken to Bias Bay by pirates disguised as passengers. Cargo and personal effects were taken ashore.

August 21, 1926, S.S. "Sandviken".—Registered tonnage 1775 tons.

This Norwegian vessel left Canton for Swatow and Shanghai with one European lady and 120 Chinese passengers on board. About four miles South of Waglan Light about 38 pirates declared themselves and took possession of the ship.

October 1, 1926, S.S. "Hsin Fung".—Registered tonnage 1385 tons.

Whilst en route from Shanghai to Tientsin with about 235 Chinese passengers, 30 pirates who had booked as passengers took control of the ship by a well arranged surprise. The Captain was compelled to leave his course and proceed

to Bias Bay, where a large number of sampans came out from the shore and a great quantity of loot was unloaded into them. The compradore was kidnapped. At Bias Bay an armed Customs launch was in the vicinity but the Captain was compelled under threats that he and the officers would be shot to send a message to the launch to keep away.

November 15, 1926, S.S. "Sunning".—Registered tonnage 1570 tons.

An account of this Piracy is given above.

January 5, 1927, S.S. "Wing Wo".—Registered tonnage 503 tons.

This vessel left Hong Kong for Kwang Chow Wan on January 5th, with a crew of 101 Chinese, general cargo, and over 3,000 cases of kerosene. The Captain on the Bridge, the Chief Engineer and the Compradore were held up by a single man at the point of a revolver. This man was supported by three other pirates and they robbed all on board taking \$3,000 from the Compradore. The pirates made their escape in a small boat taking with them a few hostages.

January 27, 1927, S.S. "Seang Bee".—Registered tonnage 3784 tons.

This large vessel was bringing mail from Singapore to Hong Kong: there were over 700 passengers on board, 12 European officers, including engineers and three wireless operators, and a crew of 159. The pirates, as usual, had gone on board as passengers. On Jan. 27, they surprised the officers whilst they were having breakfast. A few random shots were fired and the bridge was rushed. Within a few minutes the vessel was completely in the hands of the gang, and under their instructions it was taken to Bias Bay. There the pirates left in the ship's boats taking the Captain with them. He was held prisoner for some hours and then released. Upon his return the vessel was permitted to continue its journey to Hong Kong. Five passengers were taken for ransom and passengers' personal effects stolen were valued at over \$100,000.

March 21, 1927, S.S. "Hop Sang".—Registered tonnage 1359 tons.

This vessel was on a voyage from Shanghai via Swatow to Hong Kong with general cargo. After leaving Swatow some of the passengers declared themselves as pirates and were apparently joined by others who had come on board as stowaways. The ship's officers were taken by surprise and made prisoners, the ship being taken to Bias Bay. The deck

passengers and various officers and members of the crew were robbed of personal effects, and from the Compradore \$7,000 were stolen. The cargo was not interfered with. The only European passenger on board was wounded in the foot and in the head in attempting to resist capture. The pirates left the ship in sampans which came out from the shore on being summoned by rifle.

Other Piracies of Steamers.

Apart from cases in which vessels were taken to Bias Bay the following piracies of vessels in Chinese waters were also reported to the Hong Kong Police:—

1923.

May 13,	S.S. "Tai Shun,"	near Swatow.
" 29,	S.S. "Wo Fu,"	near Lin Fu Mountain.
Sept. 9,	S.S. "Shu Chai,"	in Chinese Waters.

1924.

Jan. 1,	S.S. "Tai Lee,"	en route Kongmoon.
" 27,	S.S. "Salen,"	from Canton.
April 12,	S.S. "Tai Lee,"	Wang Moon.
Nov. 22,	S.S. "Kong Mo,"	Sui Lam River, Heungshan district.

1925.

May 5,	S.S. "Hui Hai,"	Chinese waters—Hai Chow.
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1926.

Nov. 11,	S.S. "Hanoi,"	between Kwang Chow Wan and Hong Kong.
Nov.,	S.S. "Wai Hoi,"	between Kongmoon and Yeung Kong.

1927.

Feb. 2,	S.S. "Yuan On,"	Lan Tau Island.
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PIRACIES OF NATIVE CRAFT.

The following list gives some indication of the depredations of pirates upon native craft. The list is limited to the comparatively small number of cases which were reported to the Hong Kong Police Authorities, and covers the period from January, 1926, to the end of December, 1926.

January, 1926.

Jan. 28.—Fishing boat.

Pirated by six men who boarded from a boat outside Lyemun, in Chinese waters. \$600 stolen.

February.

Feb. 2.—Fishing boat.

Pirated at Yuet Mee in Chinese waters by five pirates who boarded from another boat and stole \$18.

March.

March 1.—Cargo boat.

Pirated at Man Kin Sha in Chinese waters. The master was shot dead and one passenger and two of the crew wounded.

March 3.—Junk.

Pirated at Siu Shan by men in a black launch who pretended to be boycott pickets. Eleven people kidnapped and \$800 stolen.

March 3.—Junk.

Pirated at Siu Shan, apparently by the same gang as the last-mentioned. Fourteen persons kidnapped and \$2,500 stolen.

March 4.—Fishing boat.

Pirated at Sha Mi in Chinese waters. Six pirates boarded from a boat, kidnapped one male and stole \$200 worth of property.

March 12.—Fishing boat.

Pirated at Tong Ho in Chinese waters by seven pirates who stole \$260.

March 24.—Trading junk.

Pirates boarded from a launch and took the junk to a place near the Kam Sing Pass. Two women and one member of the crew wounded and property worth \$848 stolen.

April.

April 20.—Trading junk.

Eighteen pirates boarded from a boat off Tse Ling, Chinese territory. One man was wounded and property worth \$1,724 stolen.

May.

May 3.—Trading junk.

Five pirates boarded from a steam launch at Tai Shan in Chinese territory. One male was kidnapped, and property worth \$660 stolen.

May 15.—Trading junk.

Eight pirates boarded a boat off Sim Neung Mui in Chinese waters. Property worth \$540 stolen.

May 16.—Cargo boat.

Pirates boarded from a boat off Mo To in Chinese waters. One woman was wounded, one male kidnapped, and \$240 worth of property stolen.

May 19.—Trading junk.

Twelve pirates boarded from a Chinese gunboat flying the Chinese Naval Flag and stole property worth \$758.

May 20.—Trading junk.

Twenty pirates boarded from a steam launch at Man King Sha in Chinese waters. One female and five males were kidnapped and property worth \$3,000 stolen. A letter from the pirates was received from Tai Sha Tau, near Canton.

May 31.—Fishing boat.

Three pirates boarded from a boat at Lap Sap Mi in Chinese waters. In the attack six persons were killed and \$70 stolen.

June.

June 20.—Cargo boat.

Three pirates boarded from a boat five miles from Tai O in Chinese waters. Property worth \$250 was stolen.

July.**July 14.**—Cargo boat.

Five pirates boarded from a boat off Fuk Kin Tau (near Bias Bay) in Chinese waters, and stole \$145 worth of property.

August.**Aug. 9.**—Trading junk.

Ten pirates boarded from sampans at Tam Chau in Chinese waters. In the attack one man was shot dead, no property was stolen, but three males were kidnapped.

Aug. 26.—Junk.

Pirates boarded at Chek Wan Bay from a boat flying the boycott picket flag. Property worth \$230 was stolen.

September.**Sept. 3.**—Junk.

Six pirates boarded from a picket launch (the "Tai Sang") near Tai Chan Customs Station, kidnapped one male and stole property of unknown amount.

Sept. 8.—Trading junk.

Eleven pirates boarded at Chek Wan Bay in Chinese waters from the same picket launch, "Tai Sang," and stole property worth \$30.

Sept. 12.—Fishing boat.

Six pirates boarded from sampans near Bias Bay and stole property worth \$235.

Sept. 25.—Custom Launch "Kong Mun Chai."

This launch which is used as a tender for lighthouses, was taken by three members of the crew who had hidden two confederates on board. The surprise attack was made after leaving Kongmoon and the Customs Officer in charge (Mr. Poulter) and three loyal seamen were murdered out of hand in order that possession of the launch could be secured. A lady passenger, (Miss Scarlett, a missionary) was taken from her cabin and placed in the engine room with the engineer and firemen. The launch then picked up the remainder of the pirate gang on shore: the vessel was disguised and shortly afterwards a large trading junk was pirated. On September 27 a typhoon sent the vessel ashore

where she was attacked by villagers, who drove off the pirates and rescued the lady passenger. H.M.S. "Robin" subsequently re-took the launch and rescued the lady.

Sept. 30.—Fishing boat.

Six pirates boarded from a boat at Lap Sap Mi, kidnapped one male and stole property worth \$100.

October.**Oct. 26.**—Trading junk.

Ten pirates boarded from a black steam launch at Pat Kai, Kong Mun: kidnapped six males and six females and stole property worth \$5,300.

Oct. 28.—Junk.

Five or six pirates boarded from two steam launches at Kau To Wan, and kidnapped one male and stole property worth \$17,000.

November.**Nov. 16.**—Trading junk.

Three pirates boarded as passengers in Hong Kong and seized the ship one mile east of Waglan. The junk's cargo was sold by pirates at a place called Ko Lan. Property worth \$3,554 was stolen and one male was kidnapped.

Nov. 18.—Trading junk.

Thirty pirates boarded from a junk at Fuk Wing Ti, kidnapped eight males and stole property worth \$6,835.

December.**Dec. 10.**—Trading junk.

Nine pirates boarded from a sampan at Pak Tang in Chinese territory. Four males and two females were kidnapped and property worth \$1,530 stolen.

Dec. 31.—Trading junk.

Three pirates boarded from a small boat off Fo Tau Mun in Chinese territory and stole property worth \$2,175.

BIAS BAY VILLAGES DESTROYED.

On March 30, 1927, following the piracy of the "Hopsang", a British Naval expedition put three landing parties ashore at Bias Bay and destroyed three villages known to harbour members of the pirate gangs. There was no bloodshed. Copies were widely distributed of a notice in Chinese of which the following is a broad translation:—

This punishment is inflicted on this village on account of repeated piracies of British ships by the inhabitants of this district. If any further piracies are committed by the inhabitants of this region the punishment will be repeated.

THE PIRACY PREVENTION PROBLEM.

The Colonial Government on July 15 forwarded for the information of the Chamber a copy of a proposed regulation under the Piracy Prevention Ordinance, 1914, the effect of which would be that sea-going ships, carrying Chinese crews, which hitherto had been exempted from the provisions of the Ordinance would in future not be so exempted. The terms of the proposed regulation were:—

"It is hereby notified that the Governor in Council has, under the provisions of Section 20 of the Piracy Prevention Ordinance, 1914, Ordinance No. 23 of 1914, granted exemption from the provisions of the said ordinance to every sea-going ship carrying a non-Chinese crew."

The Chamber, on August 31, enquired the cause for the amendment and why discrimination was made between boats carrying Chinese crews and those carrying other crews, e.g., Lascars, Javanese and Japanese.

The Government, replying on September 4, invited the attention of the Chamber to the provision of Regulation No. 32 published on page 707 of the Regulations of Hongkong which reads:—

"Subject to any exemption granted under the Piracy Prevention Ordinance, 1914, these regulations shall apply to every ship proceeding or intending to proceed on any such voyage as is referred to in section 3 of the said Ordinance and to every ship which has made any such voyage and is returning or is about to return to Hongkong."

The exemptions which had been granted by the Governor in Council appeared on pages 707 and 708 of the Regulations of Hong Kong; and it would be realised (wrote the Colonial Secretary) that the Regulations had not been enforced in many cases where there was a legal necessity to comply with them. The question had, therefore, arisen whether a new Regulation should be made bringing the law more into conformity with the present practice, or whether alternatively the law, as it stood, should be enforced in all cases. The Government was reluctant to impose restrictions in cases where there was not sufficient justification therefor, and with this consideration in view the draft regulation enclosed in the Government's letter of the 15th July had been framed.

It appeared that pirates attacked those ships which were likely to put up little or no defence, and it might be assumed that a defence would as a rule be made if a ship was manned by a non-Chinese crew. Ships, however, which were manned by Chinese crews and carried large numbers of Chinese steerage passengers and had no guards or grilles were liable to prove an easy prey to pirates. It was, therefore, proposed to discriminate in favour of ships with non-Chinese crews in the draft regulation.

The Shipping Committee of the Chamber thought it doubtful whether, in the event of attempted piracy, Asiatic crews composed of non-Chinese would be any better defence than crews consisting of Chinese; that exemption already granted did not appear to have weakened the Piracy Ordinance as a whole, and consequently the proposed regulation appeared to be an unfairly discriminatory one. The particular voyage on which non-Chinese were employed was between Hong Kong and Amoy. When Amoy was included in the "danger zone" it was probable that the possibility of ocean-going ships calling there on voyages to and from Hong Kong had not been considered. A difficulty would arise in the case of a ship plying between, say, Calcutta, Hong Kong and Amoy, because the local Piracy Regulations clashed with the Board of Trade Regulations made under the International Convention of January, 1914, for the Safety of Life at Sea in the matter of free access to the boats. Restrictions which were primarily intended to cover comparatively small boats plying on the Canton delta were inapplicable to ocean going vessels which merely touched at one port of the "danger zone" and did not regularly ply within it.

The Shipping Committee recommended the Government permanently to exempt ocean going vessels from the provisions of the Piracy Ordinance and that the definition of an ocean going vessel be on the following lines:

"An ocean going vessel is one which may from time to time be on a voyage between Hong Kong and one or more ports in the danger zone, and which voyage is merely a portion of a regular run which lies between ports to which B.O.T. regulations or local emigration laws make the application of piracy prevention regulations undesirable."

Writing to the Government on December 9, the Chamber conveyed the purport of the foregoing notes and added that the General Committee was in full agreement with the recommendation that ocean going vessels be permanently exempted from the

requirements of the Piracy Ordinance. The Chamber took the opportunity of again suggesting that locked grilles, more particularly in the case of River Steamers, might be more of a danger than a safeguard, inasmuch as being an impediment to free access to boats in event of a casualty originating from fire, stranding or collision, their presence might, over a period of years, cause greater loss of life than that resulting from piracy. The Chamber suggested that this matter should again receive the careful consideration of the Government.

"Sunning" Piracy Commission.

After the occurrence of the "Sunning" Piracy, in which the officers of the ship gallantly turned the tables on the pirates, some of whom were captured, the Colonial Government, on December 2, 1926, appointed a Commission to inquire into anti-piracy measures. The Chamber was invited to furnish its views on the Regulations at present in force. Whilst inviting criticism of these Regulations, the Commissioners stated that they particularly desired to receive any suggestions which the Chamber might wish to put forward for the improvement of existing conditions, whether such suggestions were directly connected with the Regulations or not.

Individual members of the Shipping Sub-Committee contributed the following notes on points connected with the various Clauses of the Regulations:

Clause 2 of the Regulations concerning ships exceeding 60 tons provides that the employment of any person as master or other certificated officer in the piracy danger zone shall be subject to the approval of the Governor in Council who shall in his absolute discretion have power to refuse to allow the employment of any particular person.

It was suggested that if a master or officer holds the necessary B.O.T. Certificate, and his character is satisfactory to his employer, there appears no reason why the appointment of such a man should be subject to the approval of the Governor in Council.

Clause 3 provides that each certificated officer, not being an engineer officer actively engaged on his duties in the engine room, whether on or off duty, shall carry on his person one revolver and 25 rounds of ammunition at all times while the ship is in a danger zone, and he shall be familiar with the use of his weapon.

It was suggested that it might be more convenient and serviceable for the officer on duty on the bridge, who has various duties to attend to in the navigation of the ship, to have his revolver in a convenient place, such as the chart room, rather than carry it on his person; furthermore there is a possibility of a long revolver affecting the compass when brought close to it, as would be the case when the officer was taking a bearing by compass. This might have serious results and should be guarded against.

Clause 8 provides that dodgers constructed of bullet-proof material shall be erected on the bridge deck aft of the wheel house.

It was pointed out that the cost of this is considerable.

Clause 22 provides that the following equipment shall be provided and shall be carried on the protected portion of the bridge deck:—

- (1) Double the number of rockets and blue lights required by the regulations of the Board of Trade.
- (2) One Verrey's pistol and at least 24 Verrey's lights.
- (3) At least two loaded Winchester rifles of .44 calibre and at least 100 additional rounds of ammunition for the same.
- (4) One loaded 12-bore gun to the satisfaction of the Captain Superintendent of Police and at least 50 additional rounds of ammunition for the same loaded with S.S.G. Shot.

It was suggested that in view of the use made of a deep sea lead which proved the coup-de-grace in the "Sunning" Piracy, it might be policy to add to the equipment already provided a number of implements of the loaded cane variety, the cost of which would be negligible.

Clause 23 provides that the following equipment shall also be provided:—

- (1) One .38 (long) revolver and 50 rounds of ammunition and equipment for carrying the same for each certificated officer and for each guard.
- (2) One 12-bore gun to the satisfaction of the Captain Superintendent of Police and 100 rounds of ammunition and equipment for carrying 20 rounds of the same for each guard.
- (3) One police whistle for each guard.

It was suggested that a long baton be added to guards' equipment.

Clause 34 provides that each guard while on duty shall carry one police whistle, one 12-bore gun with 20 rounds of ammunition, and one revolver and 25 rounds of ammunition.

It was suggested that guards on duty should carry revolvers together with the baton already recommended in lieu of 12-bore gun, rifles being exceedingly difficult to use in scuffle fighting; 12-bore guns still to remain part of equipment, but to be retained within the metal grille in the wheel house for use when guards, etc. are forced back to defensive tactics from the Bridge.

Another member of the Shipping Sub-Committee contributed the following notes:—

As at present practised, successful piracy depends on the pirates obtaining charge of the ship and having her steered to a pre-arranged rendezvous, where their booty can be transferred.

2.—"This is usually done by surprise attack on ship's officers, thereby gaining possession of bridge, engine room, etc.

3.—"With grilles placed to the best advantage, (which, of course, varies considerably in different types of ships), it should not be difficult to prevent this form of attack.

4.—"In this connection I would point out that grilles placed in such a position as to require frequent opening to strangers—e.g., in "Sunning," access to the galley where all Chinese food is prepared necessitated the constant opening of the grille—lose a great percentage of their efficiency.

5.—"I am of opinion that comparatively small structural alterations in many ships would to a large extent get over this.

6.—"Another point that occurs to me is that the Indian Guards off duty would be in a better position to give assistance in case of sudden alarm, were their quarters inside the grilled area. (This does not matter so much in the case of river steamers, where only short trips are run and they can all be kept within grilles while under way: but in coasting vessels it might be worth consideration.)

7.—"In ships fitted with W/T the sending out of Wireless messages at routine times—say every two hours—while on passage should give timely warning of a piracy having been committed, should they cease.

8.—"With reference to existing Regulations, page 5, para. 3, may I point out that in actual practice any officer whose duty brings him frequently within close contact with the compass—i.e., the Officer of the Watch and on occasions the Captain—would be unable to comply with this regulation on account of the magnetic effect a pistol would have on the compass, and it therefore appears that the regulation should be amended.

9.—"Foreign passengers' accommodation should, of course, be so far as possible within grilled area; so far as is practicable this is usually the case. If foreign passengers—especially women—can be captured by the pirates, the duty of the ships' officers to their passengers forces them to carry out the demands of the pirates with regard to the movements of the ship.

On the general question the following comment was offered: "It would be interesting to learn whether any liability attaches should the carrying out of the Piracy Prevention Ordinance conflict with Board of Trade Regulations and if so to whom does such liability attach."

Searching, it was noted, was one of the most important items. In the case of vessels clearing with medical examination if it could be arranged for detectives, to whom many of the bad characters are known, to board the steamer before the passengers, the detectives would be able to watch the passengers embarking, thus giving more scope to spot undesirables and greater ease in examining baggage than is possible when the vessel is practically ready for sea. The same detectives could also be present when the medical examination is in progress. In vessels not clearing with medical examination the same method of checking could be carried through, i.e., all passengers to be cleared to one end of the vessel and then passed over an upper deck for tally, with detectives present. For ocean-going steamers carrying a limited number of passengers, river steamers and launches it might be practicable to inaugurate a depot system through which each passenger would be passed in the presence of detectives, before being allowed to embark.

It might serve a good purpose if it were definitely advertised that rewards would be paid for information received which led to the detection of bad characters.

Other members of the Committee expressed the view that the report put forward by the Minority members on the last Piracy Regulations Committee appointed by the Government contained the fullest possible constructive criticism which could be put forward and that anything which had subsequently transpired only tended to support those findings.

Passenger Depot Scheme.

Mr. R. Sutherland, Chairman of the Shipping Sub-Committee, supplied to the Chamber a copy of a letter he had addressed to the Commissioners on the subject in general and the regulation of passenger traffic in particular. In this letter Mr. Sutherland called the Commissioners' attention to a proposal for the establishment of a central passenger depot which he suggested to the Chamber of Commerce in 1923, (Annual Report for 1923, p.250).

In his letter (dated January 24, 1927) Mr. Sutherland remarked that in considering the measures to be employed, one must unfortunately admit that the complete elimination of piracy in China waters, which had been in progress for hundreds of years, could not be brought within the bounds of practical politics. One must therefore be content with putting forward suggestions tending to limit its activities. Experience had gone to show that all energy should undoubtedly be directed in the first place to preventing the pirates from getting on board and to arms being smuggled. With one or two exceptions, defence against piracy, once it had broken out on board a vessel, had been abortive and, in the "Sunning" case, retaliation on the part of the pirates by setting fire to the vessel could only have resulted in a heavy monetary loss to the owners. The element of surprise was a feature which it was difficult to provide an antidote for, especially as, in the new order of things, pirate leaders might be first class passengers. He considered the carrying of arms on the persons of officers and engineers undesirable and impracticable in relation to the duties they have to perform.

As regards the system of grilles, apart from these being a distinct contravention of Board of Trade Regulations, they were a grave menace to the lives of the travelling public and he could not too strongly recommend the Commissioners to bring this fact to the notice of H.M. Government.

The Commissioners had no doubt received from other parties suggestions with regard to suppression of outbreaks on board, so he would confine his views to the important and essential factor, i.e., the prevention of pirates boarding as passengers.

Mr. Sutherland proceeded to set forth his proposal in detail, mentioning that it had received the approval in principle of the Committee of the Chamber of Commerce who forwarded it to the Government for consideration. From some remarks by Mr. A. G. M. Fletcher at a meeting in the City Hall on March 3, 1925, it was evident that the scheme in general, certainly at that time, was being seriously considered by the Government, but was apparently shelved with many other Harbour improvement matters. A Committee of Government officials considered the plan, as mentioned in Mr. Duncan's report on Harbour improvements, and considered that much opposition

to it would be met with from shipowners. In reply to that, Mr. Sutherland said that shipowners were sounded by him personally prior to putting forward the proposal and that he met with no opposition, but, on the other hand, considerable encouragement from all; in fact, the then Chairman of the Steamboat Company, which concern would be the one most affected, was quite in agreement.

It was also objected by the Committee of Government officials that the scheme would require vessels to shift three times a day. This was not correct, inasmuch as they would proceed on arrival immediately alongside the depot, discharge their passengers and go to their own piers and not move until they left to take up their passengers on their outward voyage. This could only be regarded as two shifts at the most, and in view of the very small margin of time required to discharge their passengers and take them on, the extra time under steam was infinitesimal.

It must be remembered that Chinese officials, both North and South, were extremely exercised with regard to the ravages of pirates and the existing state of brigandage and lawlessness, particularly as it was affecting trade to such a serious extent that funds derived from taxation were greatly diminished. There was an undoubted desire on the part of the better thinking Chinese to improve the conditions of travel and to ensure greater safety of transit of goods. The ideal arrangement would be for passengers to go through a depot at all ports of embarkation in a similar way to that which he was suggesting for Hong Kong, and it would be fitting that the Crown Colony should set the example to China Coast Ports, where it is not unlikely the Authorities, with the assistance of the Consul and Customs Authorities, would fall into line in the general improvement for the safety of the travelling public.

Views of the Chamber.

Addressing the Commissioners on February 11, 1927, the Chamber submitted copies of a document comprising the views of individual members of the Shipping Sub-Committee as detailed above; also the memorandum by Mr. R. Sutherland on the method of checking piracy by means of a passenger depot scheme. It was mentioned that the Chamber, on March 10, 1924, informed the Colonial Government that it approved this proposal in principle and would welcome its practical development, with due regard to general conditions affecting shipping.

On the Piracy Prevention Regulations generally, the Chamber desired to emphasize the conflict that existed, in reference to the grilles, between the Piracy Prevention Regulations and the Board of Trade Regulations for Safety of Life at Sea. A grave responsibility would accrue in the event of a shipping disaster in which the presence of the grilles prevented passengers from reaching the boats. At present the anomalous condition existed that shipping companies were compelled by the Piracy Prevention Regulations to take measures which the Board of Trade surveyor ought, strictly speaking, to refuse to sanction.

The Chamber endorsed the suggestion that, within the danger zone, ships fitted with Wireless Telegraphy should send out wireless messages at routine times—say every two hours—non-receipt of these messages affording an indication that something was wrong and that a piracy might have been committed. It was considered that this traffic might be handled at a nominal cost, especially as it would not be necessary to undertake delivery of the routine message to the shipping companies every two hours; only to notify them—and the appropriate authorities—if the routine message at any time failed to arrive. In view of occasional piracies of ocean-going steamers the plan might be extended to them, with modifications, e.g., a twice-daily signal might be found sufficient. The possibility that pirates would force wireless operators to send the signal as usual could probably be met by some special means. The Chamber suggested that the views of wireless experts be obtained on this suggestion.

The sittings of the "Sunning" Piracy Commission had not concluded when this volume went to press.

**REPORT OF THE CHINA INDEMNITY
ADVISORY COMMITTEE.**

The British Legation in Peking, under date December 31, 1926, has issued the following resume of the Report of the China Indemnity Advisory Committee. It is reproduced here for convenience of record.

1. In accordance with the promise made by the British Government to the Chinese Government in December 1922 that the balance of the British share of the Boxer Indemnity would henceforth be devoted to purposes mutually beneficial to Great Britain and China, the British Government passed in June 1925 an Act of Parliament which authorised the application of these funds for the general purposes indicated and appointed an Advisory Committee to advise H.M. Government how the money could most usefully be expended.

2. It is unfortunate that so long a period should have elapsed between the first announcement above referred to and the passing of the Act, but this was not due to any opposition in England to the proposal but entirely owing to the political situation in 1923 and two following years which involved two elections and changes of government.

3. After the Act was passed further unavoidable delays took place before the Advisory Committee could be legally constituted so that it did not become a statutory body under the terms of the act until the beginning of the year 1926. It should be noted, however, that the financial position of the Fund has in no way been prejudiced by these delays as since December 1922 the instalments hitherto paid to the British Government and credited to the British Exchequer have been transferred to a suspense account with the Hongkong & Shanghai Bank where they have accumulated with interest until they have reached (on December 1st, 1926) a total sum of £1,713,630.

4. The total amount that will be available for the purpose of the fund during the period 1922 to 1945 is as follows—Principal in round figures £7,000,000; interest £4,250,000, the actual total being £11,186,547. The average annual income of the Fund during the 23 years period will be approximately £301,000 on account of principal and £184,000 in respect of interest, that is to say about £485,000.

5. At an early stage of their labours the Advisory Committee which met under the Chairmanship of Lord Buxton, formerly Governor General of South Africa, decided that it would be advisable that a delegation of members of the Committee should proceed to China in order to examine the questions involved on the spot and in particular to sound Chinese public opinion as to the objects to which the fund should be devoted. This Delegation, which it was arranged should consist of three British and three Chinese members, was constituted as follows:—Viscount Willingdon, (now Governor General of Canada,) Chairman: Dame Adelaide Anderson, Professor Hu Shih, Professor W. E. Soothill, Dr. V. K. Ting and Dr. C. C. Wang with Mr. R. F. Johnston as Secretary. The Delegation spent four months in China during which period they visited all the principal commercial and educational centres—it was unfortunately found impossible to arrange a visit to Canton and time did not allow of a tour in Manchuria—and conferred with a number of officials, educationalists, employers of labour and others in a position to give them first hand information in regard to the questions involved. It is satisfactory to note that the Delegation were everywhere received in the most cordial and helpful manner by all classes of Chinese with whom they came in contact and that in spite of the difficult conditions due to civil war and resultant interruption of communications they were able to carry out their programme almost in its entirety. The Delegation itself held some fifty meetings and throughout its work there was full co-operation and agreement on general principles by all the delegates. The decisions and recommendations of the Delegation, as detailed in the report presented to the Advisory Committee on their return to England, were in every case unanimous.

Recommendations.

6. The principal recommendations made by the Delegation are as follows:

(a) That a Board of Trustees be established in China to which the control and administration of the Fund shall be entrusted and that as soon as the said Board of Trustees is organized the present Advisory Committee shall be dissolved.

(b) That the Board shall consist of eleven members—six Chinese and five British—of whom at least one shall be a woman, these members to be appointed in the first instance by

the Chinese Government after consultation and in agreement with H.M. Government. Four members to be appointed for one year, four for two years and three for three years; the length of the term of office to be decided by lot. After the first period, the term of office to be three years for all members; vacancies to be filled by a vote of not less than seven members. The Board to elect its own chairman who may be either Chinese or British. The proportion of Chinese and British members shall be maintained until 1945 when any or all of the British members may be replaced by Chinese. For administrative purposes an Executive Committee of 5 to be formed, of whom two shall be British and three Chinese.

(c) That the total fund, amounting to some £11,000,000 be divided into two parts, namely, an annual grant for immediate expenditure and capital for the formation of an investment fund. As regards annual expenditure the Delegation advise that a sum of £350,000 on a gradually decreasing scale to £150,000, be set apart annually for expenditure on direct grants and subsidies in aid of the various objects approved: and that for the investment fund arrangements be made to raise a sum not exceeding £5,200,000 and not less £3,500,000 during the years 1927-1932 for the purposes of a permanent investment to be used for certain national productive undertakings. After the complete amortization of the indemnity in 1945 the proceeds of the investment to be devoted to carrying on in perpetuity the various works supported by the indemnity funds.

(d) That the immediate annual expenditure above referred to be expended in the following proportions:—

- | | | |
|---|----|-----------|
| 1. Agricultural education and improvement | 30 | per cent. |
| 2. Scientific Research | 23 | „ |
| 3. Medicine and Public Health | 17 | „ |
| 4. Other educational purposes | 30 | , |

Under heading (1) Agriculture, the Delegation recommend that grants be made towards agricultural colleges, sericulture, forestry and an institute of rural economics; also that a portion of the funds available under this heading be devoted to famine relief and the establishment of a central bank for rural co-operative credit.

Under heading (2), Scientific Research, the Delegation recommend the establishment of a National Research Institute which would serve as a central post graduate University for the whole of China. Under heading (3), Medicine and Public Health, the Delegation propose various alternatives for the consideration of the trustees, namely, the founding of a medical college at Shanghai, grants towards the maintenance of hospitals and medical colleges and schools, including assistance to maternity work and training of nurses, and grants towards public health education.

As regards (4), Other educational purposes, the Delegation state that while the financing of an adequate system of elementary education would be far beyond the means at the disposal of the Board, they recommend that encouragement be given to secondary and high schools by the provision of suitable teaching staff and equipment. They further suggest that assistance be given to the education of women, and girls, university education (professorships, etc.), missionary schools and colleges, industrial and vocational education, (including the training of industrial welfare workers) and commercial education; libraries and translation funds; scholarships at British Universities, including the Hongkong University, and the endowment of Chinese studies at the School of Oriental Languages in London and at British Universities. These recommendations are naturally of a very general character in view of the large number of subjects and schemes laid before the Delegation and are submitted for the careful consideration of the Board of Trustees.

(e) As regards the Investment Fund the Committee recommend three alternative investments—1. Railway construction, 2. River conservancy, 3. Investment of the fund in gilt edged securities (including Chinese Government securities) so that the income be available for carrying on in perpetuity the educational and other grants after 1945.

They are unanimously of opinion that the most profitable work of outstanding national importance would be the extension of railways and they strongly recommend the construction of the unfinished section of the Canton-Hankow railway, a length of 280 miles, at an estimated cost of £5,000,000. Should it be found that there are insuperable difficulties in the way of constructing this line at the present time, the Delegation recommend that the fund be devoted to river conservancy schemes,

either the Chihli Rivers improvement scheme, the cost of which is estimated at £3,200,000, or the Huai River conservancy scheme, the cost of which is placed at some £2,000,000. If funds are sufficient it is hoped that it may be possible to finance both schemes.

The Next Step.

7. The Advisory Committee after a careful consideration of the Delegation's report have, with very slight modifications approved all the Delegation's recommendations and it now only remains to appoint the Board of Trustees. This cannot be done at once as it will be necessary to take the necessary powers by means of an Amending Act to give the Board of Trustees full control over the funds in place of the control which under the original act was vested in the Secretary of State for Foreign Affairs. As soon as this Act is passed the necessary steps will be taken to establish the Board of Trustees and the work of allocating and distributing the indemnity funds can then at once be taken in hand.

8. In conclusion the Advisory Committee state that they realize that the total sum involved of roughly £11,000,000, though considerable from the point of view of the British taxpayer who is relinquishing all claim to it, is small when applied to so vast an area as the Chinese Republic. Owing to the personal investigations of the Delegation having necessarily been restricted, some of the recommendations are of necessity local in character. The Committee's intention is, however, that the Fund shall be applied to China as a whole and they feel sure that the Board of Trustees will use their best endeavours so that the money may be equitably divided to meet as far as possible the needs of all parts of China.

BRITISH MEMORANDUM REGARDING CHINA.

The following is the text of a British Memorandum to the Powers on a new policy to be followed in China, issued at the end of 1926:—

For some time past H. M. Government have watched with growing anxiety the situation in China and they believe this anxiety will be shared by Governments of interested Powers. Five years ago the Powers assembled at Washington and taking into consideration circumstances then existing in China they agreed amongst themselves in conjunction with representatives of the Chinese Government that their future policy should be guided by certain general principles designed to safeguard the integrity and independence of China; to promote her political and economic development and rehabilitation of her finances. It was agreed to grant her certain increases on her treaty tariff in order to provide revenue required for these purposes. It was further agreed that a commission should examine the question of extraterritoriality with a view to amending the system now in force by eliminating abuses and accretions and by removal of unnecessary limitations on China's sovereignty.

Process of Disintegration.

(2) Unfortunately the conference did not meet for four years and during that period the situation had greatly deteriorated. During a succession of civil wars the authority of the Peking Government had diminished almost to vanishing point while in the south a powerful nationalist government at Canton definitely disputed the right of the Government at Peking to speak on behalf of China or enter into binding engagements in her name. This process of disintegration, civil war and waning of central authority continued with increased acceleration after the tariff conference had met until eventually conference negotiations came to an end because there was no longer a Government with whom to negotiate.

(3) The Commission on extraterritoriality has meanwhile completed its labours and presented its report but here again we are faced with a similar difficulty due to disintegration of China. Recommendations contained in the report where suggesting certain reforms capable of being carried into immediate effect presuppose for their fulfilment and execution the existence of a Government possessing authority to enter into engagements on behalf of the whole of China.

Strict British Neutrality.

(4) During all these civil wars it has been the consistent policy of H. M. Government to abstain from any interference between the warring factions of rival Governments. Despite disorders which civil war engenders and grievous losses inflicted on vast commercial interests, both Chinese and foreign, H. M. Government have declined to associate themselves with any particular faction or interfere in any way in civil commotions. H. M. Government believe that the Powers have adopted a similar attitude and that this is and will continue to be the only right attitude to maintain.

(5) The situation which exists in China to-day is thus entirely different from that which faced the Powers at the time they framed the Washington Treaties. In the present state of confusion though some progress has been made by means of local negotiation and agreements with regional Governments it has not been possible for the Powers to proceed with the larger programme of treaty revision which was foreshadowed at Washington or to arrive at a settlement of any of the outstanding questions relating to the position of foreigners in China. The political disintegration in China has however been accompanied by a powerful nationalist movement which aimed at gaining for China an equal place among the nations and any failure to meet this movement with sympathy and understanding would not respond to the real intentions of the Powers towards China.

(6) H. M. Government after carefully reviewing the position desire to submit their considered opinion as to the course which the Washington Treaty Powers should now adopt. H. M. Government propose that these Governments shall issue a statement setting forth the essential facts of the situation: declaring their readiness to negotiate on treaty revision and all other outstanding questions as soon as the Chinese themselves have constituted a government and to pursue a constructive policy in harmony with the spirit of the Washington Conference, but developed and adapted to meet the altered circumstances of the present time.

Modification of Treaties.

(7) H. M. Government propose that in this joint declaration the Powers should make it clear that in their constructive policy they desire to go as far as possible towards meeting the legitimate aspirations of the Chinese nation and they should abandon the idea that the economic and political development of China can only be secured under foreign tutelage and should declare their recognition of her right to enjoy tariff autonomy as soon as she herself has

settled and promulgated a new national tariff. They should expressly disclaim any intention of forcing foreign control upon an unwilling China. While calling upon China to maintain that respect for sanctity of the treaties which is the primary obligation common to all civilized states, the Powers should yet recognize both the essential justice of Chinese claim for treaty revision and difficulty under present conditions of negotiating new treaties in the place of old and they should therefore modify their traditional attitude of rigid insistence on strict letter of treaty rights.

No Minor Complaints to be Made.

During this possibly very prolonged period of uncertainty, the Powers can only, in the view of H. M. Government, adopt an expectant attitude and endeavour to promote development so far as possible in conformity with the realities of the situation, so that ultimately when treaty revision becomes possible, it will be found that part at least of the revision had already been effected on satisfactory lines. It would therefore be wise to abandon the policy of ineffective protest over minor matters, reserving protest which should then be made effective by united action only for cases where vital interests are at stake. Every case should be considered on its merits and the declaration should show that the Powers are prepared to consider in a sympathetic spirit any reasonable proposals that the Chinese authorities wherever situated, may make, even if contrary to strict interpretation of treaty rights, in return for fair and considerate treatment of foreign interests by them. The declaration should show that it is the policy of the Powers to endeavour to maintain harmonious relations with China without waiting for or insisting on the prior establishment of a strong central Government.

The Tariff Increase.

(8) It is earnestly hoped (by) H. M. Government that the Powers will agree to adopt the principles of the policy outlined above and apply them to the realities of the present situation. Certain recommendations in the report of the Commission on extraterritoriality referred to in paragraph 3 above and certain other reforms not covered by that Commission's report but falling under the general heading of extraterritoriality, can be carried into effect even in present conditions without great delay. There is however, one step of more immediate importance which in the view of H. M. Government the Powers should agree to take at once. H. M. Government believe that an endeavour should be made to undo the

evil results which have flowed from failure of the Tariff Conference to implement the promises as to Tariff increases made by the Powers to China nearly five years ago and they propose therefore that the Powers should agree to immediate and unconditional grant of Washington surtaxes.

(9) By China Customs Treaty signed at Washington on February 9, 1922, the Powers promised to grant China certain Tariff increases (commonly known as Washington surtaxes) "For such purposes and subject to such conditions" as the special conference might determine. That special conference is the Tariff Conference which after a delay of nearly four years met in Peking on October 26, 1925, and has now to all intents and purposes definitely failed. The promised surtaxes have not been granted. The foreign Delegations were not satisfied with the assurances which the Chinese Delegation offered at the session of March 18 as to the purposes to which the Chinese Government would themselves devote the proceeds of surtaxes.

They were prepared to grant them only on conditions which ensured that the proceeds would be placed under foreign control and applied in great part to liquidation of unsecured debt.

Britain Adverse on Unsecured Debt.

(10) From the very outset H. M. Government were opposed to the question of unsecured debt being dealt with by the Tariff Conference at all, and they frankly expressed their views in a confidential memorandum communicated to the Consortium Powers early in 1923. They foresaw that it might defeat the intentions of the Washington Conference which were to assist the economic and political development of China, and not to tighten foreign control. They held that the object of the concessions proposed at the Washington Conference being to benefit China the principal purposes to which the Customs surtax should be devoted ought to be productive objects such as railway constructions and social or economic reforms which would be of permanent benefit to China as a whole. The most promising of these reforms was in their opinion the abolition of likin which moreover was expressly contemplated in the Treaty itself.

(11) It has been argued that debt consolidation would also be a permanent benefit to China because it would restore China's credit. This argument would doubtless be valid if there were a Government in effective control of the whole country but in China

to-day debt consolidation could only enable those in power in Peking to resort to fresh ruinous and unproductive borrowing.

H. M. Government therefore opposed making consolidation of unsecured debts one of the purposes to be attained by the Tariff Conference although their own nationals were directly interested in the funding of some of these debts.

Britain Against Extended Foreign Control.

(12) A further objection to the inclusion of unsecured debts amongst the subjects to be dealt with at the Tariff Conference was brought into relief by the grant in principle of Tariff Autonomy. That raised at once in acute form the question of control over customs revenues. H. M. Government viewed with grave misgiving the proposal that foreign control should be extended over additional revenues which might be increased by tariff autonomy. In 1921 it was natural that the Powers should demand guarantees for the due fulfilment of benevolent purposes which the Washington Conference aimed at achieving. But what might have been practicable in 1921 is no longer possible in 1926. It was obvious that China would not now submit to any extension of foreign control either for debt consolidation or for the abolition of likin and it seemed to H. M. Government that for the Powers to unite in an attempt to impose control upon an unwilling China would be entirely opposed to the spirit of the Washington treaties and to the policy which H. M. Government had consistently advocated. At the same time H. M. Government felt it was essential that the Washington promises so long over due should be implemented. Accordingly on May 28 last in reply to an inquiry from the U. S. Government as to the attitude of H. M. Government towards the Tariff Conference they proposed in a memorandum, copy of which is annexed hereto, that the Powers should abstain from any attempt to exact guarantees or conditions but should forthwith authorize the levy of surtaxes.

Unconditional Levy of Surtaxes Proposed.

(13) Owing to the collapse of the Conference no action on this proposal was possible. The situation, however, suddenly developed in the very direction in which anticipated when the proposal was made. The Cantonese did in fact seize the Washington surtaxes by levying in defiance of treaties, certain additional taxes on the foreign trade of the port. H. M. Government have with much reluctance joined in a protest against the new taxes for the sake of maintaining solidarity with the Powers, but they are not satisfied that this is the right policy for the present situation. They

regret that they did not more insistently press their views at an earlier stage of the Conference, but they think that it is still not too late despite the protest already made to return to the alternative course proposed in their memorandum of May 28. H.M. Government therefore strongly urge that the Powers should now authorize the levy of Washington surtaxes unconditionally throughout China. They hope that this may provide a basis for regularizing the position at Canton.

(14) The principal objection that will probably be made to this proposal is that in strict logic it would amount to condoning a breach of treaty. This argument however does not sufficiently take into account the realities of the situation. The basic facts of the present situation are that treaties are now admittedly in many respects out of date and that in any attempt to secure revision the Chinese are confronted on the one hand with the internal difficulty of their own disunion and on the other hand with the external difficulty of obtaining unanimous concurrence of the Powers. The latest instance of this is the failure of the attempt to alter the tariff of 1858. H.M. Government attach the greatest importance to the sanctity of treaties but they believe that this principle may best be maintained by a sympathetic adjustment of treaty rights to the equitable claims of the Chinese. Protests should be reserved for cases where there is an attempt at wholesale repudiation of treaty obligations or an attack upon legitimate and vital interests of foreigners in China and in these cases protests should be made effective by united action of the Powers.

(15) H.M. Government have consistently carried out the obligation of full and frank consultation imposed on all Powers alike by Article 7. 9. of the Powers Pact and it has been their constant aim—sometimes even when this involved a sacrifice of their own opinion—to maintain solidarity of the Powers. It is in pursuance of this aim that H.M. Government are now communicating to the Powers this statement of principle by which they believe their policy should be guided in future. They feel assured that the Powers will share the anxiety of H.M. Government to act towards China in the spirit which inspired the Washington treaties and it is their earnest hope that the Powers will agree that the spirit cannot better be fulfilled than by adopting the policy which is now presented for consideration.

The Spirit of Washington.

(16) It seems to H.M. Government that the first step towards carrying this new policy into effect should be the immediate and

unconditional grant of Washington surtaxes. Lest it be supposed that the grant of surtaxes may favour one faction at the expense of other and so provide a further incentive to civil war, H.M. Government deem it important to point out that as no conditions would be attached to the grant, the proceeds of surtaxes would not necessarily be remitted by Commissioners of Customs to the Custodian banks at Shanghai. It would in each case be for competent Chinese authorities to decide all questions as to the disposition and banking of these additional revenues. H.M. Government would be glad to learn at the earliest possible moment whether the Powers agree to the unconditional grant of Washington surtaxes.

MEMORANDUM TO THE UNITED STATES.

With the preceding document there is an annex containing a memorandum to the United States Government from the British Government written on May 28, 1926, showing how Great Britain's views had already shaped themselves in the direction of the liberal spirit revealed in the latest outline of policy. It is as follows:—

His Majesty's Government have received through the United States Embassy at London a message from the United States Government inquiring whether His Majesty's Government endorses the attitude ascribed to the British delegation in Peking of desiring to abandon the negotiations at Peking and break up the Tariff Conference; and expressing the hope that His Majesty's Government will continue to co-operate with the other interested Powers in bringing to a conclusion the task which began last October.

British Attitude Misrepresented.

His Majesty's Government desire to assure the United States Government that the report received by them that the British delegation desires to withdraw from the negotiation at Peking appears to be based on a complete misunderstanding. H.M. Government have no intention whatever of breaking up the Tariff Conference. It is true that the question has been considered whether at the present juncture it might not be convenient to arrange for a brief suspension of the Conference over the summer months. It was realized however that in the existing political circumstances the suspension of the Conference might prove to be more prolonged than was intended and in order to prevent the possibility of a misunderstanding as to the sincerity of the Powers H.M. Government considered it to be of the greatest importance that before even

such a suspension as that above contemplated took place there must be first a complete liquidation of the promises made at Washington.

The Unsecured Debts.

A considerable interchange of views has however taken place between the Foreign Office and the delegation in regard to the proceedings of the Conference on the subject of unsecured debts and it is probable that the misunderstanding, to which reference is made above, has arisen in consequence of the attitude which the delegation has been instructed to take on this matter and which was formally stated by the Chief British delegate at a meeting at the Netherlands Legation on May 6.

The U.S. Government will no doubt recollect that H.M. Government were from the first averse to imposition on the Chinese Government of any scheme for consolidation of unsecured debts as part of the work of the Tariff Conference and that they only agreed later, and with great reluctance, to the discussion of any such scheme at the Conference. If the schemes of the foreign delegations for consolidation of unsecured debts should postulate too strict control of China's Customs Revenue (shortly to be increased by Tariff autonomy) H.M. Government are afraid that a dangerous deadlock may arise, for the discussions on this subject showed that the Chinese, though willing to bind themselves to devote a proportion of their revenue to unsecured debts, have declined to allow details of debt-consolidation to be dealt with by the Tariff Conference and will refuse to submit to any foreign control for that or any other purpose over China's Customs Revenue.

No Forcing of Foreign Control.

H.M. Government after full consideration and prolonged consultation with their delegation in Peking have come to the conclusion that while they are ready to agree to any reasonable scheme for dealing with unsecured debts put forward by the Chinese and agreed to by the other Powers, it would not be right to associate themselves with any attempt to force upon the Chinese a greater degree of foreign control over revenue required for that purpose than they are prepared voluntarily to concede. A policy involving increase of foreign control and capable of being regarded as an encroachment on that sovereignty and independence of China which the Powers agreed at Washington to respect is so fundamentally opposed to the traditional policy of the U.S. towards China that H.M. Government are disposed to believe that the State Department will share their anxiety on the subject. It is true that H.M. Govern-

ment originally desired to exact proper guarantees from China in regard to the abolition of likin as a condition precedent to the grant of the Washington Surtaxes but they have come to the conclusion that in the altered circumstances and changed atmosphere of to-day any attempt to insist on guarantees against the will of the Chinese Government would only result in postponing indefinitely liquidation of the Washington promises. They are as anxious as the U.S. Government fully to implement these promises at the earliest possible moment and believe that it would be contrary to the intentions of both Governments, both at and subsequent to the Washington Conference, to subordinate fulfilment of these promises to the imposition upon China of a scheme for the consolidation of her unsecured debts and extension of foreign control over her Customs Revenue.

A Policy of Friendliness.

Any failure to implement the Washington Treaty might create a very dangerous situation and H.M. Government now therefore hold the view that if any reasonable assurances are given by the Chinese Government as to the use which it proposes to make of the new revenue the Powers should accept such assurances, abstain from any attempt to impose control or exact guarantees and forthwith authorize the levy of the surtaxes. They feel confident that a policy so closely in accord with the friendliness and generosity always displayed by the United States of America towards the people of China will receive the full and cordial support of the United States Government.

BRITISH PROPOSALS TO CHINA.

The following is the text of British Proposals officially handed by Mr. O'Malley to Mr. Eugene Chen on January 27, 1927, and by Sir Miles Lampson to Mr. Wellington Koo on January 28, 1927.

"When a satisfactory settlement has been reached in respect of the British Concessions at Hankow and Kiukiang and when assurances are given by the Nationalist Government that they will not countenance any alteration, except by negotiation, of the status of British concessions and international settlements, His Majesty's Government will be prepared to concede at once, on the lines indicated in the enclosure hereto, a large part of what is desired of them by the Chinese Nationalist Party. So liberal and generous a step cannot in their view be regarded otherwise than as an earnest of the fair and conciliatory spirit with which they are animated."

(ENCLOSURE).

(1) His Majesty's Government are prepared to recognize the modern Chinese law courts as competent for cases brought by British plaintiffs or complainants and to waive the right of attendance of a British Representative at the hearing of such cases.

(2) His Majesty's Government are prepared to recognize the validity of a reasonable Chinese nationality law.

(3) His Majesty's Government are prepared to apply as far as practicable in British courts in China the modern Chinese civil and commercial codes (apart from procedure codes and those affecting personal status), and duly enacted subordinate legislation, as and when such laws and regulations are promulgated and enforced in Chinese cities throughout China.

(4) His Majesty's Government are prepared to make British subjects in China liable to the payment of such regular and legal Chinese taxation not involving discrimination against British subjects or British goods, and paid by Chinese citizens throughout China.

(5) His Majesty's Government are prepared, as soon as the revised Chinese penal code is promulgated and applied in Chinese courts, to consider its application in British courts in China.

(6) His Majesty's Government are prepared to discuss and enter into arrangements, according to the particular circumstances at each port concerned, for the modification of the municipal administrations of British concessions so as to bring them into line with the administration of the special Chinese Administrations set up in former concessions, or for their amalgamation with former concessions now under Chinese control, or for the transfer of police control of the concession areas to Chinese Authorities.

(7) His Majesty's Government are prepared to accept the principle that British missionaries should no longer claim the right to purchase land in the interior, that Chinese converts should look to Chinese law and not to the Treaties for protection; and that missionaries' educational and medical institutions will conform to Chinese laws and regulations applying to similar Chinese institutions.

STATEMENT OF BRITISH POLICY BY THE FOREIGN SECRETARY.

The following is the Times report of an address delivered in Birmingham on January 29, 1927 by Sir Austen Chamberlain, Secretary of State for Foreign Affairs.

The Right Hon. Sir Austen Chamberlain said: No gathering of our fellow-subjects can be held to-day without our thoughts turning to the peril in the Far East and to the situation in China. You will expect me on this occasion to say something more than has as yet been said about the policy of his Majesty's Government in respect to Chinese affairs. I say of the policy of the Government that they have but one policy and there are no divisions among us on the subject.

Over a year ago, in a speech preceding the departure of our delegation to the Tariff Conference at Peking, I outlined the policy of the British Government towards China in these words:—

“Our only wish is for a strong, united, independent, orderly, and prosperous China. We, on our side, will contribute all we can; we are ready to meet China halfway. We are ready to relinquish special rights just in proportion as the Chinese Government can assure to our nationals the due enjoyment of the ordinary rights of foreigners in their country.”

This has been and it is the policy of his Majesty's Government. To talk about British Imperialism in this connexion is sheer nonsense. In the Far East, above all, we are a nation of shopkeepers. All we want is to keep our shops open and be on good terms with our customers. We realize, no less than the most patriotic Chinese Nationalists, that old treaties are out of date, and we desire to put our relations with China on a basis suitable to the times in which we live. We have long felt that there must be a change, and we hope that it will be possible to negotiate the arrangements for this change with a China which is under one central Government.

There is no such Government in China to-day. But the demand for treaty revision is becoming—or has become—so insistent, and is fundamentally so reasonable, that, in spite of all the difficulties involved by the prevailing dissensions among the Chinese, we must try to negotiate this change with the contending Govern-

ments, even in the midst of civil war. That this was our intention was made perfectly clear in the Memorandum of British policy which was published on December 26. It is difficult, in such circumstances, to pursue the policy, but we shall persevere in the attempt because we feel that it is the right, and the only right, thing to do. (Cheers.)

Desires of the Chinese.

The principal matters which the Chinese desire to see changed in the old treaty are, first, the extra-territorial position of all foreigners in China, by which they can only be tried in their own Courts and by their own laws. Secondly, the tariff provisions, which prevent China from raising duties on foreign goods; and, thirdly, the *quasi*-independent status of the foreign Concessions. His Majesty's Government are prepared for change in all these points, for the present system is antiquated. It is unsuited to the conditions of to-day, and it no longer provides the necessary security or protection for the peaceful avocations of our merchants.

Two days ago a proposal was laid by our representatives before the Chinese authorities, both in the North and South, by which his Majesty's Government express their readiness to recognize the modern Chinese law Courts, without the attendance of a British official, as competent Courts for cases brought by British plaintiffs or complainants. His Majesty's Government also stated their readiness to apply, in British Courts in China, the existing modern Chinese civil and commercial codes and duly enacted subordinate legislation. We are prepared to go further than this as soon as all the Chinese codes and judicial administrations are ready.

As regards taxation, we are prepared to make British subjects liable to pay regular Chinese taxation, provided that it does not involve discrimination against British subjects or British goods. This would include taxation levied under a national tariff, as and when such tariff law is promulgated. So far as we alone can effect such an object, that would remove the last obstacle to full tariff autonomy. As regards the Concessions, his Majesty's Government are prepared to enter into local arrangements, according to the particular circumstances of each port, either for the amalgamation of the administration with that of adjacent areas under Chinese control, or for some other method of handing over the administration to the Chinese while assuring to the British communities some voice in municipal matters.

I have reminded you that in 1925 I said that we would meet China half-way. You will see, from what I have said, that we are going more than half-way (cheers), but I am certain that this is a right and wise course. We do not disguise from ourselves the inconveniences and the difficulties of the moment, but we are thinking of our relations with China for the next 100 years. These proposals can be put into force by the action of his Majesty's Government. For the moment, there can be no new treaty, for a treaty can only be signed and ratified with a recognized Government and, owing to the conditions produced by civil war, we cannot recognize any Government in China as a Government of the whole country.

Continuing, Sir Austen said that there had been a good deal of loose and uninstructed talk about the recognition of the Canton Government. Recognition implied acceptance of the Government recognized as a Government of the whole country. The British Government could not recognize the Government of Canton as a Government of a part of China only, for that would be to set the seal of British authority on the division of China. Equally, we could not recognize the Government of Canton as the Government of all China, for that was not in accordance with the facts. The Government of Canton controlled barely one-third of China, either as regarded population or area.

There are people in this country, he proceeded, who say that we ought to abandon our policy of strict neutrality. It is characteristic of our people in all classes and at all times to feel sympathy with the growth of liberal ideas in foreign countries. But this natural sympathy is not, in itself, a justification for active interference in the domestic concerns of other lands. The Chinese themselves, and they alone, can and must settle what governments they shall have. (Cheers.) Recognition by foreign Governments must conform to the realities of the situation.

Anti-British War Cry.

There is a further difficulty with which we are confronted at the present time in dealing with the claim of the Nationalist Party, in the fact that they have deliberately and persistently used an anti-British war cry in order to rally their adherents round the simple and easily comprehensible banner inscribed "Down with the British." You may ask why has this country been singled out for this attack. During the past century we have been pioneers in China. It was our efforts which opened China to foreign trade as

a result of what is called the "Opium War." It is about as accurate and no more to describe the issues of that war by the title of the "Opium War" as to describe the war of American Independence as the "Tea War."

We were the principal architects of that treaty system under which it was possible for the merchants belonging to one civilization to trade with another civilization profoundly different from that of the West. We have been regarded as the principal upholders of this system during recent years, when it was becoming obvious to all men that the system itself was growing antiquated, and alien influences have not hesitated to preach to the Chinese that we are more responsible than their own dissensions, or any other nation for all the ills from which the Chinese suffer.

This anti-British cry was taken up by the powerful Nationalist Party, which has its ramifications throughout China and through all Chinese communities abroad. It is undoubtedly a most dangerous factor in our relations with China at this moment. The cry has been used to arouse the fury of mobs against us, and it remains to be seen whether the Government which now claims to represent the Chinese Nationalist Party is willing and able to control this mob element in so far as its activities affect our relations with the Chinese people.

The events of 1925 provided the anti-British propagandists with just the kind of material they required. At Shanghai there is a great international settlement, governed by an elected municipality, which was at that time presided over by an American citizen. This municipality has its own police force. In consequence of the outbreak of mob violence, the police were forced to fire on the crowd. The British Government had, and to-day have, no control over that police; but the fact that the police were commanded by British officers was seized upon by the propagandists to represent the incident as an act of British aggression. In the same way, when an armed procession of Chinese, or armed men mingling in a procession of Chinese, opened fire on the Anglo-French Concession at Canton and the troops in the Concession were obliged to fire in self-defence, the fact that a part, though only a part, of the force were British was seized upon as material for further anti-British propaganda.

The extremely friendly and considerate attitude of the British Government towards China, as shown at the Washington Conference and on many other occasions, was brushed aside. A boycott of

British goods was put into force throughout China and, long after the boycott had ceased in the North, it was continued at Canton, which was the centre of the influence of the Nationalist Party, claiming to represent Chinese nationalism.

The Agitation at Hankow.

The Nationalist Government at Canton has now extended its authority to Central China, and with it has spread the current of anti-British agitation. This agitation broke out in an extreme form at Hankow on January 3. Inflammatory speeches were made by a member of the Nationalist Government, by Borodin, their chief Russian adviser, and by others, and, as a consequence, a large and threatening mob attempted to break into the British Concession. For a whole long afternoon they were kept at bay by a handful of British marines, whose admirable discipline and self-control under the most trying circumstances merit all the praise that we can bestow. They were pelted with bricks and they had justification for firing in self-defence. But they did not fire. Some of them were knocked down and injured and, in the course of bayonet charges necessary to rescue them two Chinese were injured. The statement that Chinese were killed is not true.

It was clear, however, that the mob could not be held back indefinitely, except by opening fire on them, and there can be no doubt that such action would have led to an attack in force on the British Concession and to a massacre of British subjects, many of whom were outside the Concession and living in Chinese territory. On January 4 and January 5 the rioting continued. The Nationalist troops undertook to keep order, but they, too, were unable to preserve order without firing on the mobs, and this they would not do. It was in these conditions that, by an act of singular self-restraint and great moral courage, sooner than provoke a bloody conflict, the British authorities upon the spot evacuated the Concession and left the Chinese in possession. There can be no doubt that this mob violence was designed to provoke the British forces to fire on unarmed Chinese and to lead to an incident such as would have aroused all China and have further fed the flames of anti-British feeling.

The propaganda train was all prepared, already laid, and even a respectable body like the professors of Peking University have lent their name to the calumny that Chinese were killed during those riots by British marines. That is not true. Every one in Hankow knows it is not true. The Nationalist Government itself

knows that it is not true, and, in its latest declaration, has tacitly admitted that not a single Chinese was killed. The seizure of the British Concession was an outrageous and unjustifiable attack on the long-established rights of a peaceful British community. It was followed by a similar outrage at Kiukiang. It was clear that there was no guarantee for the safety of British lives in Chinese cities under the authority of the Nationalist Government in the present revolutionary state of affairs. Another incident might lead to bloodshed, and it was equally clear that the British forces on the spot were insufficient to afford protection to British subjects.

Precautions at Shanghai.

It was obvious that, with the advance of the Nationalist forces on Shanghai, similar danger might threaten the large British community residing there, and the immense interests which British enterprise has built up in that city. Further whereas the comparatively small British communities at Hankow and Kiukiang could be evacuated in an emergency to Shanghai, there could be no such speedy evacuation of the far larger British population in that city. I do not say—I am far from saying or wishing you to think—that the threat of bloodshed and massacre hangs over Shanghai. I hope and believe that it does not. But it would be a clear dereliction of duty on the part of his Majesty's Government, to whatever Party they might belong, after what has passed at Hankow, to leave the British at Shanghai without effective protection. (Cheers.)

We must have a force there sufficient to protect them if danger arises, and if such armed force is sent at all it must be equal to the calls that might be made upon it. (Cheers.) His Majesty's Government, therefore, decided, as a precautionary measure, to send troops to China for the protection of the British community of Shanghai. (Cheers.) The composition of the force is itself a guarantee that it is only intended for strictly defensive purposes. I hope that no occasion will arise for its use. There is no intention on our part to hold Shanghai if we can obtain satisfactory assurances that what has happened at Hankow will not be repeated there. The military movements, therefore, which fill our papers and supply them with pictures for their picture page (laughter) are all a precaution, a necessary precaution, and nothing but a precaution.

His Majesty's Government will not be deflected from their policy of patient conciliation, nor will their efforts to reach satisfactory agreements with the Chinese authorities in any degree slacken or cease. On the contrary I heartily welcome and I

reciprocate the desire expressed in his recent declaration by the Nationalist Minister for Foreign Affairs for a settlement of treaty and other cognate questions on the basis of economic equality and mutual respect for each other's political and territorial sovereignty.

I desire to avoid anything which might make this friendly settlement more difficult of attainment and, for that reason, I refrain from controverting his account of what is past history. I prefer to look to what I hope will be a happier future. His Majesty's Government sympathizes honestly with the genuine desires of Chinese Nationalism. "China for the Chinese" is a reasonable cry, and we have nothing to say against it. But "Kill the British" and "Drive out the British" are the ravings of a mad hatred, and it is not in that way you can deal with this country or with the British Empire. (Cheers.) We are ready to assist Dr. Chen and any other Chinese authorities who are, on their side, ready to show a disposition to deal, in a statesmanlike and conciliatory way, with the serious difficulties arising from a revolutionary period of development and change in China. We have none but the friendliest feelings towards all Chinese who are prepared to meet us in a similar spirit, and we are, even now, actively engaged in working out the details of an equitable basis for our future relations.

We are hoping that the Chinese will discuss our proposals and exchange views with us upon the method of negotiation and agreement customary among civilized nations. We earnestly trust that no further incidents will occur to mar the prospect of such a peaceful settlement. We cannot neglect, indeed, the warning of past events. We are bound, in case of need, to afford protection to our nationals from violence and wrong, and we have taken the measures necessary to enable us to discharge this primary duty of every nation. But it is our earnest hope that wiser counsels will prevail, and that the patience which we have shown in the past, and the liberal policy which we are pursuing in the present, will place our relations with the people of China on a permanent basis of mutual respect and friendship. (Loud cheers.)

TEXT OF THE HANKOW AGREEMENT.

The following documents relative to the agreement to hand over the British Concession in Hankow to a new Chinese municipality are reproduced here for convenience of record.

Agreement relative to the British Concession at Hankow.

The proper British authorities will summon the Annual General Meeting of Rate-payers in accordance with the Land Regulations on March 15. The British Municipality will thereupon be dissolved and the administration of the Concession-area will be formally handed over to a new Chinese Municipality. Pending the handing over to the new Chinese Municipality on March 15, the policing of the Concession and the management of the public works and sanitation will be conducted by the Chinese authorities now in charge thereof.

The Nationalist Government will upon the dissolution of the British Council forthwith set up a special Chinese Municipality, modelled on that of the Special Administrative District, for the administration of the Concession-area under Regulations which will be communicated to H.B.M. Minister by the Minister for Foreign Affairs of the Nationalist Government. These Regulations will remain in force until such time as arrangements have been negotiated for the amalgamation of the five Hankow Concessions and former Concessions into one unified municipal district.

Dated this 19th day of February, 1927.

For H.B.M. Minister,
(signed) OWEN O'MALLEY.

(signed) CHEN YU-JEN,
Minister for Foreign Affairs,
Nationalist Government.

Agreement relative to the British Concession at Kiukiang.

A settlement on similar lines to that concluded in the case of the Hankow Concession will immediately be made in the case of the Concession at Kiukiang.

If any direct losses due to the action or culpable negligence of the agents of the Nationalist Government were suffered by British subjects during the recent disturbances at Kiukiang, such losses will be compensated by the Nationalist Government.

Dated this 20th day of February, 1927.

For H.B.M. Minister,
(signed) OWEN O'MALLEY.

(signed) CHEN YU-JEN,
Minister for Foreign Affairs,
Nationalist Government.

Hankow, February 19, 1927.

Sir,—I have the honour to assure you that the British Authorities concerned will do all that lies in their power to implement and ensure the successful operation of the Agreement signed to-day relative to the British concession-area at Hankow and that as far as the British Authorities are concerned Chinese citizens will enjoy and be entitled to the same rights as British subjects in the said area.

I have the honour, etc.

For H.B.M. Minister,
(signed) OWEN O'MALLEY.

The Minister for Foreign Affairs,
Wuhan.

February, 19, 1927.

Sir,—I have the honour to acknowledge the receipt of your letter of to-day's date in which you assure me that the British Authorities concerned will do all that lies in their power to implement and ensure the successful operation of the Agreement signed to-day relative to the British Concession-area at Hankow, and that as far as the British Authorities are concerned Chinese citizens will enjoy and be entitled to the same rights as British subjects in the said area.

I have the honour to assure you in return that the Chinese Authorities for their part will likewise do their utmost to implement and ensure the successful operation of the Agreement in question and that so far as they are concerned there will be no discrimination against British interests in the administration of the new district.

I avail myself, etc.

(signed) CHEN YU-JEN,
Minister for Foreign Affairs.

Sir MILES LAMPSON, K.C.M.G.,
H.B.M. Minister.

Statement.

The Nationalist Government take note of the statement made by Sir Austen Chamberlain, the British Secretary of State for Foreign Affairs, in the House of Commons on February 10.

The modification in the original plan for the concentration of British forces at Shanghai announced by him is regarded by the Nationalist Government as a concession which now makes it possible to proceed to the conclusion and signing of an agreement relative to the British concession-area at Hankow.

As, however, the landing at Shanghai of British troops—even in the reduced numbers and for the strictly limited purpose stated by the British Secretary of State for Foreign Affairs—is without legal justification, the Nationalist Government have to protest against the landing and presence of such British troops in the International Settlement at Shanghai.

February 19, 1927.

Declaration.

The Nationalist Government have to declare that the arrangement made respecting the status of the area hitherto known as the British Concession at Hankow has been concluded by them with special reference to the facts of the new *status quo* in the said area and is not intended by them to serve as precedent for the settlement of the future status of any British or other concessions elsewhere in China.

February 19, 1927.

Declaration.

Reports reaching the Nationalist Government from many quarters appear to make a re-statement of Nationalist policy regarding concessions and international settlements necessary and timely in order to avoid misapprehension and prevent needless apprehension and fear.

In the manifesto of January 22, the Nationalist Government declared their intention and their immediate readiness to have all questions outstanding between Nationalist China and the Foreign Powers settled by negotiation and agreement. This implicitly applied and it was intended so to apply to changes in the status of all concessions and all international settlements in China.

This necessarily means that the policy of the Nationalist Government is not to use force or to countenance the use of force to effect changes in the status of any or all concessions and international settlements.

The Nationalist Government have to lay it down that changes in the status of concessions and international settlements wherever situate in China are of such vital and national importance that no local or other Chinese authorities save and except the Nationalist Government can negotiate with the Foreign Powers concerned in respect thereof.

February 19, 1927.

**REGULATIONS OF THE MUNICIPAL BUREAU OF THE
SPECIAL ADMINISTRATIVE DISTRICT NO. 3
OF HANKOW.**

Chapter I—General.

Article 1. The territorial limits of the Special Administrative District No. 3 of Hankow within which these Regulations are binding are the same as those of the area heretofore known as the British Concession, including the foreshore down to the river at low water.

Article 2. The Special Administrative District No. 3 of Hankow shall be under the control and management of a Municipal Bureau (Chapter 2) in accordance with these regulations.

Article 3. Certificates of title to land within the District or certificates of permanent lease shall be issued by the Bureau upon the application of the parties concerned or their duly authorized agents within 60 days after execution.

Charges by way of mortgage shall within one month of execution be registered at the Bureau upon application of the parties concerned or their agents.

Article 4. Extraterritorialized foreigners before leasing land and/or buildings within the District shall obtain from their respective Consul or Consul-General for presentation to the satisfaction of the Bureau a written guaranty wherein the said Consul or Consul-General guarantees to enforce against the person about to lease the land or buildings in question all the Regulations and Bye-laws of the District for the time being in force.

Article 5. Individual property rights and other rights partaking of the nature thereof being recognized, there shall be no interference with current bund frontage licences, and such licences shall continue to be issued by the Municipal Administration on existing lines with an option of renewal upon expiration to the holders; and future bund frontage facilities shall be offered in the first instance to British and Chinese firms.

Chapter II—The Municipal Bureau.

Article 6. The Bureau shall have a Director who shall be selected and appointed by the Minister for Foreign Affairs. His appointment shall be confirmed by the Nationalist Government. The Director shall be the Chief Executive Officer of the District and the ex-officio chairman of the Council as provided for in Article 7 hereof.

Article 7. The Bureau shall have a Council of (7) members, including the Director of the Bureau who shall be the ex-official chairman of the Council. The remaining six (6) members shall consist of three (3)

Chinese and three (3) British who shall be elected at the annual general meeting (Vide Article 30 hereof) from amongst those voters of the District who are qualified for election.

No one shall be qualified to be a member of the Council who is not entitled under Article 38 hereof to at least two votes.

The Chinese and British members of the Council for the year 1927 will be nominated by the Chinese and British authorities respectively and thereafter elected in accordance with these Regulations.

"If any vacancies occur during the year 1927 owing to any members' inability to serve, illness or death, the Chinese and British authorities respectively shall have the power to fill such vacancies by nomination as in the case of the original members. Thereafter vacancies will be filled in accordance with these regulations."

Article 8. The Bureau shall have an Executive Secretary, who shall, subject to the direction and supervision of the Director, direct and supervise the work of all officials and employees of the Bureau.

Article 9. The Bureau shall have an Assistant Executive Secretary who shall assist the Executive Secretary in conducting all affairs of the Bureau.

Article 10. The Bureau may appoint and employ such other officials and employees as are required to attend to the various kinds of work of the Bureau. These officers and employees shall be under the control of the Director and subject to the direction and supervision of the Executive Secretary.

Article 11.—The Bureau shall have a Chief of Police, who shall be under the control of the Director and in consultation with the Executive Secretary have charge of and attend to the police affairs of the District.

Article 12.—The Executive Secretary of the Bureau shall be appointed by the Minister for Foreign Affairs upon the nomination of the Director and with the approval of the Council as recorded by a majority vote.

The Assistant Executive Secretary and the Chief of Police shall be appointed by the written order of the Director of the Bureau. These appointments shall also be subject to the approval of the Council by a majority vote.

All other appointments shall be at the discretion of the Director provided that the total personnel shall be commensurate with the actual requirements of the Bureau, with a view to avoid over or understaffing. The total sum expended by way of remuneration of the staff shall in no case exceed that provided for this purpose in the budget as adopted by the Annual General Meeting.

No officer or employee of the Bureau irrespective of rank shall be dismissed or transferred, nor shall his honorarium, salary or wage be reduced without adequate cause.

All staff appointments of the Bureau shall be reported by the Director to the Ministry of Foreign Affairs for record.

Article 13.—The Bureau shall collect all taxes, dues, rates, fees and the like in accordance with the Bylaws and such other Tariffs as are now in force and/or may be made operative by the Annual General Meeting.

Immovable property in the District will be subjected to no other taxation (apart from Chinese Government land tax) than that authorized under these Regulations.

Article 14.—At the end of each year a list, showing the assessed value of every lot of land and of every building owned by Rate-payers in the District shall be drawn up by the Bureau, and the owner of such land and buildings shall be notified of the said assessed value on or before the 14th day of December in every year. Any such owner may, within one month of receiving such notification, protest against such an assessed value before the Director of the Bureau, who shall take all necessary steps to settle the matter definitely.

Article 15.—The Bureau shall take all necessary steps to recover arrears of taxes and dues of whatever nature levied under these Regulations, and all fines and penalties imposed thereunder and its action in these matters shall be final.

In suing extraterritorialized foreigners for default in payment, the Bureau shall apply to the Consular or other Courts under whose jurisdiction such defaulters may be.

Article 16.—The Bureau shall control the finance of the District. All receipts shall be deposited in a Bank or Banks to be designated by the Council, and all expenditures shall be limited to the use of the District. Payments shall all be made by cheques made out by the Secretary which shall be signed by the Director and countersigned by two Councillors, one of whom shall be British.

The Bureau shall take over the financial obligations of the British municipality duly contracted under ratepayers' authority.

The balance sheets showing all receipts and expenditures of the preceding fiscal year having been first duly audited by joint Chinese and British auditors, and the budget for the current year, shall be presented at the Annual General Meeting of the Ratepayers for confirmation and approval.

Chapter III—The Council.

Article 17.—The Council assumes office immediately after the Annual General Meeting and remains in office until the next Annual General Meeting.

Article 18.—During the second half of the month of February in every year two electors registered under Article 42, may nominate one or more persons but not exceeding three Chinese and three British for election

as members of the Council, from persons entitled to vote at the Annual General Meeting. All such nominations shall be sent in writing to the Bureau with the signature of the proposer, seconder and also the written assent to serve if elected of each candidate proposed. The names of all persons proposed shall on the first day of March be exhibited at the entrance of the Bureau Building and kept there exhibited until the nominations shall be read out to the Meeting. If the number of proposed candidates is exactly three Chinese and three British, the election of these six persons shall be confirmed without ballot. If the number of proposed candidates exceeds six, the Meeting shall by ballot elect six of them, of whom three shall be Chinese citizens and three shall be British. In the event of less than three Chinese or less than three British being nominated or the combined nominations being less than six, the outgoing Council shall remain in Office for the following year.

Article 19.—The members of the Council are elected for one year and shall enter office after the Annual General Meeting. In case of vacancies occurring during the Municipal year, owing to any member's refusal or inability to serve, illness or death, the Director shall have the power to fill up such vacancies by appointment from among persons registered at the last Annual General Meeting and present at Hankow. If such vacancies exceed three in number, or such appointee or appointees are not acceptable to the majority of the remaining members of the Council or by any group of persons representing altogether not less than one-third of the voters registered at the last meeting and present in Hankow, a special meeting may be convened under Article 28 of the Regulations to elect a member or members to fill up such vacancy or vacancies.

The names of the members of the Council when elected, shall be reported by the Director of the Bureau to the Ministry of Foreign Affairs for record.

Article 20.—The Director of the Bureau shall, in the capacity of Chairman, preside at all Meetings of the Council. In case of the temporary absence of the Chairman from a meeting, a representative shall be duly appointed by him to preside.

Article 21.—Meetings of the Council are called by notifications of the Secretary under instructions of the Chairman—stating all questions to be discussed. Meetings shall also be called by the request of two members of the Council.

Article 22.—Meetings of the Council are valid if at least five persons including the Chairman are present, resolutions are passed by majority of votes, and in case of an equal division of votes the Chairman shall have a casting vote.

Article 23.—The Council shall have authority to discuss and decide all questions connected with the management and administration of the District.

Resolutions passed by the Council shall be carried out by the Director. Should the Director consider that any such resolution constitutes an

infringement of Chinese sovereign rights, a violation of Chinese Customs, which are or are liable to be recognized by a Chinese Court of Justice, or a transgression of the Regulations, he may suspend its execution but in such a case he shall report immediately to the Minister for Foreign Affairs of the Nationalist Government who shall decide whether it shall take effect or be cancelled, and this decision shall be final. The Council's view shall be heard and considered before such decision is given.

Article 24.—The members of the Council shall designate among themselves the responsibility for a definite branch of the municipal affairs of the Bureau, such as Finance, Police, Public Works, Public Health, Public Utilities and Water Supply, so that each of them may be in a better position to supervise work and to devise ways and means for the improvement of the particular branch for which each of them is responsible.

In the performance of the duties incident to their respective branch of work, Members of the Council may suggest Committees or Sub-Committees to be appointed by the Director.

Article 25.—Members of the Council acting in conformity with these rules and regulations bear no personal responsibility for their actions.

Chapter IV.—Annual General and Extraordinary Meetings.

Article 26.—An Annual General Meeting shall be called by the Director of the Bureau during March of every year for the purposes hereinafter provided. One week's notice is to be sent to all electors, stating the business before the Meeting.

Ratepayers shall have the right to introduce resolutions at the Annual General Meeting provided such resolutions are deposited in writing with the Secretary of the Bureau, at least three days before the date fixed for such meeting, duly signed by the Proposer and a Secunder, both of whom must be voters as hereinafter provided.

Article 27.—The Meeting shall be competent to discuss and settle the proposed questions if one-third at least of the total number of voters registered on the day of this Meeting shall be present.

Article 28.—Extraordinary Meetings may be called by the Director whenever it may appear to him to be needful, also at the request of two members of the Council or of voters representing at least one-third of the voters registered at the last Annual General Meeting and present in Hankow. Not less than 14 days' notice of the meeting and its purposes shall be given. At such meetings the Director or his representative shall take the chair.

Article 29.—An Extraordinary Meeting shall be valid provided not less than one-half of the whole number of the voters registered at the last Annual General Meeting and present in Hankow, are represented at the Meeting. If the annual general or extraordinary meeting cannot be held owing to an insufficient number of voters being present, the Director

shall call in a week's time a second meeting which shall be considered valid whatever be the number of voters present.

Article 30.—The annual general meeting is competent to transact the following business:—Consider and pass the accounts for the preceding year, levy and alter rates, dues and taxes, authorize the pledging of the credit of the municipality, consider and decide matters concerning the public works and sanitation of the District and such other matters as affect the proper and efficient administration of the area, consider and adopt the budget for the current year, and elect six members of the Council.

Article 31.—All resolutions of the annual general or extraordinary meeting, except resolutions named hereunder (Article 32) shall pass by simple majority of votes, in case of equality of votes the Chairman shall have a casting vote.

Article 32.—Resolutions concerning acquisition or expropriation of immovables, budget, loans, mortgages, securities or guarantees to be given by the Municipality, shall require a majority of two-thirds of the voters present at the meeting.

Article 33.—Resolutions passed by the annual General or Extraordinary Meeting shall be carried out by the Bureau. Any resolution that shall involve Treaty Rights shall be communicated to the Commissioner of Foreign Affairs for Hupeh. If such resolution is found to be repugnant to the letter or spirit of the Treaties China has made with Foreign Powers or the laws and customs of China, or derogatory to China's sovereignty or dignity as a sovereign state, the Commissioner of Foreign Affairs may request the Director of the Bureau to suspend the execution of the same and immediately report to the Minister for Foreign Affairs of the Nationalist Government for final decision.

Chapter V.—The Election.

Article 34.—The right of voting at the annual general meeting is granted to all Chinese and Foreigners belonging to friendly states having conventions with China, as well as institutions, associations and companies being lotholders or householders in the District and paying to the Bureau sundry taxes (land and house taxes) to the amount of not less than Tls. 25.00 per annum.

Article 35.—Minors and persons under guardianship or curatorship, shall vote through their guardians or curators at the Annual General Meeting.

Article 36.—Societies, Associations and Companies entitled to vote at the annual general meeting, participate in it through their representatives, whose power of attorney must be shown to the satisfaction of the Bureau.

Article 37.—Persons having a right to vote at the annual general meeting, who are absent from Hankow, or are prevented by illness from

attending, are permitted to vote at the meeting by proxy through duly authorized delegates who must satisfy the conditions required for the personal voting at the annual general meeting. Such proxies must be deposited with and approved by the Bureau not less than three days before the Meeting.

Article 38. Persons participating in the annual general meeting shall be entitled to votes as hereinafter provided:—

Registered lotholders of the District shall be entitled to one vote in respect of Tls. 25.00 paid in land and house taxes under the assessment for the time being in force, in the calendar year immediately preceding the time of voting; and every person having so paid Tls. 150.00 shall be entitled to two votes, and every person having so paid more than Tls. 150.00 shall be entitled to one additional vote for every full sum of Tls. 75.00 so paid, up to a maximum of 12 votes in all.

Persons who are not lotholders of the District but occupiers of houses in the District, registered as hereinafter provided, shall be entitled to votes in respect of house-tax paid on the same scale as Lotholders as provided for in the paragraph immediately preceding always provided that every such person must have resided in the District for at least one calendar year previous to the time of voting. Provided further that in the case of joint occupiers of a house, paying taxes as herein provided, only one such occupier shall be entitled to vote, and, when applying for registration as a voter, as hereinafter provided, he must at the same time provide satisfactory proof in writing of the concurrence of his co-occupiers that should be so registered as voter on their joint behalf.

Article 39. No person can have more than 12 votes in all (Articles 35, 36 and 37).

Article 40. The following persons cannot be registered as voters at the annual general meeting:

- (a) Persons in the regular Administration Service.
- (b) Persons in the Municipal Police Service.
- (c) Persons legally recognized as insane mad or deaf and dumb or disqualified by the law of their own countries from voting.

Article 41.—The following persons are deprived of the right to participate at the Annual General Meeting:—

- (a) Persons charged with or on trial for crimes involving deprivation or limitation of civil rights.
- (b) Persons who are undergoing punishment for crimes. Such persons are further deprived of the right to participate at the Meeting for three years after the term of punishment has elapsed.
- (c) Persons who are in arrears in the payment of taxes to the Bureau.
- (d) Undischarged bankrupts.

Article 42.—On or before the 15th day of December in every year the Bureau shall cause to be inserted in at least three issues of one or more daily newspapers published in Hankow and printed in Chinese and English a notice to persons who wish to register as voters under Article 38, to make application in writing before the 31st day of December to the Secretary of the Bureau for registration upon a form to be provided by the Bureau. The Bureau shall consider the evidence adduced by such persons, and may register or refuse to register, according to whether in its opinion the necessary conditions in accordance with these regulations, have or have not been complied with. In the latter case the Bureau shall inform the applicant of its refusal and of its reasons therefor.

Lotholders of the District, who have satisfied all the conditions of these Regulations, should automatically and without application be included by the Bureau in the list of voters.

A list of persons entitled to vote at the annual general meeting with the number of their votes shall be drawn up by the Bureau before the 15th day of January in every year and shall be published at the entrance of the Bureau as well as sent round to the persons whose names are included in the list of voters.

Article 43. Any objection to such a list of voters by persons having a right to vote at the Annual General Meeting shall be presented in writing before the 1st day of February to the Director of the Bureau, who shall consider the objection, hear all necessary evidence and render his decision not later than the 15th day of February; this decision shall be considered final, and when rendered shall be communicated by the Bureau to the person or persons concerned.

Article 44. After the list has been revised, no addition shall be made to it. Persons who lost their right to vote before the day of the Annual General Meeting, shall not participate in the Meeting.

Chapter VI—By-laws.

Article 45. The Bureau shall have power to make By-laws on matters which come within its scope and for the purpose of assisting the attainment of the objects for which these Regulations are made, and shall have power to enforce such By-laws, when they have been passed in accordance with Article 46, through its own Police Court or Consular Court, according to the nationality and status of the defaulter.

The existing British municipal By-laws with the exception of Nos. 25, 48, 49, 52 and 54 will be enforced by the Bureau until such time as they are amended under these Regulations.

Article 46. By-laws proposed by the Bureau to be issued shall be put before the annual general meeting. By-laws adopted by the annual general meeting shall be presented by the Director of the Bureau to the Minister for Foreign Affairs of the Nationalist Government for confirmation.

Article 47. To ensure the observance of By-laws connected with building the Bureau may demand for inspection plans from persons

desirous of constructing new buildings or altering, reconstructing or fundamentally repairing existing structures, and further may order the removal, alteration or demolition of any building begun or completed in contravention of such Regulations and/or By-laws.

Article 48. The official language of the Bureau shall be Chinese and English.

Chapter VII—Amendment and Confirmation.

Article 49. If any amendment to these regulations is found to be necessary, it may be made at the Annual general Meeting by a two-thirds majority subject to the confirmation of the Ministry of Foreign Affairs of the Nationalist Government.

Article 50. These regulations shall become effective on

AN ADDRESS BY H. E. THE GOVERNOR OF HONG KONG.

The following is the text of an eloquent address delivered by H. E. the Governor of Hong Kong (Sir Cecil Clementi, K.C.M.G.) in the Legislative Council on October 15, 1926, on the introduction of the Colonial Budget and the announcement, which had just been made, of the termination of the boycott of Hong Kong by Canton.

H. E. The Governor said: Gentlemen, Before the Colonial Secretary moves the first reading of next year's Supply Bill, it is proper to state that the circumstances under which the budget was drafted differ considerably from those in which it is introduced. The budget was drafted at a time when this Colony was for no fault of its own subject to an anti-British boycott, instigated by Bolshevik intrigue and conducted in open defiance—I will not say of treaties—but of the most elementary principles upon which civilized society is based, and as a kind of guerrilla warfare. But on the auspicious "Double Tenth," five days ago, the Canton Government declared this boycott to be at an end, and all armed strike pickets were withdrawn from the frontiers of this Colony and from Canton. The information at present in my possession would not justify a statement that anti-British manifestations in Kwangtung have ceased, and the position at Swatow appears to be less satisfactory than at Canton. But it is certain that a very definite step has been taken by the Canton Government to curb the lawless activities of strike pickets, and we may reasonably hope that a determined effort will now be made by the Cantonese authorities to re-establish law and order in the territory which they control and to stamp out piracy and brigandage.

The Colony's Ardent Desire.

I think I may safely say that this Colony's most ardent desire is to see law and order re-established, if possible in China as a whole, but at least in the Liang Kuang provinces. There has since the downfall of the Manchu Empire been enough, and more than enough, bloodshed in these two provinces. Civil war has raged almost incessantly throughout their length and breadth. Pirates have infested the coast, the delta and the principal inland waterways. Brigands have been a constant danger to the highroads, the villages and even to large cities. Trade and travel have

become hazardous. Life itself is nowhere safe. From all these horrors, the Colony of Hongkong was a secure haven of refuge and it, therefore, prospered exceedingly. But prosperity due to such causes cannot last. True and enduring prosperity for this Colony can only be founded upon flourishing trade with the Liang Kuang provinces. Trade cannot flourish in these provinces unless law and order are maintained; and the maintenance of law and order postulates the existence of a strong and stable government. Therefore, above all else, the Colony of Hongkong desires to see in Kwangtung and Kuangsi a strong, stable and enlightened Government. Of such a Government we should gladly be close friends and staunch supporters.

The Curse of Bolshevism.

Another matter which is near our hearts is to see the curse of Bolshevism removed from China. The ideas permeating Bolshevism are wholly alien to the Chinese mind: and a moment's thought should suffice to convince the Cantonese authorities that in the development of the Liang Kuang provinces by the peaceful and orderly processes of trade and commerce Great Britain and the British Colony of Hongkong can give more effective and lasting assistance than can the Russian Soviet. We uphold ideals which are dear to the Chinese mind,—peace, good government, commercial enterprise, learning and literature, loyalty to the honoured traditions of the past and an orderly advance towards all that the future promises. But the Bolshevik record is at present a blood-stained page of revolution, terrorism, anarchy and intestine war. The civilized mind recoils with horror from its contemplation; and throughout China, I am thankful to say, there is now a growing abomination of all that Bolshevism means. It is our earnest hope that the Chinese people may pluck out this evil by the roots and cast it from their country.

Young China.

Young China now-a-days is prone to neglect the classic lore of Ancient China. Nevertheless the rival War Lords would do well to remember the words of Sun Tzu, a writer on war in the 5th century B.C., that "there is no instance of a country having benefited from prolonged warfare." Mencius at a time when China was, as now, divided into many warring satrapies is still more emphatic. He said:—"There are men who say—'I am skilled in warfare. I am skilled in battle.' They are great criminals. Those who are skilled in battle should suffer exemplary punishment." The

old philosopher Lao Tsu wrote:—"Where the soldiers march, there the thorn-brake grows. In the rear of the great army comes inevitably the year of famine." And there is a grim play on words at the present time in the verse of Ts'o Ts'ung, a poet of the T'ong dynasty:—"The bleaching bones of a myriad men make the fame of a single general."

The Development of Kwangtung.

Therefore, when lip-service is no longer paid to Bolshevik tenets by any dominant section of the Cantonese, when anti-British manifestations cease, when civil war no longer rages, and so soon as ever stable and peaceful conditions are restored in Kwangtung, we in Hongkong will be the first to pledge its Government our full support in all that makes for the beneficial development of the province. Our offer of an industrial loan in last July was not meant in any way as an attempt to buy off the anti-British boycott. The loan had, of course, to be conditional upon the cessation of the boycott, because plainly British money could not be ventured in a province which, however superficially and artificially, treated Great Britain as an "enemy." But our real object was to assist in the development of Kwangtung, because in our opinion the harbours of Hongkong and of Canton are not rivals, but are complementary to each other, and because the construction of harbour works at Canton and of a loop line railway round Canton connecting the Kowloon-Canton with the Canton-Hankow Railway cannot fail to improve trade conditions at Canton and consequently also in Hongkong. We are still ready and willing to co-operate in any industrial schemes mutually advantageous to the province and the Colony.

A Personal Note.

I crave the indulgence of the Council if in my last words I speak less impersonally than hitherto. I am surrounded at this table by Councillors whose lives have been spent in China and mostly among the Cantonese. I too began my official life in China and have learned to know the Cantonese better than the natives of the other provinces. I have lived in Canton both in the walled city (as it used to be) and as a householder in the Western Suburb. I have travelled much in Kwangtung and Kuangsi; and from long experience I am imbued with a very sincere affection and esteem for the Cantonese people. So are also, as I well know, my colleagues in this Council. Is it, then, too much to ask that the Canton Govern-

ment and the inhabitants of Kwangtung should believe that we in Hongkong are sincerely anxious to resume with them normal and traditional relations of amity, to let bygones be bygones, to forget the unprofitable past and to reach forward to a happier future? The old order in China is changing and the times are sadly out of joint. But we, no less than our friends at Canton, are animated by an earnest desire to see throughout China good government instead of chaos, peace instead of civil war, prosperity instead of havoc, commercial security instead of piracy and brigandage. We are very close neighbours of Canton: We wish also to be very close friends.—(Applause.)

**CHAMBER'S REPRESENTATIVE ON THE
LEGISLATIVE COUNCIL.**

At the request of the Colonial Government a special meeting of members of the Chamber was convened for April 16, 1926, to nominate a member of the Chamber to serve on the Legislative Council through the absence from the Colony of Mr. P. H. Holyoak. Mr. D. G. M. Bernard, Chairman of the Chamber, was nominated by the Hon. Mr. A. O. Lang and Mr. A. H. Barlow. The meeting unanimously approved the nomination.

On the lamented death of Mr. Holyoak the Chamber enquired of the Attorney General whether it was necessary to hold another meeting for the Chamber to nominate a representative to the Council. The Attorney General advised that if the Hon. Mr. D. G. M. Bernard was elected by the Chamber of Commerce as the nominee of the Chamber for appointment to the Legislative Council "during the absence" or "in the absence" of Mr. P. H. Holyoak a fresh election was then necessary. "I think," wrote the Attorney General, "that the word 'absence' in this connection implies continued life. Further, it is conceivable that the considerations which would apply to the case of an appointment for a short term would not be quite the same as those which would apply to an appointment or an election for a period which was to last, possibly, for several years."

The Colonial Government, on June 2, requested that the necessary steps be taken to nominate a member of the Chamber for appointment to the Legislative Council for the usual term of four years, in succession to the late Mr. Holyoak. Mr. Bernard was again nominated by the Hon. Mr. Lang and Mr. Barlow and a second general meeting of members was held on June 14, 1926.

Addressing the members, the Hon. Mr. Bernard said it was only some two months since they last met to nominate a representative to the Legislative Council, during the absence on leave of the late Mr. P. H. Holyoak. Little did they think at that time they would have to meet again so soon to nominate a representative for the full period of four years. This, however, became necessary through Mr. Holyoak's sudden death, which occurred soon after his arrival in England.

Mr. Holyoak, continued the Chairman, served the Chamber on the Legislative Council for a period of eleven years, during which time he never spared himself in working for the Chamber's interests and proved a most capable representative. He set an example which it would be hard indeed for his successor to emulate, and his death was a very great loss to the Chamber.

There was only one candidate on this occasion—himself—proposed by Hon. Mr. A. O. Lang and seconded by Mr. A. H. Barlow. Voting would therefore be by a show of hands. While he did not, continued Mr. Bernard, and could not claim to be able to serve the Chamber with anything approaching the success achieved by Mr. Holyoak, nevertheless, if they did him the honour of electing him he would do his utmost to protect and further the interests of the commercial community. In this the knowledge derived from the varied interests both in Hongkong and China of the firm he represented, together with the experience of local matters obtained also from his connection with local companies as a Director would be of value.

The proposition, on being put to the meeting, was carried unanimously.

Mr. Bernard thanked the members for the honour they had conferred upon him, and said that he would do his best as the representative of the Chamber.

On June 16, the Government notified that steps were being taken for the appointment of Mr. Bernard as the representative of the Chamber of Commerce on the Council.

**ANNUAL MEETING OF THE CHAMBER
25TH MARCH, 1926.**

His Excellency the Governor of the Colony, (Sir Cecil Clementi, K.C.M.G.) honoured the Chamber by his presence at the Annual Meeting held on March 25, 1926, when the late Hon. Mr. P. H. Holyoak presided over a large attendance of members.

In moving the adoption of the Report and Accounts the Chairman expressed the keen pleasure of the members at the presence of H.E. the Governor, remarking that for many years past the relationship between the Government of the Colony and the Chamber of Commerce had been peculiarly intimate; and especially so during the period under review, which had been one of almost unprecedented anxiety. The Chairman referred briefly to the principal subjects dealt with in the Annual Report of the Committee and expressed the belief that the old relationships between Hongkong and Canton, which had existed harmoniously for so many years would again prevail. Reference was made by the Chairman to the loss by death during the year of Mr. C. Montague Ede, Mr. Chau Siu Ki, and the late Secretary of the Chamber, Mr. D. K. Blair, whose death at home had just been reported.

Mr. R. Sutherland, in seconding the adoption of the Report and Accounts, said it was manifest that the General Committee and Sub-Committees had had a difficult and anxious term of office. Their endeavours to foster and protect the trade of the Colony, and to bring a broad angle of vision on the many difficult problems confronting them, would stand as a lasting monument to the usefulness, and essentiality of the Chamber. Members would learn with great satisfaction the progress which had been made in Wireless Telegraphy, the establishment of a recording station on the Pratas Shoal, and the improved conditions at Cape D'Aguilar and at the Observatory. Improved aids to navigation would reduce expensive demurrage of ships and lighters and render possible lower insurance premia on hulls and cargo to the general benefit of the trade of the Colony and South China. The necessity for an efficiently equipped Quarantine Station was now, he understood, exercising the attention of the Government, and he was sure the incoming Committee of the Chamber would be prepared to give advice and assistance in the inauguration of such an important development in the improvement of shipping facilities of the Port.

With reference to a paragraph in the Annual Report on the high cost of living in the Colony, Mr. Sutherland suggested that all efforts should be made to reduce the cost of living to the majority, i.e., the Chinese workmen, who, burdened by the ever enhancing cost of necessities must in turn demand a proportionate increase in wages, which must react more and more upon business conditions. Industrial concerns in Hongkong were operating in direct competition with similar organisations in other parts of the World, so that the local price of labour was of great importance. He trusted that the Chamber would associate itself with the Government in terminating the present state of affairs when higher wages did not benefit the real worker but native middlemen and others who, never themselves "bearing the heat and burden of the day," battered on the worker to the detriment of the Colony's wellbeing and expansion.

Mr. Sutherland commented on the need for better publicity in Europe in regard to China questions. It was extraordinary that even people usually well informed had the most scanty knowledge of political and commercial conditions in Hongkong and China, although the success and industrial development of Great Britain was in no small measure associated with the wellbeing of people in other parts of the world. He thought it would be possible, with the help of other Chambers of Commerce and of the very influential China Committee just appointed at Home, to prepare data for a series of lectures dealing with China, its industries, its people, and its potential development, such lectures to be supported by photographs and possibly motion pictures. It could then be arranged with certain associations, which he understood were in touch with professional lecturers, to include papers on China in their repertoire. It might, of course, be possible to secure the voluntary services of those who had actually been out here, and who could speak with personal knowledge of their subject. This and various other important points of detail would have to be duly considered, and he was merely throwing out the skeleton suggestion. In his opinion the expense would not be great, and the benefits both direct and indirect very considerable both in the near future and in the years to come.

Address by H.E. the Governor.

His Excellency the Governor then addressed the meeting, remarking that he valued very highly the opportunity of exchanging views with the chief representatives of the mercantile community of the Colony. He would always be glad to come, at the invitation

of the Committee, when matters concerning the welfare of the Colony were under consideration, in order that he might obtain information at first hand of the views of business men. He was most anxious that no barriers of any kind should exist between the Government and merchants of Hongkong, but rather that there should be complete confidence and mutual understanding between them. They might not always care to exchange views with each other in public: but they could always have a heart-to-heart talk in private and for such a purpose, when occasion demanded, he placed himself at all times freely at their disposal.

His Excellency proceeded: Hongkong is a place of world-wide importance because of its ocean-borne commerce and we have good reason to be thankful that the commercial greatness of Hongkong rests upon the safest and most durable foundations. Nature has given us a priceless asset in the wonderful Hongkong harbour. British foresight divined, and British enterprise has developed, the potentialities latent in this generous gift of Nature to mankind, with the result that to-day Hongkong is one of the largest shipping centres in the whole world and possesses every modern facility for the wharfage, docking, building and repair of ships as well as for the loading, discharge and warehousing of cargo. Moreover, this harbour of Hongkong has been placed by Nature at the mouth of the West River, which with its tributaries forms the main highway through two Chinese provinces inhabited by teeming millions of a most industrious, a most capable and a most peace-loving people, shrewd, daring and upright in their commercial transactions.

Canton, the principal city in these two provinces, is within a hundred miles of us and Hongkong is its deep-sea port. No arbitrary and ephemeral human efforts can change these immutable facts of Nature; and Nature, therefore, herself dictates to us the closest, the most intimate, the most friendly co-operation between Hongkong and Canton. Such a spirit of friendship and co-operation has hitherto been traditional between the Colony of Hongkong and our neighbours in Kwangtung and Kwangsi; and I am confident that it still exists and will always endure despite the superficial and artificial appearance of enmity created temporarily by Bolshevik manipulation of a body of unemployed, and probably unemployable, ne'er-do-wells, whose tyranny is as distasteful to the Cantonese as it is to us.

The political situation in Canton is at the moment somewhat obscure. But I am glad to tell you that on Tuesday evening, I

received a letter from Mr. Wong Ching Wai, Chairman of the Canton Council of Government, informing me that he is now prepared to appoint three members of his Council of Government to negotiate a settlement with three officials of the Hongkong Government to be appointed by me. I replied yesterday agreeing to this proposal and I hope that the negotiations will soon begin and lead to an honourable and a lasting settlement. There are signs of a growing movement in Canton hostile to Bolshevism and to that *imperium in imperio* which is the Canton Strike Committee. It seems in fact that the sane common sense of the Cantonese people is at last beating down communism and re-establishing law and order. The outlook is, therefore, more hopeful than at any time since last June.

There is one matter upon which I will presume to offer you a word of advice, even though I may be told that business men must know their own business best. My acquaintance with Hongkong and with things Chinese now extends over a quarter of century; and nothing has been a cause to me of more anxiety throughout that period than the fact that the Chinese and the European communities of Hongkong, although in daily contact with each other, nevertheless move (as it were) in different worlds, neither having any real comprehension of the mode of life or ways of thought of the other. This is a most unfortunate circumstance and from it spring many regrettable misunderstandings which retard the social, moral and intellectual, and even the commercial and material progress of the Colony. I beg you all most earnestly to find ways and means of breaking down these partition walls between various sections of the community. As a first step it is really essential that Britons whose lives are likely to be spent in Hongkong should acquire a competent knowledge of the Chinese language. Many Chinese in Hongkong learn English, but few Englishmen learn Chinese: and, unless an Englishman can speak Chinese, he is not likely to gain a real insight into Chinese manners and customs, perhaps not even such insight as would enable him to meet on terms of mutual understanding his English-speaking Chinese acquaintances.

In this connection I have a practical suggestion to make. The Hongkong Government is engaging some new cadet officers this year. They will probably arrive in or about November next and I hope to arrange that their instruction in Chinese should be undertaken by the Hongkong University. If this can be satisfactorily done, then I trust that business firms engaging young men from home for service in Hongkong will require them to take a course of instruction in Chinese at the Hongkong University similar to

that of our cadets. After all the Hongkong Government is a large business concern. It pays us, it is indeed essential, that the men whom we hope to train for responsible office in the Government service should learn Chinese: and I put it to you that the same reasoning applies also to all business firms in Hongkong.

Lastly, I think that the establishment in Hongkong of a social club open both to Europeans and Chinese is long overdue, and nothing would give me greater pleasure than that the leaders of the European and Chinese communities of this Colony should combine to found such a club, and to make it a success. We have in Hongkong European clubs and Chinese clubs. What I should like to see now is a club that might perhaps be called "The Concord Club" and would embody the spirit of that name.

The report and accounts were then approved and adopted, and the Chairman conveyed the thanks of the meeting to His Excellency for his presence and his interesting address.

Trade Statistics.

The Chairman then introduced a discussion on the subject of the Chamber's request to the Government that the Statistical Department, closed last September, be re-established. He believed the Government's view was that the expense involved was not justified unless merchants could demonstrate that the Department was essential. He regarded the Statistical Office much in the same light as the Meteorological department. Neither department should be judged by the financial returns of its working. Just as meteorological reports were essential to shipping, so trade statistics were essential as an index of the Colony's trade, both to business firms in Hongkong and to Home manufacturers, to whom it was essential to know the trend of commerce and the directions from which competition was being experienced. In fact he felt that the Government would be justified in asking for an Imperial contribution towards the cost, having regard to the value of the figures to the manufacturers of Great Britain. He still contended that the Department ought to be run at considerably lower cost than the Government estimated.

Mr. G. W. Sewell doubted whether the expenditure on Statistics was justifiable, especially as Hongkong was purely a distributing centre. In his experience far more valuable—in fact all necessary—information could be obtained from Chinese brokers.

The Hon. Mr. A. O. Lang said he agreed with Mr. Sewell. The Government had admitted that the figures supplied by the

Statistical Department were inaccurate, and inaccurate figures were not worth paying for. He understood that only 247 copies of the Statistical Returns were purchased by merchants, and, of these, 60 were bought by one firm.

Mr. G. M. Young said he looked upon a Colony calling itself a trading Colony and not keeping statistics in the same category as a firm which kept no books—(Hear, hear).

Mr. L. M. Whyte was of the opinion that the statistics should be resumed. He had found them extremely useful though he thought that the system of collecting them might be simplified by permitting firms to make a weekly return instead of making a declaration in respect of each shipment, imported or exported.

Mr. J. Owen Hughes urged the re-establishment of the Department. He had found the statistics invaluable, and had often profited by the information to be derived from them. Without statistics merchants were in danger of allowing competing countries to get the better of them, and were working entirely in the dark. In his experience information to be obtained from brokers was not comparable in value to that afforded by trade statistics. He strongly supported the suggestion that the Department be revived, although he was of the opinion that it could be run on more efficient and more economical lines.

Mr. A. S. D. Cousland pointed out that all members of the Piece-Goods Sub-Sommittee were in favour of the retention of the Trade Returns, and he personally attached great importance to them.

The Chairman, at the request of the Hon. Mr. A. O. Lang, mentioned that the Shipping sub-Committee had expressed an opinion adverse to the resumption of the Department.

Mr. W. L. Pattenden said he would like to be assured that the statistics could be made more accurate before voting in favour of their resumption.

The following resolution was then put to the meeting:

"That the members of the Hongkong General Chamber of Commerce, in annual meeting assembled, desire to express the opinion that it is of great importance to commercial interests that accurate statistics of trade be maintained and earnestly request the Colonial Government to re-establish the Statistical Department as soon as possible."

On a show of hands there voted: For, 36; Against, 13. The motion was declared carried.

Other Business.

The election by the Committee of Messrs. J. H. Backhouse & Co., Ltd., to membership of the Chamber was confirmed.

Mr. A. H. Ferguson proposed the election of the following to the Committee for the ensuing year:—The Hon. Mr. P. H. Holyoak, the Hon. Mr. A. O. Lang, Messrs. A. H. Barlow, W. H. Bell, D. G. M. Bernard, J. Owen Hughes, Paul Lauder, J. A. Plummer, T. G. Weall, and G. M. Young. Mr. Ferguson paid a tribute to the hard work of the Committee during a year which had been probably one of the most difficult in the history of the Colony.

Mr. F. A. Perry seconded, and the motion was carried, the Chairman briefly acknowledging Mr. Ferguson's remarks on behalf of himself and the Committee.

Before the meeting dispersed, Mr. D. H. Cameron took the opportunity to move a special vote of thanks to the Chairman and Committee for the strenuous work of the past year. Mr. Holyoak, he said, was shortly going on leave on account of ill-health which had been largely brought about by the difficult and anxious duties which had fallen to his lot as Chairman of the Chamber during the past year. He hoped Mr. Holyoak would soon return in renewed health.

The meeting received the motion with loud applause, and the Chairman thanked Mr. Cameron for his remarks and the Committee for their support during a year of exceptional difficulty.

At a meeting of the Committee which followed the annual meeting, Mr. D. G. M. Bernard was elected Chairman for the ensuing year, and the Hon. Mr. A. O. Lang Vice-Chairman.

HONGKONG SHIPPING IN 1923 AND 1924.

[VESSELS ENTERED AND CLEARED.]

Class of Vessels.	1923		1924		Increase		Decrease	
	No.	Tonnage	No.	Tonnage	No.	Tonnage	No.	Tonnage
British Ocean-going,.....}	5,389	11,222,141	5,297	11,844,752	...	622,611	92	...
Foreign Ocean-going,.....}	7,248	14,671,917	7,674	16,030,078	426	1,358,161	...	...
British River Steamers, ...}	6,008	5,698,350	7,120	6,524,661	1,112	826,311	...	...
Foreign River Steamers, ...}	1,891	657,730	2,318	840,347	427	182,617	...	...
Steamships under 60 tons (Foreign Trade),	4,811	142,392	7,831	231,833	3,020	89,441	...	...
Junks, Foreign Trade,.....}	24,553	2,619,003	27,525	3,298,828	2,972	679,825	...	...
Total, Foreign Trade,.....}	49,900	35,011,533	57,765	38,770,499	7,957	3,758,966	92	...
Steam Launches plying in Waters of the Colony, }	705,544	17,077,346	678,750	16,622,806	...	...	26,794	454,540
Junks, Local Trade,.....}	*22,778	*1,313,360	†27,977	†1,337,772	5,199	24,412	...	...
Grand Total....	778,222	53,402,239	764,492	56,731,077	13,156	3,783,378	26,886	454,540
			Nett,.....	...	3,328,838	13,730	...	...

* Including 15,134 Conservancy and Dust Boats of 961,910 tons.
 † " 15,212 " " " 654,199 "

HONGKONG SHIPPING IN 1925 AND 1926.

[VESSELS ENTERED AND CLEARED.]

Class of Vessels.	1925		1926		Increase		Decrease	
	No.	Tonnage	No.	Tonnage	No.	Tonnage	No.	Tonnage
British Ocean-going,.....}	3,916	9,866,820	3,401	9,257,417	...	...	515	609,403
Foreign Ocean-going,.....}	5,763	13,786,954	4,468	12,057,279	...	...	1,295	1,729,675
British River Steamers, ...}	4,058	5,455,115	4,276	5,473,429	218	18,314	...	...
Foreign River Steamers, ...}	1,266	452,878	230	107,735	...	...	†1,036	345,143
Steamships under 60 tons (Foreign Trade),	5,386	165,497	2,829	87,330	...	...	†2,557	78,167
Junks, Foreign Trade,.....}	20,947	2,451,789	15,027	1,387,914	...	...	5,920	1,063,875
Total, Foreign Trade,.....}	41,336	32,179,053	30,231	28,371,104	218	18,314	11,323	3,826,263
Steam Launches plying in Waters of the Colony, }	310,924	8,050,939	249,912	6,975,072	...	...	61,012	1,075,867
Junks, Local Trade,.....}	*26,917	*1,239,592	†30,218	†1,475,188	3,301	235,596	...	...
Grand Total....	379,177	41,469,584	310,361	36,821,364	3,519	253,910	72,335	4,902,130
			Nett,.....	...	...	...	68,816	4,648,220

* Including 15,890 Conservancy and Dust Boats of 693,660 tons.
 † " 16,294 " " " 736,688 "

Exports from Hongkong to Great Britain from 1913-1926.

	Silk P. Goods	Waste silk	Tin	Preserves	Boys	Canes	Mats and Matting	China-ware &c.	Galangal	Cassia	Human Hair	Essential Oil
	pkgs	bales	slabs	pkgs	cases	pkgs	rolls	pkgs	boxes	boxes	boxes	boxes
3	446	9,441	8,047	65,829	5,864	28,240	30,542	4,499	20	4,730	3,214	777
4	223	10,732	9,644	49,396	3,744	26,895	33,582	3,917	..	2,885	1,472	1,551
5	190	10,330	27,992	38,449	4,670	19,956	63,463	1,613	268	37,950	2,071	4,715
6	83	9,475	22,473	35,684	3,312	6,245	68,180	578	200	36,271	2,434	2,720
7	213	17,252	17,420	19,927	1,656	2,889	23,860	...	279	28,905	2,272	6,752
8	576	5,571	1,549	19,002	400	560	630	348	400	10,769	1,001	8,445
9	235	4,442	2,043	100,095	7,376	16,607	40,183	2,510	808	104,957	821	8,044
10	141	6,648	67,406	20,959	3,576	20,181	32,146	3,546	197	12,563	375	1,621
11	127	3,019	34,600	34,551	2,236	11,407	51,082	1,877	...	360	350	5,239
12	140	7,850	15,319	52,527	5,416	17,593	87,596	1,482	...	6,960	366	3,480
13	176	4,579	7,605	53,458	3,929	13,005	75,512	2,641	...	3,652	...	2,797
14	266	11,444	3,500	59,011	3,696	14,475	97,088	2,867	...	11,399	66	1,865
15	157	1,687	30,663	28,955	3,750	13,495	49,267	2,367	...	722	37	954
16	12	50	8,000	63,310	3,809	875	10,260	520	...	...	...	1,851

	Bristles	Chinese Merchandise	Feathers	Camphor	Hemp	Minerals	Sundries	Tea	Fire Crackers	Gall Nuts	Peanuts	Raw Silk
	bales	boxes	pkgs	boxes	bales	pkgs	pkgs	pkgs	cases	pkgs	cases	boxes
13	319	4,519	8,957	25	22,560	669	31,972	12,332	11,577	200	9,362	...
14	1,398	1,640	4,369	3,335	70,008	2,470	33,442	5,919	12,863	150	9,478	...
15	4,620	2,244	8,659	665	19,119	14,919	68,062	15,771	1,878	265	62,883	...
16	2,544	3,520	18,123	6	27,829	5,168	102,488	5,237	...	750	46,974	...
17	3,830	2,272	7,254	...	5,300	15,441	200,030	39	...	1,235	50,375	3,389
18	2,423	3,705	4,500	27	1,014	17,945	857,161	220	...	1,672	500	1,679
19	2,081	2,472	15,557	644	43	6,140	419,168	2,942	4,897	15	40,695	...
20	889	1,883	16,017	2,610	388	44,905	149,293	784	3,287	20	18,394	1,349
21	648	2,360	5,190	1,300	6,194	5,154	49,404	30	...	...	34,361	105
22	705	1,940	16,768	220	6,348	10,638	67,524	272	...	...	7,462	1,185
23	885	3,261	17,038	66	26,622	13,594	78,868	605	...	...	4,782	1,475
24	502	7,632	17,838	...	24,667	11,170	47,826	44	1	...	...	636
25	81	1,982	11,065	...	5,870	6,513	31,880	75	...	...	...	125
26	...	1,935	7,220	...	2,441	19,451	16,505	42	...	...	...	...

Exports from Hongkong to Continent of Europe from 1913-1926.

	Silk P. Goods	Waste Silk	Preserves	Canes	Bristles	Mats and Matting	Human Hair	Star Aniseed	Cassia Lignea and Buds	Broken Cassia	Bamboo	Essential Oil	Tin	Rattanware
	pkgs	bales	pkgs	bales	pkgs	rolls	boxes	boxes	boxes	boxes	bales	boxes	slabs	boxes
1913	542	26,637	10,874	31,375	7,632	119,808	13,896	2,300	94,227	1,700	15,615	6,567	32,575	793
1914	270	9,104	6,183	24,113	4,264	88,102	5,635	2,592	62,616	50	12,609	4,047	23,992	64
1915	169	2,018	2,942	3,237	1,173	17,044	1,982	1,235	25,152	...	5,815	3,104	18,043	16
1916	137	11,175	500	365	992	2,232	2,069	2,015	24,678	...	2,508	5,021	4,800	32
1917	125	6,491	...	...	319	3,977	725	425	1,650	...	...	1,709	21,800	...
1918	13	...	...	...	...	...	50	...	40	...	...	...	4,210	...
1919	237	4,131	7,418	3,949	2,720	42,064	714	650	54,731	425	3,437	1,369	65	106
1920	240	7,321	3,599	7,080	191	108,730	531	3,078	48,389	350	12,203	2,425	700	1,159
1921	292	5,932	12,275	6,948	242	93,620	885	2,057	10,467	...	614	3,350	1,500	348
1922	374	9,280	12,137	9,312	476	193,793	1,984	3,029	76,160	101	3,940	4,138	4,100	185
1923	1,393	5,563	10,335	8,546	1,994	99,991	1,867	2,995	43,648	...	7,939	2,317	2,400	1,380
1924	530	11,769	17,251	10,887	101	134,555	9,539	2,900	33,428	300	9,490	3,165	1,108	43
1925	441	960	6,529	12,175	58	65,891	1,163	500	21,595	1	1,560	1,388	500	71
1926	128	187	13,976	4,554	22	18,373	458	650	1,150	...	500	1,147	83	20

	Tobacco	Feathers	China-ware & Merchandise	Crackers	Sundries	Hemp	Tea	Minerals	Coprah	Copper Ingots	Vermillion	Peanuts	Raw Silk
	boxes	pkgs	pkgs	cases	pkgs	bales	pkgs	...	...	...	...	cases	bales
1913	16,043	23,787	7,281	10,204	29,446	22,636	1,353	16,623	57,784	...	...	...	...
1914	10,253	14,307	3,498	2,004	32,813	20,572	817	4,048	51,117	...	120	24,663	...
1915	8,370	5,623	114	490	16,051	5,693	746	500	1,666	...	20	20,159	...
1916	2,825	6,427	235	...	23,955	2,320	233	1,924	...	...	...	9,680	...
1917	3,947	519	161	...	50,030	2,931	165	4,026	...	...	...	2,454	...
1918	1,769	...	...	...	5,484	56	200	...	...	...	12	...	19,180
1919	19,167	4,291	2,766	...	75,886	209	1,413	3,329	...	...	...	1,226	2,854
1920	13,533	1,694	4,074	66	76,015	1,851	577	31,657	...	...	...	7,137	26,908
1921	19,843	13,735	2,783	336	16,958	8,786	239	49,603	...	...	16	22,272	16,461
1922	20,159	12,648	2,679	1,202	10,153	12,099	509	58,993	...	...	4	35,580	18,626
1923	17,129	4,009	5,285	779	14,458	30,963	618	25,434	...	1	4	27,450	23,477
1924	16,876	9,034	3,953	633	24,318	22,906	755	13,139	...	...	7	6,165	14,560
1925	4,517	8,859	2,663	250	14,392	3,303	38	12,810	...	...	16	251	37,523
1926	2,744	3,256	820	24	11,183	3,289	27	10,866	...	...	8	1	13,548

Exports from Hongkong to U.S. and Canada via Suez & Panama Canal from 1913-1926.

	Silk Piece Goods	Waste Silk	Human Hair	Essential Oil	Mats and Matting	Preserves	Chinese M'chdise	Chinaware &c.	Rattan and Rattanware	Cassia	Oil	Rice
	pkgs.	bales	boxes	cases	rolls	pkgs.	pkgs.	pkgs.	b'dles	cases	cases	bags
3	135	...	1,384	2,215	118,744	2,702	74,240	890	7,445	46,983	...	...
4	5	...	166	2,165	74,112	4,266	72,949	1,245	3,496	36,355	...	...
5	6	...	1,187	6,068	17,911	2,078	53,260	845	17,766	30,592	...	...
6	...	...	1,152	4,970	11,553	2,408	50,745	566	5,362	35,864	400	9,030
7	8	275	1,724	5,160	2,757	4,101	37,665	685	3,105	45,274	...	33,870
8	...	364	975	2,107	6,127	1,670	6,496	379	13,758	18,935	...	12,320
9	6	1,407	2,299	6,881	1,310	6,674	34,391	274	8,299	34,665	...	317,843
10	7	2,668	2,436	4,715	9,165	3,799	50,994	4,195	16,338	18,530	...	321,393
11	12	15,561	393	3,545	3,614	5,986	132,121	390	6,783	58,949	...	610,477
12	27	12,226	1,670	2,724	10,638	6,758	67,965	1,008	14,058	67,569	...	41,044
13	4	13,581	1,416	2,438	9,014	6,235	71,077	2,004	13,442	32,088	225	32,000
14	26	10,321	913	686	10,272	4,149	90,266	778	11,445	6,906	1,489	85,584
15	...	5,182	328	...	6,244	6,862	56,387	1,521	20,569	20,456	...	59,735
16	...	2,202	61	...	10,907	7,494	59,040	1,242	15,118	14,623	9,503	269,976
	Gunnies	Canes	Sugar	Fans	Fire Crackers	Nut Oil	Kapok	Hemp	Miscells.	Tea	Bristles	Tin
	bales	pkgs.	bags	pkgs.	boxes	b'rels	pkgs.	pkgs.	pkgs.	pkgs.	...	slabs
13	...	2,535	...	440	49,124	...	...	...	10,843	432	590	123,125
14	...	2,983	...	...	15,025	...	...	...	15,952	...	189	20,491
15	...	1,078	...	...	4,651	...	...	...	40,307	11	443	3,833
16	...	1,120	...	6	7,851	...	...	...	13,279	110	611	1,600
17	...	1,426	...	40	7,342	183	...	826	36,592	1,075	670	2,000
18	...	9,294	...	400	750	35	...	300	18,151	...	817	1,500
19	...	3,886	...	1,300	58,961	500	...	372	60,781	...	132	1,000
20	...	8,185	75,431	1,090	81,015	40	...	...	50,675	856	467	55,113
21	...	7,536	379	596	82,702	50	...	...	44,976	299	563	12,000
22	...	8,270	10,000	8,821	110,588	240	...	...	33,353	355	703	62,986
23	...	8,166	...	8,566	78,768	...	...	...	39,637	186	820	69,372
24	...	6,151	11	2,527	94,038	416	...	...	50,323	726	920	61,549
25	...	2,980	770	602	9,757	...	...	...	34,668	8,116	480	62,250
26	...	811	169	...	25,019	...	...	...	23,263	10,130	18	28,827

Exports from Hongkong to Pacific Seaboard of U. S. and Canada via Pacific for 1925-1926.

	Peanuts.	Pepper	Pineapples	Rattan Furniture	Rattans & Rattan Core	Rice	Rubber	Soy.	Sundry Cargo Shipped by		Tapioca & Sago	Tea	Tin	Sugar	
									Chinese	Others					
	bags	bags	cases	pkgs.	pkgs.	bags	pkgs.	casks	pkgs.	pkgs.	bags	pkgs.	slabs	bags	
1925	2,094	7,809	23,960	60,376	32,701	328,441	74,387	18,528	276,821	268,895	79,037	128,368	32,116	3,476	
1926	1,432	2,789	43,048	45,715	19,763	792,797	50,702	17,859	207,378	147,036	8,109	56,700	11,183	4,041	
	Raw Silk	Silk P. Goods	Waste Silk	Canes	Cassia	Chinaware	Coccanut	Fans	Fire Crackers	Ginger	Gunnies	Hemp	Matting	Minerals.	Oils
	bales	pkgs.	bales	bales	cases	cases	cases	boxes	cases	pkgs.	bales	bales	rolls	tons	Cases or Casks
1925	17,950	503	3,250	141	11,926	3,195	11,192	4,973	50,223	9,522	96,493	167	13,784	1,503	14,194
1926	1,536	33	1,997	...	6,240	2,602	4,851	1,625	27,114	8,537	87,391	...	10,973	6,793	24,910

THE COLONY AND PORT OF HONGKONG.

The Colony consists of the island of that name, situate near the mouth of the Canton River, a tract of the mainland of Kwangtung Province, South China, and a number of neighbouring islands, the whole Colony having an area of about 300 square-miles. It is distant about 40 miles from Macao and 90 from Canton, the principal city of South China, which contains a population of upwards of two million people. Hongkong may fairly be described as the commercial gateway of South China, an area inhabited by over eighty millions of China's dense population.

The following notes regarding the Colony are adapted from the admirable digest published in the Hongkong Section of the "Directory and Chronicle of the Far East."

The harbour of Hongkong is one of the finest and most beautiful in the world, having an area of seventeen square-miles, and with its diversified scenery and varied shipping, it presents an animated and imposing spectacle. The harbour consists of the sheet of water between the island and the mainland, and is enclosed on all sides by lofty hills, formerly destitute of foliage, but now becoming clothed, especially on the island, with young forests, the result of the afforestation scheme of the Government. The city of Victoria is magnificently situated, the houses, many of them large and handsome, rising, tier upon tier, from the water's edge to a height of over five hundred feet on the face of the Peak, while many buildings are visible on the very summits of the hills. Seen from the water at night, when lights twinkle among the trees and houses, the city, spreading along the shore for five miles, affords a sight not readily to be forgotten.

Nor on landing are the favourable impressions of the stranger dissipated or lessened. The city is fairly well built, the roads and streets are for the most part admirably made and kept, and many of the thoroughfares delightfully shaded with well-grown trees. The European business quarter occupies the middle of the city, from Pottinger Street to the Naval Yard, but with the exception of this limited area almost all the lower levels, especially the Western District, are covered by a dense mass of Chinese shops and tenements. On the mainland new industrial and residential areas are rapidly springing up.

Population.

A census taken in April, 1921, showed the total population of the Colony to be 625,166, but the Census Officer estimated that, for various reasons, the normal population was greater than that by 30,000. On the island of Hongkong there were 347,401; on the Kowloon peninsula 123,448; in the New Territories 83,163, and afloat 71,154. Of the boat population, 38,570 were in Victoria harbour. The non-Chinese population, consisted of 32 nationalities, of which the following were the principal in point of numbers:—British, 7,889 (4,706 males and 3,183 females); Portuguese, 2,057; Japanese, 1,585; United States of America, 470; French, 208; Dutch, 104.

The great distributing mart of the world's trade to and from South China, Indo-China, Siam, the Philippines, with direct shipping connections with Europe, North and South America and Australia, with immense Wharves, Warehouses, Docks, and Shipbuilding Yards, headquarters of Banks and Business Houses of first importance, Hongkong's annual turnover in trade normally aggregates close on 150 millions sterling a year.

In shipbuilding, local yards have a world-wide reputation for excellence of workmanship and, with general engineering and repairs, they normally give employment to about thirty thousand workmen. In 1921, Hongkong shipbuilding yards launched a greater number of vessels than the rest of the British Empire, outside the United Kingdom, put together.

The refining of sugar, which is conducted on the most modern lines by two well-known British enterprises, employs some thousands of workers and bulks largely in the annual trade turnover.

Since the cession of the Colony, the British Navy has played an important part in the history of Hongkong. The well equipped Dockyard (now employing 2,500 hands) is the main storing and repairing base for the China Squadron, which is generally in Hongkong, in force, during the winter months. The Colony is the permanent base for the flotilla of gunboats maintained on the West River (between Hongkong and Canton). Its commercial importance makes the Colony the natural centre from which Far Eastern trade routes may be patrolled, and for several years a fleet including six battle ships was maintained in Hongkong waters.

Hongkong itself produces little, being mainly a great Port and trade clearing house for an immense area of Eastern Asia. It is the centre upon which converges for distribution the merchandise

of the rich and densely inhabited territories of South China, and whence radiates a very large proportion of the products of the Western World destined for Oriental consumers, of whom the neighbouring province of Kwangtung alone has forty millions to provide for. The varied products of the provinces and countries adjacent to Hongkong find their way to the outside world through the well-established business "hongs" of the British Colony.

Finances.

Revenue for the year 1927 is estimated at \$22,194,702 which leaves an estimated deficit of \$1,787,305. The Government therefore passed, in October, 1926, proposals for increased taxation including higher duties on liquor and increased charges for water supplied to ships, estimated to produce an additional revenue of \$600,000. As from January 1, 1927, the charge for water supplied to shipping by water boats was increased from 50 cents to \$1 per 1,000 gallons, and for wharf and building supplies from 75 cents to \$1. per 1,000 gallons. The Colony having recently expended very large sums in increasing and improving the water supply, it was felt that these increased charges were fully justified. The rates for water for shipping previously charged in Hong Kong were far below those in force in most of the other Far Eastern Ports. The Shing Mun Valley supply is beyond reproach both in quantity and quality and the charge (the Government point out) will be only \$1 per 1,000 gallons as against \$2 and Rs. 5 per 1,000 gallons in Singapore and Colombo respectively.

A special vote of \$907,660 was necessary to repair damage done on Hong Kong Island, alone, by a storm on July 19, 1926, when 20 inches of rain fell in a single night.

There are no duties upon Imports or Exports, with the exception of liquors and tobacco. The only charge on shipping is a light due of 2 cents per ton for each call (river steamers: 5/6 cents per ton).

Method of Government.

The Government is administered by a Governor, aided by an Executive Council of Six official and three unofficial members. The Legislative Council is presided over by the Governor, and is composed of the Officer Commanding the Troops, the Colonial Secretary, the Attorney-General, the Treasurer, the Secretary of Chinese Affairs, the Director of Public Works, the Captain Superintendent of Police, and six unofficial members, one of whom is elected by the Chamber of Commerce and another by the Justices of the Peace. The remaining four, two of whom are of Chinese race but British nationality, are appointed by the Government.

Docks and Shipbuilding Yards.

Excellent dock accommodation and shipbuilding facilities exist in the Colony. The Hongkong and Whampoa Dock Company, Limited, have three extensive establishments—one at Hunghom, Kowloon, one at Tai Kok Tsui, and the third at Aberdeen on the south side of Hongkong Island. The establishments of this Company are fitted with all the best and latest appliances for engineering and carpenters' work, and the largest vessel in H. M. Navy on the China Station has been received into the No. 1 Dock at Hunghom. The docks and slips are of the following dimensions:—

Hunghom:—No. 1 (Admiralty) Dock—700 feet in length, 86 feet in breadth at entrance at top and 70 feet at bottom, and 30 feet depth of water over sill at ordinary spring tides.

No. 2 dock—Length on keel blocks, 371 feet; breadth at entrance, 74 feet; depth of water over sill at ordinary spring tides, 18 feet 6 inches.

No. 3 dock—Length on keel blocks, 264 feet; breadth at entrance, 49 feet 3 ins.; depth of water over sill at ordinary spring tides, 14 feet.

Patent Slips: No. 1—Length on keel blocks, 240 feet; breadth at entrance, 60 feet; depth on the blocks, 14 feet.

No. 2—Length on keel blocks, 230 feet; breadth at entrance, 60 feet; depth of water on the blocks at ordinary spring tides, 12 feet.

Tai Kok Tsui:—Cosmopolitan Dock—Length on keel blocks, 466 feet; breadth at entrance, 85 feet 6 inches; depth of water over sill at ordinary spring tides, 20 feet.

Aberdeen:—Hope Dock—Length on keel blocks, 430 feet; breadth at entrance, 84 feet; depth of water over sill at ordinary spring tides, 23 feet.

Lamont Dock:—Length on keel blocks, 333 feet; breadth at entrance, 64 feet; depth of water over sill at ordinary spring tides, 16 feet.

The shears at Hunghom are capable of lifting 70 tons, and the depth of the water alongside is 24 feet at low tides. The Dock is capable of turning out steamers 700 feet in length.

Taikoo:—In 1908 docks constructed by the Taikoo Dockyard and Engineering Co., Ltd., at Quarry Bay, just inside Lyeemun Pass, were completed. The dock has been built to British Admiralty requirements, and has been designed to permit of further increasing its length should it become necessary at some future time to do so. The dimensions of the dock are:—787 feet extreme length; 750 feet on the blocks; 120 feet wide at coping; 77 feet 6 inches wide at bottom; 88 feet width of entrance at top; 82 feet width of entrance at bottom; 34 feet 6 inches depth over centre of sill at high Spring tides; 31 feet depth over sides of sill at high water Spring tides. A feature of the dock is the caisson, of the box-sliding type, weighing 400 tons and electrically controlled. There are three slipways. No. 1 slipway is 1,030 feet long and 80 feet wide, capable of taking up steamers 325 feet long, drawing 18 feet and having a displacement of 3,000 tons. The other slipways are each 993½ feet long by 60 feet wide, capable of taking steamers 300 feet long, drawing 17 feet, of 2,000 tons displacement.

The building yard is 550 feet long, and 500 feet wide, and has been equipped with a view to the construction of passenger and cargo vessels, turbine steamers, steam yachts, torpedo-destroyers, steam launches, tugs and lighters. The engine shops are most extensive and complete, capable of undertaking the building of all classes of steam engines, including geared turbines. The establishment throughout has been fitted with the latest time-saving appliances procurable. The chief motive power is electricity, generated by gas engines, the gas-producing plant being the largest installed in the Far East. The electric shears situated on the sea wall lift 100 tons at a radius of 70 feet, and waggon and crane roads run the full length from end of end.

Naval Yard:—His Majesty's Naval Yard contains machine sheds and fitting shops on a large scale, and repairs can be effected to the machinery of the British men-of-war with great expedition. A large extension of the Naval Yard, including an important reclamation on the foreshore, the construction of a large dock, and erection of various workshops was completed in 1908.

Wharves & Godowns.

Cargo is handled both in midstream and at wharves. In the former case transit by means of lighter or native junk is the rule. Steamers surrounded five deep on either side by native craft are consequently a normal feature of Hongkong Harbour.

The Hongkong & Kowloon Wharf & Godown Company, Limited, owns a water frontage 2,000 feet in length at Kowloon, at which four wharves, each with two berths for ocean-going steamers, are built at right angles to the premises, capable of berthing steamers 650 feet in length with a draught of 31 feet at lowest spring tides. Light railway lines facilitate the transfer of cargo to or from transit godowns or from steamer to steamer at the wharves. The Company maintains a fleet of eight steam tugs and 78 lighters of from 75 to 300 tons capacity; its godowns have a total capacity of about 300,000 measurement tons. There is additional accommodation at West Point, the principal Chinese business quarter. A large staff of Swatow coolies, trained to handle cargo, is employed and housed by the Company, which also maintains an effective force of detectives and watchmen to prevent robberies and pilferage.

Holt's Wharf has a frontage of 1,600 ft. and an area of 108,000 sq. ft. The storage accommodation comprises five, four and two-storey warehouses with a capacity of 25,000 measurement tons. A large fleet of tugs and lighters is also maintained. Both these wharves are connected by special siding with the railway.

With cargo delivered from transit godown, the system is for consignees to obtain an import permit from the Imports and Exports Department and Agents' countersignature to their Bills of Lading, after which the Bills of Lading are stamped off for delivery at the Godown Office, and consignees go to the godowns where their cargo is delivered to them, seven days' free storage (not counting date of arrival) being allowed, after which overtime is charged. Only a portion of a steamer's cargo is taken direct by consignees from transit godowns, the balance usually being transferred to storage godowns under instructions from the consignees, the greater part of the merchandise being held under lien to the various banks. Warrants are issued for such cargo and the merchants issue Delivery Orders as and when required.

Industries.

The Colony possesses two large sugar refineries, shipbuilding yards (already described), a cement works, a rope works, many Chinese knitting factories, a soap factory, a native paper manufactory, glass-blowing establishments, cigar and cigarette factories of modern type, native factories for the preparation for export of vermilion, soy, baskets and rattan ware, numerous native boat building yards, and granite quarries, etc. A Dairy Farm Company, under European supervision, also controls an extensive ice factory. The Colonial Government owns the British Section of a single line railway to Canton.

WEEKLY CURRENT EXCHANGE AND BULLION OPENING QUOTATIONS DURING THE YEAR 1926.

1926.	BANK'S SELLING.								BANK'S BUYING.				Bar Silver.	Clean Mexican Dollars.	Gold Bar, 98 Touch.	Gold Leaf, 100 Touch.
	London T.T.	France T.T.	Amer. T.T.	Shai T.T.	India T.T.	Japan T.T.	S'pore T.T.	Java T.T.	London 4 m/s. L.C.	France 4 m/s.	Amer. 4 m/s.	A'ralia 30 d/s.				
ending 2nd Jan.	2/4	1510	57 ³ / ₄	Nom.	156	131 ¹ / ₂	100 ³ / ₄	140 ³ / ₄	2/5 ⁷ / ₈	1600	59 ¹ / ₂	2/5 ⁷ / ₈	31 ¹ / ₂	No quot.	No quot.	No quot.
15th "	2/4	1540	57 ¹ / ₂	"	156 ¹ / ₄	130	101 ¹ / ₄	142	2/5 ³ / ₄	1630	59 ⁵ / ₈	2/6	31 ¹ / ₂	"	"	"
29th "	2/4	1525	57 ¹ / ₂	"	156 ¹ / ₄	128 ¹ / ₂	101	142	2/5 ¹ / ₂	1615	59 ⁵ / ₈	2/5 ⁷ / ₈	31	"	"	"
12th Feb.	2/4	1560	57 ¹ / ₂	"	156 ¹ / ₄	127 ¹ / ₂	101 ¹ / ₄	142	2/5 ⁷ / ₈	1650	59 ⁵ / ₈	2/5 ³ / ₄	30 ³ / ₄	"	"	"
26th "	2/4	1570	57 ¹ / ₂	"	155 ³ / ₄	125 ¹ / ₂	101	141	2/5 ⁷ / ₈	1660	59	2/5 ³ / ₄	30	"	"	"
12th Mar.	2/3	1525	55 ¹ / ₂	"	151 ¹ / ₄	122	98	137 ¹ / ₂	2/4 ⁷ / ₈	1615	57 ⁵ / ₈	2/4 ⁷ / ₈	—	"	"	"
26th "	2/3 ¹ / ₄	1565	55 ¹ / ₂	"	151 ³ / ₄	120	97 ¹ / ₂	137 ¹ / ₂	2/4 ⁵ / ₈	1655	57 ³ / ₈	2/5	30 ³ / ₈	"	"	"
9th April	2/3	1575	55 ³ / ₄	"	150 ³ / ₄	118	96 ¹ / ₂	135	2/4 ¹ / ₈	1665	56 ¹ / ₈	2/4 ¹ / ₂	—	"	"	"
23rd "	2/2 ¹ / ₈	1580	53	"	146 ³ / ₄	111 ¹ / ₂	93 ¹ / ₂	131	2/3 ³ / ₈	1670	55 ¹ / ₂	2/3 ³ / ₈	—	"	"	"
7th May	2/3	1735	54 ³ / ₈	"	150 ³ / ₄	117	97 ¹ / ₂	134	2/4 ¹ / ₈	1825	56 ¹ / ₂	2/4 ¹ / ₂	30 ³ / ₈	"	"	"
21st "	2/2 ³ / ₈	1800	54 ¹ / ₂	"	149 ¹ / ₂	115	96 ¹ / ₂	133	2/3 ¹ / ₄	1910	56	2/4 ¹ / ₄	30 ¹ / ₄	"	"	"
4th June	2/2 ³ / ₄	1670	54 ¹ / ₄	"	149 ¹ / ₂	115	96 ¹ / ₂	134	2/3 ¹ / ₈	1780	56 ³ / ₈	2/4 ¹ / ₄	30 ¹ / ₈	"	"	"
18th "	2/3	1920	54 ¹ / ₂	"	150 ¹ / ₄	116	97	135 ¹ / ₄	2/4 ¹ / ₈	2030	56 ¹ / ₂	2/4 ¹ / ₂	30 ³ / ₈	"	"	"
2nd July	2/2	1950	54 ¹ / ₂	"	150 ¹ / ₂	115	96	134	2/3 ¹ / ₈	2060	56	2/4 ¹ / ₂	30 ¹ / ₄	"	"	"
16th "	2/2 ³ / ₈	2120	54 ¹ / ₂	"	149 ¹ / ₂	115 ¹ / ₄	96 ¹ / ₄	133 ¹ / ₄	2/3 ¹ / ₈	No quot.	56 ³ / ₈	2/4 ¹ / ₂	30	"	"	"
30th "	2/2 ³ / ₈	2120	53 ¹ / ₄	"	147	113	94	131 ³ / ₄	2/3 ⁷ / ₈	"	55 ³ / ₈	2/3 ¹ / ₄	29 ³ / ₈	"	"	"
13th Aug.	2/2	1870	52 ⁵ / ₈	"	144 ¹ / ₂	110 ¹ / ₄	93	129 ³ / ₄	2/3 ¹ / ₈	"	54 ¹ / ₄	2/3 ¹ / ₄	28 ³ / ₄	"	"	"
27th "	2/2 ¹ / ₈	1760	52 ⁷ / ₈	"	145	110	94	130 ¹ / ₂	2/3 ³ / ₈	"	55	2/3 ³ / ₈	28 ⁷ / ₈	"	"	"
10th Sept.	2/2	1780	52 ⁵ / ₈	"	144 ³ / ₄	109	93 ¹ / ₂	130	2/3 ¹ / ₈	2000	54 ³ / ₄	2/3 ¹ / ₄	28 ³ / ₈	"	"	"
24th "	2/1 ¹ / ₄	1780	51 ³ / ₄	"	140 ³ / ₄	104 ³ / ₄	90 ¹ / ₂	126 ¹ / ₄	2/2 ⁵ / ₈	2000	53 ¹ / ₄	2/2 ⁵ / ₈	27 ¹ / ₈	"	"	"
8th Oct.	1/11 ⁷ / ₈	1640	48 ¹ / ₂	"	133 ¹ / ₂	99 ¹ / ₂	85 ¹ / ₂	119 ¹ / ₄	2/— ¹ / ₈	1860	50 ³ / ₈	2/1 ¹ / ₈	26	"	"	"
22nd "	1/10	1455	45 ¹ / ₄	"	125 ¹ / ₄	92	80 ³ / ₄	111 ³ / ₄	1/11 ⁷ / ₈	1675	47 ³ / ₈	1/11 ⁷ / ₈	24 ⁷ / ₈	"	"	"
5th Nov.	1/10	1345	45 ¹ / ₄	"	126 ³ / ₄	93	81 ¹ / ₂	113 ¹ / ₄	1/11 ¹ / ₈	1565	47 ⁷ / ₈	2/— ¹ / ₈	24 ¹ / ₈	"	"	"
19th "	1/11	1320	47 ¹ / ₄	"	131 ¹ / ₄	96 ¹ / ₄	84 ¹ / ₄	117	2/— ⁷ / ₈	1540	49 ³ / ₈	2/— ⁷ / ₈	25 ⁷ / ₈	"	"	"
3rd Dec.	1/10	1180	46 ¹ / ₄	"	129	94	82 ¹ / ₂	115	1/11 ¹ / ₈	1400	48 ³ / ₈	2/— ³ / ₈	24 ³ / ₈	"	"	"
17th "	1/11 ¹ / ₈	1145	46 ¹ / ₄	"	130 ¹ / ₂	95 ¹ / ₂	83 ¹ / ₄	116 ³ / ₄	2/— ¹ / ₈	1365	48	2/— ³ / ₈	24 ¹ / ₈	"	"	"

**HIGHEST AND LOWEST PRICES OF BAR SILVER
IN LONDON.**

Rates of Exchange in Hongkong, and Bank of England rate of Discount, for the years 1877 to 1926.

YEAR	BAR SILVER IN LONDON		EXCHANGE IN HONGKONG		BANK RATE OF DISCOUNT IN LONDON	
	Highest	Lowest	Highest	Lowest	Highest	Lowest
1877	58 $\frac{1}{4}$	53 $\frac{1}{4}$	4/3 $\frac{1}{2}$	3/9 $\frac{1}{2}$	5	2
1878	55 $\frac{1}{4}$	49 $\frac{1}{2}$	3/11	3/5	6	2
1879	53 $\frac{1}{8}$	48 $\frac{3}{8}$	4/1 $\frac{1}{4}$	3/5 $\frac{1}{8}$	5	2
1880	52 $\frac{7}{8}$	51 $\frac{5}{8}$	1/0 $\frac{1}{4}$	3/7 $\frac{3}{4}$	3	2 $\frac{1}{2}$
1881	53	50 $\frac{7}{8}$	3/9 $\frac{1}{4}$	3/7 $\frac{1}{2}$	5	2 $\frac{1}{2}$
1882	52 $\frac{1}{2}$	50	3/9 $\frac{1}{2}$	3/6 $\frac{1}{2}$	6	3
1883	51 $\frac{1}{4}$	50 $\frac{1}{16}$	3/8 $\frac{1}{2}$	3/7	5	3
1884	51 $\frac{3}{8}$	49 $\frac{1}{2}$	3/8 $\frac{1}{4}$	3/6 $\frac{1}{4}$	5	2
1885	50	46 $\frac{7}{8}$	3/7	3/3 $\frac{1}{2}$	5	2
1886	47	42	3/4 $\frac{1}{2}$	2/11 $\frac{1}{2}$	5	2
1887	47 $\frac{1}{8}$	43 $\frac{1}{2}$	3/4 $\frac{1}{4}$	3/0 $\frac{1}{4}$	5	2
1888	44 $\frac{9}{16}$	41 $\frac{5}{8}$	3/1 $\frac{1}{8}$	2/11 $\frac{3}{8}$	5	2
1889	44 $\frac{3}{8}$	41 $\frac{1}{16}$	3/2 $\frac{7}{8}$	2/11 $\frac{1}{2}$	6	2 $\frac{1}{2}$
1890	54 $\frac{5}{8}$	43 $\frac{3}{8}$	3/10 $\frac{1}{4}$	3/0 $\frac{1}{2}$	6	3
1891	48 $\frac{1}{4}$	43 $\frac{1}{2}$	3/5	3/0 $\frac{1}{8}$	5	2 $\frac{1}{2}$
1892	43 $\frac{3}{4}$	37 $\frac{3}{8}$	3/0 $\frac{3}{4}$	2/8 $\frac{3}{8}$	3 $\frac{1}{2}$	2
1893	38 $\frac{1}{8}$	30 $\frac{1}{2}$	2/8 $\frac{3}{4}$	2/2 $\frac{3}{4}$	5	2 $\frac{1}{2}$
1894	31 $\frac{7}{8}$	27	2/3 $\frac{1}{2}$	1/11 $\frac{1}{8}$	3	2
1895	31 $\frac{5}{16}$	27 $\frac{3}{16}$	2/2 $\frac{3}{4}$	1/11 $\frac{1}{4}$	2	2
1896	31 $\frac{9}{16}$	29 $\frac{1}{2}$	2/2 $\frac{1}{4}$	2/1 $\frac{1}{8}$	4	2
1897	29 $\frac{1}{8}$	23 $\frac{5}{8}$	2/1 $\frac{1}{2}$	1/9 $\frac{1}{2}$	4	2
1898	28 $\frac{3}{8}$	25	1/11 $\frac{1}{2}$	1/9 $\frac{1}{4}$	4	2 $\frac{1}{2}$
1899	29	26 $\frac{1}{2}$	1/11 $\frac{3}{4}$	1/10 $\frac{1}{4}$	6	3
1900	30 $\frac{1}{8}$	27	2/1 $\frac{1}{4}$	1/11 $\frac{1}{4}$	6	3
1901	29 $\frac{9}{16}$	25	2/1	1/9 $\frac{1}{4}$	6	3
1902	26	21 $\frac{1}{16}$	1/10 $\frac{1}{2}$	1/6 $\frac{1}{2}$	4	3
1903	28 $\frac{1}{2}$	21 $\frac{1}{4}$	1/10 $\frac{1}{16}$	1/6 $\frac{1}{4}$	4	2 $\frac{3}{8}$
1904	28 $\frac{9}{16}$	24 $\frac{7}{16}$	1/11 $\frac{1}{16}$	1/8 $\frac{1}{2}$	4	3
1905	30 $\frac{5}{16}$	25 $\frac{7}{16}$	2/1 $\frac{1}{8}$	1/9 $\frac{1}{16}$	4	2 $\frac{1}{2}$
1906	33 $\frac{1}{2}$	29	2/3 $\frac{1}{4}$	2/0 $\frac{1}{8}$	6	3 $\frac{1}{2}$
1907	32 $\frac{7}{16}$	24 $\frac{3}{16}$	2/3 $\frac{1}{16}$	1/9 $\frac{1}{2}$	7	4
1908	27 $\frac{7}{16}$	22	1/11 $\frac{1}{4}$	1/8	4	2 $\frac{1}{2}$
1909	24 $\frac{7}{8}$	23 $\frac{1}{16}$	1/9 $\frac{1}{2}$	1/8 $\frac{1}{2}$	5	2 $\frac{1}{2}$
1910	26 $\frac{1}{4}$	23 $\frac{3}{16}$	1/10 $\frac{3}{4}$	1/8 $\frac{3}{8}$	5	3
1911	26 $\frac{1}{8}$	23 $\frac{1}{16}$	1/10 $\frac{3}{8}$	1/9 $\frac{1}{16}$	4 $\frac{1}{2}$	3
1912	29 $\frac{1}{16}$	25 $\frac{1}{4}$	2/1 $\frac{1}{16}$	1/10 $\frac{5}{16}$	5	3
1913	29 $\frac{3}{8}$	25 $\frac{1}{16}$	2/0 $\frac{1}{16}$	1/11	5	4 $\frac{1}{2}$
1914	27 $\frac{1}{4}$	22 $\frac{1}{8}$	1/11 $\frac{1}{2}$	1/8 $\frac{1}{4}$	10	3
1915	27 $\frac{3}{4}$	22 $\frac{1}{16}$	1/11 $\frac{3}{8}$	1/9	5	5
1916	37 $\frac{1}{8}$	26 $\frac{1}{4}$	2/4 $\frac{3}{4}$	1/11 $\frac{1}{16}$	6	5
1917	55	35 $\frac{1}{16}$	3/2 $\frac{1}{8}$	2/3 $\frac{1}{2}$	6	5
1918	49 $\frac{1}{2}$	42 $\frac{1}{2}$	3/8	2/11 $\frac{1}{4}$	5	5
1919	79 $\frac{1}{8}$	47 $\frac{7}{16}$	5/2	3/3 $\frac{1}{4}$	6	5
1920	89 $\frac{1}{2}$	38 $\frac{3}{8}$	6/2	2/11	7	6
1921	43 $\frac{3}{8}$	30 $\frac{3}{8}$	3/1 $\frac{1}{4}$	2/2 $\frac{1}{2}$	7	5
1922	37 $\frac{3}{8}$	30 $\frac{3}{8}$	2/7 $\frac{1}{4}$	2/2 $\frac{3}{4}$	5	3
1923	33 $\frac{1}{16}$	30 $\frac{1}{2}$	2/4 $\frac{1}{4}$	2/2 $\frac{3}{8}$	4	3
1924	36 $\frac{1}{16}$	31 $\frac{1}{4}$	2/5 $\frac{1}{2}$	2/3 $\frac{1}{4}$	4	4
1925	33 $\frac{1}{16}$	31 $\frac{1}{16}$	2/5 $\frac{1}{2}$	2/2 $\frac{3}{8}$	5	4
1926	31 $\frac{1}{16}$	24 $\frac{1}{8}$	2/4 $\frac{1}{2}$	1/9 $\frac{1}{2}$	5	5

SCALE OF COMMISSIONS AND BROKERAGES.

Adopted by the Hongkong General Chamber of Commerce, at the Annual General Meeting held 19th May, 1903. To be charged to Buyer and Seller.

COMMISSIONS.

Purchasing or selling Tea,	2 $\frac{1}{2}$ per cent
" " Raw Silk,	2 $\frac{1}{2}$ "
" " Cotton,	2 $\frac{1}{2}$ "
" " Opium,	2 "
" " all other Goods and Produce,	3 "
" " Ships and Landed Property,	5 "
" " Stocks and Shares,	1 "
Inspecting Tea,	2 "
" Silk,	1 "
Guaranteeing Sales,	2 $\frac{1}{2}$ "
" Remittances,	1 "
Drawing or endorsing Bills of Exchange,	1 "
" or negotiating Bills of Exchange without re- course,	1 "
Purchasing or realising Bullion or Bills of Exchange,	1 $\frac{1}{2}$ "
Remitting the Proceeds of Bullion or Bills of Exchange,	1 $\frac{1}{2}$ "
Paying and receiving Money in Current Account,	1 "
" Ship's Disbursements,	2 $\frac{1}{2}$ "
Collecting Freight,	2 $\frac{1}{2}$ "
Obtaining Freight or Charter,	5 "
" " " and collecting same Freight,	6 "
Adjusting Insurance Claims on Amount Recovered, ...	2 $\frac{1}{2}$ "
Effecting Insurance, on the Insured Amount,	1 "
Prosecuting or defending successfully Claims, either at Law or by Arbitration,	5 "
Prosecuting or defending unsuccessfully,	2 $\frac{1}{2}$ "
Managing Estates and collecting Rents (on Gross Receipts),	5 "
Transshipping or forwarding Jewellery, and Bullion,	1 "
Forwarding or transshipping Cargo,	1 "
Transshipping or forwarding Opium,	\$2 per chest
Goods withdrawn or re-shipped,	1/2 Commission
Granting Letters of Credit,	1 per cent
For doing ship's business when no inward or outward } Commission is earned Register Ton	20 cents per
The conversion into Hongkong currency of sterling freight inward to Hongkong, payable in Hongkong, shall, unless otherwise stipulated, be made at the rate for Bank Bills on London payable on demand; and the rate ruling at the close of a mail shall be the rate applicable to such purpose during the subsequent week.	

BROKERAGES.

Bills and Bullion,	1/2 per cent. Payable by Seller
Produce and General Merchandise	1/2 " " "
Fire Arms,	1 " " "
For negotiating and completing Charters and procuring Freight,	1 " " by ship.
For negotiating sale or purchase of Landed Property	1 " "

HONGKONG STOCK EXCHANGE.

TARIFF OF CHARGES

TO BE CHARGED TO BUYER AND SELLER.

On Sterling Stocks		On Straits Dollar Stocks	
Value of Stock.	Brokerage.	Value of Stock.	Brokerage
Under 5/-	..... 1½d.	Under \$ 5	..... 5 c t.
5/- and over.....	3d.	\$ 5 and over ...	10 "
20/- "	..... 6d.	\$ 7½ "	15 "
60/- "	..... 9d.	\$ 15 "	25 "
100/- "	..... 1/-	\$ 30 "	50 "
150/- "	..... 1/6	\$100 "	75 "
200/- "	..... 2/-	\$300 "	\$1.00 "
Over 200/-	..... ½ %	\$500 "	\$2.00 "
		\$700 "	\$3.00 "

All the above are Straits currency.

SETTLEMENT DAYS

The Committee has decided that the following shall be the Settlement days for the year 1927:—

Tuesday,	25th January
Tuesday,	22nd February
Tuesday,	29th March
Tuesday,	26th April
Thursday,	24th May
Tuesday,	28th June
Tuesday,	26th July
Tuesday,	23rd August
Friday,	23rd September
Tuesday,	25th October
Tuesday,	29th November
Tuesday,	20th December

By order of the Committee,

A. NISSIM,

Secretary,

Hongkong Stock Exchange.

Hongkong, 2nd December, 1926.

Hongkong Stock Exchange.

TARIFF OF CHARGES

FOR LOCAL STOCKS

TO BE CHARGED TO BUYER AND SELLER

STOCK VALUE.	BROKERAGE.
Under \$ 7.50	\$0.05 per Share.
At or over 7.50	0.10 "
" 20.00	0.20 "
" 35.00	0.25 "
" 60.00	0.35 "
" 100.00	0.50 "
" 150.00	0.75 "
" 200.00	1.00 "
" 300.00	1.50 "
" 400.00	2.00 "
" 600.00	3.00 "
" 800.00	4.00 "
" 1,000.00	5.00 "
Over 1,000.00	0.50 more for each complete \$100.

N.B.—This does not apply to non-local stocks, brokerage for which will be adjusted from time to time as occasion may demand.

By Order of the Committee,

A. NISSIM,

Secretary.

N.B.—The above is to come into force from the 21st May, 1925, and cancels all previous Tariffs.

Hongkong, 21st May, 1925.

PUBLIC HOLIDAYS, 1927.

Extract from the Holidays Ordinance 1912.

PUBLIC HOLIDAY:	1927 HOLIDAYS.
Empire Day	Tuesday, 24th May.
GENERAL HOLIDAYS:	
Every Sunday .....	.....
The First week-day in January	Saturday, 1st January.
Chinese New Year's Day, or if that day should be a Sunday then the following day	Wednesday, 2nd February.
The first week-day following Chinese New Year's Day, or if Chinese New Year's Day should be a Sunday then the Tuesday following Chinese New Year's Day	Thursday, 3rd February.
Good Friday	Friday, 15th April.
The day following Good Friday	Saturday, 16th April.
Easter Monday	Monday, 18th April.
The Birthday of His Majesty The King, unless it shall be ordered by the Governor, by an order published in the Gazette, that His Majesty's Birthday is to be kept on some other day, and then, such other day	Friday, 3rd June.
Whit Monday	Monday, 6th June.
The first week-day in July	Friday, 1st July.
The First Monday in August	Monday, 1st August.
The Second Monday in October	Monday, 10th October.
Armistice Day, or if that day should be a Sunday then the following day	Friday, 11th November.
Christmas Day, or if that day should be a Sunday then the following day	Monday, 26th December.
The 26th day of December, or if that day should be a Sunday then the following day, or if Christmas Day should be a Sunday then the Tuesday following Christmas Day	Tuesday, 27th December.

Section VII.—It shall be lawful for the Governor-in-Council by notification in the Gazette to appoint any day to be observed as a general or as a Public Holiday in addition to or in substitution for any day mentioned in Section 3 or in Section 4 and thereupon the provisions of this Ordinance shall apply to such added or substituted day and shall cease to apply to any day for which another has been so substituted.

RULES AND REGULATIONS.

(CONFIRMED AT THE ANNUAL GENERAL MEETING
HELD 19TH MAY, 1903, AND REVISED TO
DECEMBER 31ST, 1922).

I. The Society shall be styled "The Hongkong Name. General Chamber of Commerce."

II. The objects of the Chamber shall be to watch Object. over and protect the general interests of Commerce, to collect information on all matters of interest to the Mercantile Community, and to use every means within its power for the removal of evils, the redress of grievances, and the promotion of the common good; to communicate with Authorities and others thereupon; to form a code of practice whereby the transaction of business may be simplified and facilitated; to receive references, and to arbitrate between disputants—the decisions in such references to be recorded for future use or guidance.

III. All Mercantile Firms, and persons engaged Membership and sub-
scription. or interested in the trade of Hongkong or China, shall be eligible for admission as Members in the manner hereafter described, and on payment of \$200 for Firms, and \$100 for single individuals for the current year of their election, payable in quarterly instalments, and a like annual subscription thereafter, payable in the same manner.

IV. Candidates for admission must be proposed by one Member, and seconded by another, and elected at the Annual General Meetings by a majority of the votes of the Members there present entitled to vote. They may also be elected by the Committee in the interval between such Annual General Meetings, but subject to confirmation at the next Annual General Meeting.

V. The business and funds of the Chamber shall Management. be managed by the Committee.

VI. The Committee shall consist of ten Members, all of whom shall be British or Representatives of British Firms, to be elected at the Annual Meeting of the Chamber, and they shall hold Office for one year. Vacancies occurring during the year shall be filled by the Committee.

The Committee shall enter upon office as soon as the Annual Meeting has been held, and shall remain in office until their report and accounts have been accepted and passed by the Chamber and their successors assume office.

At the first meeting the new Committee shall elect a Chairman and Vice-Chairman, who shall hold office for the year.

VII. In the event of the Representative of the Chamber of Commerce in the Legislative Council not being a member of the Committee, he shall, ex-officio, have a seat on the Committee.

Committee Meetings.

VIII. The Committee shall meet at least once a month (on such day as may be fixed) for the transaction of business, and at other times when summoned by the Chairman, or in his absence by the Vice-Chairman. The proceedings to be laid on the table for the inspection of members, subject to such regulations as the Committee may consider expedient. In case of the non-attendance of the Chairman and Vice-Chairman, a chairman shall be chosen by the Members of the Committee present.

IX. At Meetings of the Committee, four Members shall form a quorum, and in case of an equality in voting the Chairman shall have a casting vote in addition to his own.

Sub-Committees.

X. The Committee shall have power to appoint Sub-Committees for such purposes as may be deemed advisable.

By-laws.

XI. The Committee shall have power to frame By-laws, which shall at once come into force, but must be presented for confirmation at the next ensuing General Meeting of the Chamber; and after such confirmation, such By-laws shall be binding on all Members equally with these Rules.

Accounts.

XII. The Funds of the Chamber shall be paid into one of the Banks under an account to be opened by the Committee, and may be invested in such manner as may be considered advisable.

XIII. All cheques shall be signed by the Secretary of the Chamber, and countersigned, by the Chairman, or Vice-Chairman, or in their absence by one of the Committee. All disbursements shall be sanctioned by the Committee at their ordinary Meetings.

An Account, duly audited by two Members of the Chamber, shall be laid before the Annual General Meeting.

XIV. A Yearly Report of the proceedings shall be prepared, which, after being approved at the Annual General Meeting, shall be printed and circulated. Annual Report.

XV. A paid Secretary shall be appointed by the Committee, such appointment to be subject to confirmation at the next ensuing Annual General Meeting. Secretary.

XVI. The Annual General Meeting of the Chamber shall be held in the month of February (or as soon thereafter as may be convenient) of each year for the purpose of receiving the Committee's Report, of examining and passing the Accounts of the previous year, of electing the Committee for the ensuing year, and of transacting general business. Annual and Special General Meetings.

All important questions affecting the Port, and its commercial relations with the Republic of China, or with other States, may be discussed at the Annual Meetings or at Special General Meetings convened for the purpose in the manner provided for by Rule 17.

XVII. The Committee may, whenever they think fit, or shall upon a requisition made in writing signed by at least five Members of the Chamber, convene an Extraordinary General Meeting of the Chamber. Any such requisition shall state the objects of the Meeting proposed to be held, and upon receipt of such requisition the Committee shall forthwith call an Extraordinary General Meeting, to be held within ten days subsequent to the receipt of such requisition. Extraordinary General Meetings.

XVIII. At least five days' notice, either by Advertisement or printed Circular, shall be given of each Annual or Extraordinary General Meeting, and in the case of the latter the notice shall state the nature of the business for which the Meeting is called.

XIX. No business shall be transacted at any General Meeting unless there be personally present at the time the Meeting proceeds to business ten or more Members. Quorum.

XX. Voting by Proxy, or by Members whose subscriptions are in arrear, shall not be allowed, nor shall more than one Member of the same Firm be entitled to vote for such Firm on the same occasion. Voting.

XXI. In the absence from the Colony of all the partners in a Firm, their representative by Power of Attorney shall be entitled to vote.

Expulsion of Member.

XXII. In case the conduct of any Member shall in the opinion of the Committee be injurious to the character or interests of the Chamber, the Committee may, after due enquiry, and after opportunity of making his defence has been afforded to such Member, pass a Resolution for the expulsion of such Member from the Chamber, and such Resolution shall take effect after it has been communicated to the Members, and been passed at a General Meeting by a majority of not less than two-thirds of those present and qualified to vote at such Meeting.

Alteration of Rules.

XXIII. The Rules of the Chamber shall not be repealed, added to or altered except by a majority of Members present at a General Meeting (called for that purpose) and after at least ten days' notice has been given of the proposed changes.

XXIV. The Rules and By-laws shall be printed and a copy thereof shall be furnished to every Member.

XXV. Any Member who is the subject of a nation, between which and Great Britain a state of war exists shall *ipso facto* cease to be a Member.

BY-LAWS.

(CONFIRMED AT THE ANNUAL GENERAL MEETING
HELD 19TH MAY, 1903).
AND AMENDED AT A GENERAL MEETING
HELD 28TH APRIL, 1914.

I. The office shall be open daily from 9 a.m. to 5 p.m., when the Secretary shall be in attendance, and ready to communicate with any Member requiring information or access to the Records of the Chamber. Office hours.

II. The Secretary shall attend all Meetings (including those of the Arbitration Committee, if required), keep a journal of all proceedings, take charge of all documents, keep the accounts of the Chamber, collect Subscriptions and obtain Statistics of Trade, prepare Statements of Trade, conduct and keep copies of correspondence, and attend to such other duties as may be required by the Committee. Secretary's duties.

III. All communications shall be received and answered through the Chairman, Vice-Chairman, or Secretary. Correspondence

IV. No documents belonging to the Chamber shall be removed, nor shall any minute of its proceedings be made public without an order of the Committee and no Member shall be entitled to view any unpublished correspondence or records of the Chamber except at the discretion of the Committee. Documents not to be Removed.

V. Notice of any proposition or business to be brought by Members before the Yearly General Meeting shall be given to the Secretary at least five days before the Meeting, who in the circular or advertisement calling such Meeting, will state the business or proposition, and by whom to be brought forward. General Meeting Notice

VI. In addition to the Subscriptions as provided for by Rule III, funds for the requirements of the Chamber may be raised in the following manner:—By the sale of statements of trade, by fees on Arbitration and References, by fees for certified copies of the Records and other Documents in the Archives of the Chamber, or for Certificates for any Commercial matters, by the issue of telegraphic or other information of general interest, and by voluntary gifts and contributions either in money, maps, books or anything which may be useful to the Society. Revenue other than Subscriptions.

Corresponding
and Arbitration
Committees.

VII. The Committee shall appoint every year from their number a Corresponding Committee to supervise all matters connected with the correspondence of the Chamber, and an Arbitration Committee to conduct and decide cases submitted to the arbitration of the Chamber. The functions of the Arbitration Committee shall continue so long as any business submitted to them during their period of service remains undecided.

Appointment
of outside
Arbitrators

In cases of dispute relating to matters of a technical nature the Arbitration Committee may appoint one or more persons other than of their number to examine and/or arbitrate in the matter at such fee or fees as the Committee may decide.

Arbitration
Fees.

VIII. If the dispute be of such a nature as to, in the opinion of the General Committee, require the service of the Arbitration Committee, each Member thereof shall be entitled to a Fee—in addition to a Fee for the Chamber.

The amount of such Fees to be regulated by the Arbitration Committee, according to the importance of the case and the time occupied therein, subject to an appeal to the General Committee whose decision on the amount shall be final.

IX. The Disputants in an Arbitration case shall be held to guarantee the fees jointly and severally to the Chamber.

Terms of
Arbitration
Committee
to enforce.

X. The Arbitration Committee shall appoint its own Chairman and confine its functions to cases where its intervention or advice is requested, and on no occasion shall it proceed with any case unless all the parties subscribe a Bond making the Award a Rule of the Supreme Court.

Printed forms of such Bonds, legally prepared, shall be kept for the information of Members and other Members of the Public who may have occasion to resort to the Chamber for Arbitration.

The parties to an Arbitration or Survey need not necessarily be Members of the Chamber, but in cases where neither party is a Member of the Chamber the General Committee may decline to arbitrate or hold a Survey.

Construction
of By-laws.

XI. In the event of any question as to the construction or application of these By-laws, the General Committee shall have power to decide the same, submitting the matter to the next General Meeting of the Chamber for its final decision.

RULES RESPECTING NOMINATION TO THE LEGISLATIVE COUNCIL.

(Confirmed at the Annual General Meeting Held
19th May, 1903).

1. On receipt of a request from the Government to nominate a representative of the Chamber in the Legislative Council, a General Meeting of the Members shall be called by the Committee, notice of which shall be given by advertisement in the public Press at least five days before the holding of such Meeting.

Notice of
Meeting.

2. Notice in writing of the names of Candidates, and of their proposers and seconders, to be lodged with the Secretary at least 48 hours before the time appointed for holding the General Meeting.

Proposal of
Candidates.

3. If only one Candidate, the Voting to be by show of hands, if more than one Candidate, the Voting to be by Ballot.

Voting.

4. In the case of a Ballot, Scrutineers to be appointed by the Meeting.

5. In the case of a Ballot, a voting paper to be handed to each Member entitled to vote attending the Meeting, and when the Poll takes place, the voting papers, with the names of the Selected Candidates filled in to be placed in a receptacle (to be indicated by the Chairman of the Meeting) at the place of Ballot; the Scrutineers (or Secretary) to register the name of the Voters as the voting papers are so deposited.

6. After a Candidate has been proposed and seconded, Members may speak to the proposal before the Meeting.

Order of
speeches.

7. When all the Candidates have been proposed and seconded, the Candidates may address the Meeting in the order in which their names have been submitted to the Meeting.

8. Thereafter no further addresses may be made and the Ballot shall take place.

9. After the Scrutineers have reported in writing to the Chairman of the Meeting the result of the Ballot the Chairman shall declare the same to the Meeting.

Result.

10. In the case of an equality of votes between the Candidates standing highest in the Poll, the Ballot as between these Candidates shall be held over again at a further Meeting to be called on a date to be decided on by the General Committee, such date to be not later than ten days after the first Meeting.

Case of equality
of votes.

**HONGKONG GENERAL CHAMBER OF COMMERCE
TERMS OF CONTRACT WITH THE
MANCHESTER AND BRADFORD CHAMBERS
RELATING TO COTTON AND WOOLLEN
PIECE GOODS.**

[Adopted at a Meeting of Piece Goods Importing Members of
the Chamber, held on 14th August, 1922.]

PREAMBLE.—That in this Agreement, hereafter to be known as the "China Contract," the term "Buyer" shall represent the Importing Merchant in China and the term "Seller" shall represent the Exporting Merchant in the United Kingdom.

1. Should the goods or any portion of them not be shipped by the time specified, plus the ten days' grace set out in Clause 2 (c), the seller shall notify the buyers and the buyers must within three days (Sundays and local official holidays excepted) of their receipt of notice from sellers declare whether they are prepared to grant the extension the sellers may ask for at an allowance as per scale given below, otherwise the overdue portion of the contract shall be considered as cancelled and the sellers shall not be responsible for any such non-fulfilment of contract.

2. (a) If the goods are shipped one month or under one month later than the time specified, the buyer shall have the right, except for reasons given in Clause 4 (a), to accept or cancel them without allowance on or after the eleventh day, it being agreed that a shipment is not to be considered a late shipment, or cancelled as such, unless the due date of shipment has been exceeded by more than ten days.

(b) If the delay exceeds one month but is not more than two months the total allowance to be $2\frac{1}{2}$ per cent.

If the delay exceeds two months but is not more than three months the total allowance to be $3\frac{1}{2}$ per cent.

If the delay exceeds three months the total allowance to be $7\frac{1}{2}$ per cent.

(c) It is to be understood that an allowance of ten days' grace is to be reckoned in addition to the various periods mentioned in Clause 2 (b), and also in addition to the period of one month mentioned in clause 4 (a).

3. All the allowances before-mentioned shall be calculated on the c.i.f. price of the Contract.

4. (a) Should, however, the delay be due to occurrences such as storms, fire, war, tempest, frost, flood, drought, strikes, lockouts, accidents at mills, warehouses, railways, canals and the like, or any cause beyond human control, the buyers agree to take the goods with the extension required without allowance if such extension does not exceed one month. Should a longer extension than one month be necessary the buyers shall have the option of cancelling or accepting the delayed portion of their contract without an allowance in either case.

(b) The certificate of the Manchester or Bradford Chamber of Commerce or other representative Trade Corporation, or in the case of Continental goods a Magistrate's Certificate showing the cause of the delay in shipping from any of the above causes, shall be posted as evidence by the seller to the buyer within 28 days of the date of the shipment of the relative goods.

(c) The sellers shall not be held responsible for damages on account of non-shipment, or non-delivery arising from *force majeure*, or from bankruptcy or failure of manufacturers, or suppliers, or from non-arrival from perils of the sea, or quarantine, or stoppage in the Suez Canal or Manchester Ship Canal.

5. As the execution of contracts is often interrupted by delays in forwarding instructions for designs, colours, make-up, tickets, etc., it must be understood that complete and workable instructions relating to a contract shall be forwarded by the buyers to the sellers not later than 14 days after its acceptance, and shall duly reach the sellers, otherwise the sellers shall not be liable for any consequences of delay in shipment which can be shown to be caused by the late arrival of such instructions.

6. Where more than one shipment is stipulated for in an order, each shipment is to be regarded as a separate contract, and the non-shipment or cancellation of any one or more lots does not vitiate the contracts as regards the other lots which are shipped in time.

7. Bill of Lading date, Carriers' Receipt, or Manchester Ship Canal Company's certificate shall be conclusive evidence of date of shipment.

8. Any claim or dispute respecting a contract shall be made within 30 days of the arrival of the relative goods, and where amicable arrangements cannot be arrived at the claim or dispute shall be referred to arbitration in accordance with the usual market custom and as authorised by the British Chamber of Commerce. Before such arbitration is held the sellers shall have the opportunity of submitting the written statement of their case to the Arbitrator. Every Award shall be accompanied by survey samples sealed by the Arbitrator, which shall be forwarded to the sellers. The buyers and sellers agree to abide by the Award in such arbitration.

9. The conditions of contract hereinbefore cited may be reviewed on and after the termination of 12 months from the date of their coming into operation, on three months' notice being given by the Manchester and/or Bradford Chambers of Commerce to the British Chamber of Commerce, Shanghai, or *vice versa*.

**HONGKONG GENERAL CHAMBER OF COMMERCE
STANDARD FORM OF FANCY PIECE GOODS
CONTRACT WITH LIST OF
SIGNATORIES THERETO.**

Piece Goods Agreement.

WE, the undersigned, hereby declare and agree that in conformity with resolutions passed at a Meeting of Piece Goods Importers held on 22nd March, 1915, we will not ourselves, or through our Compradore or other Agents, sell or offer for sale Piece Goods or Fancy Piece Goods embracing Woven Figured and Printed Textiles in Hongkong except on a strict Cash Basis.

We further agree that we will strictly adhere to and enforce the terms of the Hongkong General Chamber of Commerce Standard Form of Fancy Piece Goods Contract as set forth below, or any subsequently agreed modification thereof.

Hongkong General Chamber of Commerce.

Standard Form of Fancy Piece Goods Contract adopted by the
Hongkong General Chamber of Commerce,
14th December, 1922.

No.

Hongkong, 192 .

Dear Sirs,—We confirm Purchase from you this day of the undermentioned goods on the following terms and conditions:—

Shipment a margin of 10 days' grace to be allowed,
Broker
Clearance, within months,
Terms, Cash before delivery

Conditions.

1. Not more than four months' clearance including free godown, insurance, etc. will be allowed from date of arrival or sale from stock after which date the buyer shall pay 9% per annum which shall cover interest, godown, insurance and all charges; the seller's right on buyer's failure to perform his obligation at due date

of clearance shall be wholly unaffected by the provision for payment of the nine per cent. hereinbefore contained. Buyers to have 10 days' grace without payment, eleven days' interest, etc. to be paid on the eleventh day.

2. On the arrival of the goods the sellers shall immediately inform the buyers in writing of the number of packages, marks and numbers, the yardage, the name of the steamer and also supply to the buyers a shipment sample of the goods.

3. Sellers are not responsible for delay in shipment or non-fulfilment of contract if occasioned by Strikes, Fire, Floods, War or Civil Commotions, or any other circumstances beyond their control, and the certificate of any British Chamber of Commerce or other representative Trade Corporation as to the cause of delay in shipment or non-fulfilment of contract shall be conclusive evidence thereof.

Should the delay due to the above causes be for a longer period than one month excluding the above 10 days' grace, the buyers shall have the option of cancelling or accepting the delayed portion of the contract which option must be exercised within two days (local official holidays excepted) of the receipt of notification.

4. (a) Any dispute regarding quality, shade, finish, design, packing, delivery, etc. not settled amicably shall be referred to arbitrators to be appointed by the Hongkong General Chamber of Commerce, and their finding shall be binding on both parties.

(b) Late shipment or non-arrival of one or more lots not to affect other shipments under this contract.

5. Any goods not taken delivery of within the time specified shall remain at buyer's risk, excluding fire insurance and such risks as may be caused by negligence on the part of the sellers.

6. The conditions of this contract shall be expressed in both English and Chinese languages, but no terms of this contract other than those expressed in the English language shall affect or be binding on the sellers.

These clauses shall not be varied or affected in any way by Chinese or other characters written or chopped on them by any persons purporting to be acting on behalf of either party.

(A Chinese translation of this Contract appears on the next page.)

茲將一千九百二十二年西商務局新訂雜色疋頭新合同條件列下

落船時期有十天寬限現銀出貨

(一) 花貨由貨到日起現貨由立單日起倉期不過四個月不計倉租燕梳等費過期納週息九厘彌補利息倉租燕梳等費但到期日賣家有權催迫出貨買家不得藉口有納週息九厘條件任便延期也買家(於四個月外)仍有十天寬限惟至十一天則納足十一天利息

(二)

(三) 貨到賣家即要函知買家詳列所到件數嚙頭號數船名及將到貨辦送到買家倘遇有罷工水火兵事內亂或其他人力不及意外賣家不担任延期落船或不能履行合同上列各意外如有英商局或其他商社憑照證明延期落船或不能履行合同原因便作鐵証倘因上列各意外延期過一個月(上述十天寬限不計在內)買家要聲明該延期之貨任由棄取但限收到賣家通告二天內(公眾假期日不計)買家要聲明決實棄取

(四)

(甲) 倘因質地顏色工作花裝頭交貨等件不對不能自行和平了結則由西商局指任公証人判決兩方面必須遵守

(五)

(乙) 此合同倘有一期或不祇一期遲付船或不能到貨與別期無涉

(六)

此合同條件中英文合璧但除英文外賣家不受別樣文字縛束並無論何人自稱代某方面筆寫或加給印中文或別樣文字各條件亦不得作為更改

Alphabetical List of Signatories.

September/November, 1924.

Alex. Ross & Co. (China), Ltd.	Keller, Kern & Co., Ltd.
Alves & Co., Ltd., J. M.	Kelley & Co., Ltd.
Andersen, Meyer & Co., Ltd.	Kitting & Co.
Arculli Bros.,	Lepack Co., Ltd.
Arnhold & Co., Ltd.	Lim & Co., J. A.
Asiatic Trading Co., Ltd.	Loxley & Co., W. R.
Banker & Co., Ltd.	Manners & Co., Ltd., John
Bitzer & Co.	Maxim & Co.
Bodiker, Carl & Co.	Melchers & Co., Wm.
Bornemann & Co.	Meyer, Carl
Botelho Bros.	Meyerink & Co., Wm.
Bradley & Co., Ltd.	Montgomery, Ollerton & Co.
Canton Trading Association, Ltd.	Moses & Co., Ltd., N.S.
Carlowitz & Co.	Moulder & Co., Ltd., A. B.
Carroll & Co.	Nemazee, H. M. H.
Chau Yue Teng	Oriental Commercial Co.
China Mercantile Co., The	Oriental Overseas Co.
Chiu Bros.	Pinguet & Co., P. M.
Colonial Commercial & Engineer- ing Co., Ltd.	Pittendrigh & Co.
Compagnie Optorg.	Reuter, Brockelmann & Co.
Cooper & Co.	Ribeiro & Co., Oscar F.
Davie, Boag & Co., Ltd.	Ribeiro Son & Co.
Dickson, Parker & Co., Ltd.	Robertson, Wilson & Co., Ltd.
Dodwell & Co., Ltd.	Rocha & Co., J. M. da
Europe-Asia Trading Co.	Rudolf, Wolff & Kew, Ltd.
Fung Tang	Sander, Wieler & Co.
Gibb, Livingston & Co., Ltd.	Sassoon & Co., Ltd., David
Gilman & Co., Ltd.	Shewan & Co., W.
Goeke & Co., A.	Shewan Tomes & Co.
Gosho Kabushiki Kaisha	Siemssen & Co.
Gregory & Co., T. W.	Silva, Netto & Co.
Griffith, Ltd., T. E.	Skott & Co., H.
Heinemann, Rudolf	Sousa & Co., Ltd., De
Henry & Co., Ltd., A. & S.	Suzuki & Co., Ltd.
Holland China Trading Co.	Talati, M. P.
Holyoak, Massey & Co., Ltd.	Thomas & Co., H. T.
Hongkong Import & Export Pro- duce Co., The	Thoresen & Co., Ltd.
Hughes & Hough, Ltd.	Toyo Menka Kaisha, Ltd.
Hutchison & Co., J. D.	"Transmarina" Trading Co., Ltd.
Huygen, G. E.	Union Trading Co., Ltd.
Ip Tak & Co.	Wa Fat & Co.
Japan Cotton Trading Co.	Wheen & Sons, Ltd., Edward
Jardine, Matheson & Co., Ltd.	Wicking & Co., Harry
Jebsen & Co.	Wyesen Co., The

HONGKONG GENERAL CHAMBER OF COMMERCE
RULES COVERING THE SALE OF RICE
FOR EXPORT FROM HONGKONG.

The following terms and conditions shall, unless otherwise specially agreed, apply to all contracts made for the sale of Rice for Export from Hong Kong by Members of the Hong Kong General Chamber of Commerce.

1. Sellers shall guarantee the quality to be fair Quality. average quality of the season as obtainable in Hong Kong at time of shipment, and in sound merchantable condition at time of shipment.

For the purpose of these rules Siam and Saigon Rices shall not contain a greater percentage of broken grains than the respective limits set forth hereunder:—

Siam Garden as usually shipped	not more than 5%
No. 1 Siam Straight	not more than 10%
No. 2 Siam Straight	not more than 30%
No. 1 Siam Usual	not more than 20%
No. 2 Siam Usual	not more than 30%
No. 1 Saigon Long	not more than 20%
No. 1B Saigon Long	not more than 25%
No. 2 Saigon Long	not more than 40%
No. 1 Saigon Round	not more than 20%
No. 1B Saigon Round	not more than 25%
No. 2 Saigon Round	not more than 40%

Percentage of broken grains shall be determined by sifting and weighing; grains half size and under to be reckoned as broken grains.

In the event of any dispute arising over the quality and/or the percentage of broken grains, Buyers shall not be entitled to reject, but shall agree to submit such dispute to the arbitration of the Hong Kong General Chamber of Commerce and shall accept the shipment with such allowance as may be awarded.

Inspection
certificate.

2. All shipments from Hong Kong shall be surveyed by the Rice Surveyors appointed by the Hong Kong General Chamber of Commerce, who shall also supervise the packing, and the stowage on board the steamer, and certificates will be issued specifying as to the shipments approved as follows:—

- (a) Fair average quality of the season as obtainable in Hong Kong at time of shipment; free from worms, weevils and other vermin and in sound and merchantable condition.
- (b) Percentage of broken grains in the shipment.
- (c) Packed in sound and suitable bags.
- (d) Stowage on board the steamer.

Such certificates signed by the Hong Kong General Chamber of Commerce shall be furnished to the Buyer by the Sellers, and shall be conclusive evidence of the facts therein stated at the time of shipment. The signature above referred to serves to indicate that the certificates are issued on the report of Rice Surveyors appointed by the Hong Kong General Chamber of Commerce but although every care is taken to ensure the accuracy of the certificates the Chamber accepts no liability in respect thereof.

Samples.

3. A sample shall be drawn at time of shipment by the Surveyors appointed by the Hong Kong General Chamber of Commerce and sealed by them in four packages, one of which shall be retained by the Hong Kong General Chamber of Commerce, one kept by the Surveyors, and two handed to the Shippers who shall send one to the Buyers.

Weight.

4. Sellers shall guarantee full gross weights at the time of shipment and shall supply Buyers with Hong Kong Sworn Measurer's Certificate, which shall be final and binding evidence as against all parties concerned.

Force
Majeure.

5. (a) Sellers shall not be responsible for non-fulfilment of contract or delay in shipment if occasioned by Force Majeure including exercise of Government authority, prohibition-of-

export, embargo, blockade, hostilities, floods, earthquakes, strike, fire, typhoon, war, or civil commotions or any other circumstances beyond their control and Sellers shall notify Buyers immediately by cable of the existence of such a circumstance.

- (b) Should shipment be rendered impossible by reason of any of the causes mentioned in clause (a) the contract or any unfulfilled portion thereof shall be considered cancelled.
- (c) Should shipment be delayed on account of any of the causes mentioned in clause (a) Sellers shall notify Buyers by cable within the original time allowed by the contract for shipment, and Buyers agree to accept shipment if made within 30 days from the last day allowed by the contract, or in the case of shipment to the West Coast of South America by the first following direct steamer.
- (d) Should a longer extension than the above periods be necessary, Buyers shall have the option of cancelling or accepting the contract or any delayed portion thereof. Such option to be declared by Buyers by cable reaching Sellers within four days from the date of cable notifying such extended delay.

6. In the event of claims the following shall be Claims. the mode of procedure:—

- (a) All claims shall be notified by mail to the Sellers within (14) Fourteen days from the date of completion of discharge from ocean steamer, or in the case of shipments to the West Coast of South America within (10) ten days from the date of entry of the cargo into the Customs House at port of discharge or within (28) twenty-eight days of arrival of steamer, whichever is the shorter period.
- (b) All claims in excess of G.\$250.00 shall be notified to the Sellers by cable within the time prescribed in the preceding clause (a).

**CHAMBER'S REPRESENTATIVES ON THE LEGISLATIVE COUNCIL
OF HONGKONG.**

<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. 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. do.	Elected 3rd October, on expiry of term.
1903	Henry Edward Pollock, K.C.	Barrister at Law	Elected on 12th 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. 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 13th 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.
1921	Percy Hobson Holyoak	Holyoak, Massey & Co., Ltd.	Elected 24th November, 1921, Mr. P. H. Holyoak on leave.
1923	Percy Hobson Holyoak	Holyoak, Massey & Co., Ltd.	Returned from leave, 3rd January, 1923.
1924	Percy Hobson Holyoak	Holyoak, Massey & Co., Ltd.	
1925	Percy Hobson Holyoak	Holyoak, Massey & Co., Ltd.	
1926	Dallas Gerald Mercer Bernard	Jardine, Matheson & Co., Ltd.	Elected 16th April, 1926, Mr. Holyoak on leave.
1926	Dallas Gerald Mercer Bernard	Jardine, Matheson & Co., Ltd.	Elected 14th June, 1926, on death of Mr. P. H. Holyoak.

Hongkong General Chamber of Commerce.

[ESTABLISHED 1861.]

LIST OF MEMBERS 1926-27

With the date of Election to Membership.

Individual Members.

1 Mr. F. Austin	1926	7 Mr. W. Logan	1915
2 Mr. G. K. Hall Brutton	1915	8 ,, H. M. H. Nemazee	1903
3 Mr. L. Dunbar	1915	9 Hon. Sir H. E. Pollock, K.C.	1903
4 ,, A. C. Franklin, F.I.C.	1920	10 Mr. A. G. da Rocha	1923
5 ,, Geo. Grimble	1907	11 ,, B. M. Talati	1908
6 Mr. J. Jack	1908	12 ,, S. T. Williamson	1922

Firms.

13 A. B. The Swedish Trading Co. in China, Ltd.	1915	34 Butterfield & Swire	1903
14 Alves, J. M. & Co., Ltd.	1910	35 Caldbeck, Macgregor & Co., Ltd.	1895
15 Andersen, Meyer & Co., Ltd.	1921	36 Canadian Pacific Steamships, Ltd.	1917
16 Apcar, A. V. & Co., Ltd.	1903	37 Canton Insurance Office, Ltd.	1895
17 Arculli Bros.	1911	38 Canton Trading Association, Ltd.	1924
18 Arnhold & Co., Ltd., Successors to Arnhold, Karberg & Co.	1869	39 Carlowitz & Co.	1876
19 Asiatic Petroleum Co. (South China), Ltd.	1908	40 Carmichael & Clarke	1915
20 Backhouse, J. H. & Co., Ltd.	1926	41 Central Agency Ltd., The	1924
21 Bailey, W. S. & Co., Ltd.	1898	42 Chartered Bank of India, Australia & China	1861
22 Banker & Co., Ltd.	1899	43 Chau Yue Teng	1920
23 Bank Line, Ltd., The	1910	44 China Agency & Trading Co. of Hong Kong, Ltd.	1927
24 Bank of East Asia, Ltd.	1920	45 China Fire Insurance Co., Ltd.	1895
25 Bank of Taiwan, Ltd.	1912	46 China Light & Power Co., Ltd.	1915
26 Banque del'Indo-Chine	1895	47 China Merchants Steam Navigation Co., Ltd.	1896
27 Banque Franco-Chinoise pour le Commerce et L'Industrie	1923	48 China Provident Loan & Mortgage Co., Ltd.	1915
28 Bodiker, N. V. Carl & Co.	1911	49 China Sugar Refining Co., Ltd.	1897
29 Bornemann & Co.	1903	50 Chun On Fire Insurance Co., Ltd.	1903
30 Botelho Bros.	1912	51 Commercial Union Assurance Co., Ltd.	1915
31 Bradley & Co., Ltd.	1903		
32 British-American Tobacco Co. (China), Ltd.	1903		
33 Brunner Mond & Co. (China), Ltd.	1919		

- 52 Compagnie des Messageries Maritimes, successors to the Compagnie des Messageries Imperiales.....1863
- 53 Connell Brothers Co.1910
- 54 Currimbhoy & Co., Ltd.1901
- 55 Dairy Farm Ice & Cold Storage Co., Ltd.1916
- 56 Davie, Boag & Co., Ltd.1923
- 57 Deacons.....1904
- 58 Dodwell & Co., Ltd.1903
- 59 Donnelly & Whyte1917
- 60 Douglas Steamship Co., Ltd. 1861
- 61 Eastern Extension Australasia & China Telegraph Co., Ltd. 1899
- 62 Fire Insurance Association of Hongkong1915
- 63 Fung Tang.....1916
- 64 General Electric Co. of China, Ltd.1915
- 65 Gerin, Drevard & Co.1918
- 66 Gibb, Livingston & Co., Ltd. 1861
- 67 Gilman & Co., Ltd.1861
- 68 Goddard & Douglas... 1903
- 69 Green Island Cement Co., Ltd. 1900
- 70 Gregory, T. M. & Co.1918
- 71 Griffith, T. E., Ltd.1921
- 72 Handelmaatschappij "Transmarina"1918
- 73 Hannibal, W. A., & Co.1915
- 74 Henry, A. S., & Co., Ltd.1924
- 75 Himly & Co.1920
- 76 Holland China Trading Co. Successors to Hotz, S'Jacob & Co.1899
- 77 Hongkong, Canton & Macao Steamboat Co., Ltd.1903
- 78 Hongkong & China Gas Co., Ltd. 1896
- 79 Hongkong Electric Co., Ltd. 1909
- 80 Hongkong Engineering & Construction Co., Ltd.1922
- 81 Hongkong Fire Insurance Co., Ltd.1895
- 82 Hongkong & Kowloon Wharf & Godown Co., Ltd.1903
- 83 Hongkong Land Investment & Agency Co., Ltd.1903
- 84 Hongkong Rope Manufacturing Co., Ltd.1900
- 85 Hongkong & Shanghai Banking Corporation1865
- 86 Hongkong & Shanghai Hotels, Ltd.1921
- 87 Hongkong Telephone Co., Ltd. 1925
- Successors to the China & Japan Telephone & Electric Co., Ltd.1904
- 88 Hongkong Tramways, Ltd. ...1915
- 89 Hongkong & Whampoa Dock Co., Ltd.1895
- 90 Hughes & Hough.....1895
- 91 Hutchison, J. D., & Co.1903
- 92 Huygen, G. E.1924
- 93 Indo-China Steam Navigation Co., Ltd.1921
- 94 Ip Tak & Co.1921
- 95 Jardine Engineering Corporation, Ltd.1922
- 96 Jardine, Matheson & Co., Ltd. 1861
- 97 Java-China-Japan Lijn1904
- 98 Jebsen & Co.1896
- 99 Johnson, Stokes & Master.... 1895
- 100 Kailan Mining Administration 1915
- 101 Keller, Kern & Co., Ltd.1920
- 102 Lammert Brothers1919
- 103 Lane, Crawford, Ltd.1903
- 104 Leigh & Orange1915
- 105 Leong Hingkee, A. & P. & Co. 1927
- 106 Lepack & Co., Ltd.1924
- 107 Liverpool & London & Globe Insurance Co., Ltd.1916
- 108 Lowe, Bingham & Matthews 1907
- 109 Loxley, W. R. & Co.1903
- 110 Macao Electric Lighting Co., Ltd.1922
- 111 Mackinnon, Mackenzie & Co. 1863
- 112 Manners & Co., Ltd., John ...1918
- 113 Marconi International Marine Communication Co., Ltd. ...1925
- 114 Marine Insurance Association of Hongkong and Canton ...1909
- 115 Maxim & Co.1922
- 116 Melchers & Co.1869
- 117 Mercantile Bank of India, Ltd. 1903
- 118 Meyerink, Wm., & Co.1896
- 119 Ming Kee Hong1890
- 120 Mitsubishi Shoji Kaisha1919
- 121 Mitsui Bussan Kaisha, Ltd. ...1903
- 122 Moses, N. S. & Co.1917
- 123 Moulder, A. B., & Co., Ltd. ...1922
- 124 Mustard & Co.1918
- 125 National City Bank of New York1903

- 126 Nestle & Anglo-Swiss Condensed Milk Co.1911
- 127 Netherlands-India Commercial Bank1907
- 128 Netherlands Trading Society...1915
- 129 New Zealand Insurance Co., Ltd.1915
- 130 Nippon Yusen Kaisha1896
- 131 Orient Tobacco Manufactory...1912
- 132 Osaka Shosen Kaisha1903
- 133 Pentreath & Co.1915
- 134 Percy Smith, Seth & Fleming 1915
- 135 Pinguet, P.M., & Co.1924
- 136 P. & ● Banking Corporation 1923
- 137 Reiss, Massey & Co., Ltd.1869
- 138 Reuter, Brockelmann & Co. ...1895
- 139 Robert Dollar Co.1918
- 140 Robertson, Wilson & Co., Ltd. 1913
- 141 Rocha, J. M. da, & Co.1917
- 142 Ross, Alex., & Co. (China), Ltd. 1902
- 143 Royal Insurance Co., Ltd.1917
- 144 Rudolf, Wolf & Kew, Ltd. ...1919
- 145 Sander, Wieler & Co.1893
- 146 Sassoon, David, & Co., Ltd. ...1861
- 147 Sassoon, E. D., & Co., Ltd. ...1903
- 148 Shewan, Tomes & Co.1903
- 149 Shiu On Steamship Co., Ltd. 1904
- 150 Siemssen & Co.1861
- 151 Silva-Netto & Co.1919
- 152 Skott, H., & Co.1896
- 153 Sousa, de, & Co.1914
- 154 South British Insurance Co., Ltd.1917
- 155 South China Produce Co.1920
- 156 Standard Oil Co. of New York 1903
- 157 Stewart Bros.1903
- 158 Suzuki & Co., Ltd.1922
- 159 Taishing Paper Manufacturing Co., Ltd.1924
- 160 Texas Co.1915
- 161 Thompson, H. (representing W. R. Grace & Co.) ...1926
- 162 Thos. Cook & Son, Ltd.1911
- 163 Thoresen & Co.1915
- 164 Union Insurance Society of Canton, Ltd.1885
- 165 Union Trading Co., Ltd.1915
- 166 Union Waterboat Co., Ltd. ...1915
- 167 United Asbestos Oriental Agency, Ltd.1915
- 168 Vacuum Oil Co.1909
- 169 Watson, A. S. & Co., Ltd. ...1915
- 170 Wheen, Edw. & Sons, Ltd. ...1924
- 171 Wicking, Harry, & Co.1903
- 172 Wilkinson & Grist.1915
- 173 Yokohama Specie Bank, Ltd. 1896

A BUSINESS DIRECTORY.

The following is a classified list of Members of the Chamber.

In each case "Hongkong" is a sufficient address.

ACCOUNTANTS AND AUDITORS:
Lowe, Bingham & Matthews.
Percy Smith, Seth & Fleming.

ANALYSTS:
A. C. Franklin, F.I.C.

AERATED WATER MANUFACTURERS:
A. S. Watson & Co., Ltd.

ARCHITECTS & SURVEYORS:
Leigh & Orange.
(see also Marine Surveyors)

ASBESTOS DEALERS:
United Asbestos Oriental Agency, Ltd.

AUCTIONEERS:
Hughes & Hough.
Lammert Bros.
A. G. Da Rocha.

BANKS:
Bank of East Asia, Ltd.
Bank of Taiwan, Ltd.
Banque De L'Indo Chine.
Banque Franco-Chinoise pour le Commerce et L'Industrie.
Chartered Bank of India, Australia & China.
Hongkong & Shanghai Banking Corporation.
Mercantile Bank of India, Ltd.
National City Bank of New York.
Netherlands India Commercial Bank.
Netherlands Trading Society.
P. & O. Banking Corporation, Ltd.
Thos Cook & Son (Bank), Ltd.
Yokohama Specie Bank, Ltd.

BARRISTERS-AT-LAW:
The Hon. Sir Henry Pollock,
K.B., K.C.

BROKERS:
W. Logan.
Stewart Bros.

BUILDING CONTRACTORS:
Hongkong Engineering & Construction Co., Ltd.

CEMENT MANUFACTURERS:
Green Island Cement Co., Ltd.

CHEMISTS & DRUGGISTS:
A. S. Watson & Co., Ltd.

CHEMICAL MANUFACTURERS:

Brunner Mond & Co. (China), Ltd.

COAL CONTRACTORS:
Bradley & Co., Ltd.
Hughes & Hough.
Jardine, Matheson & Co., Ltd.
Kailan Mining Administration.
Mitsubishi Shoji Kaisha, Ltd.
Mitsui Bussan Kaisha, Ltd.
Suzuki & Co.
S. T. Williamson & Co.

DAIRIES:
Dairy Farm Ice & Cold Storage Co., Ltd.

DOCK COMPANIES:
W. S. Bailey & Co., Ltd.
Hongkong & Whampoa Dock Co., Ltd.

Taikoo Dockyard & Engineering Co., Ltd.

DRAPERS:
Lane Crawford, Ltd.

ELECTRIC COMPANIES:
Hongkong Telephone Co., Ltd.
China Light & Power Co. (1918), Ltd.
General Electric Co. of China, Ltd.

Hongkong Electric Co., Ltd.
Hongkong Tramways, Ltd.
Macao Electric Lighting Co., Ltd.

ENGINEERS AND SHIPBUILDERS:
W. S. Bailey & Co., Ltd.
Hongkong & Whampoa Dock Co., Ltd.

Jardine Engineering Corporation, Ltd.
Taikoo Dockyard & Engineering Co., Ltd.

ESTATE AGENTS:
China Provident Loan & Mortgage Co., Ltd.
Hongkong Land Investment & Agency Co., Ltd.

FLOUR BROKER:
L. Dunbar.

FLOUR MERCHANTS:
Dodwell & Co., Ltd.
H. Skott & Co.

FORWARDING AGENTS:
Thos Cook & Son, Ltd.

GAS COMPANIES:
Hongkong & China Gas Co., Ltd.

HOTELS:
Hongkong & Shanghai Hotels, Ltd.

GODOWN COMPANIES:
China Provident Loan & Mortgage Co., Ltd.
Hongkong & Kowloon Wharf & Godown Co., Ltd.

ICE WORKS & COLD STORAGE:
Dairy Farm Ice & Cold Storage Co., Ltd.

IMPORT & EXPORT MERCHANTS & COMMISSION AGENTS:

Unless otherwise stated it may be taken that the firms in this list handles all articles of general Import & Export:

'I' signifies that a firm is interested in Import only;
'E' signifies that a firm is interested in Export only.

No indication signifies that a firm is interested in both import and export.

Alex Ross & Co. (China), Ltd.
J. M. Alves & Co., Ltd.
Andersen Meyer & Co., Ltd.
A. V. Apar & Co., Ltd.
Arculli Bros.
Arnhold & Co., Ltd.
J. H. Backhouse & Co., Ltd.
Banker & Co., Ltd.
N. V. Carl Boediker & Co.
Bornemann & Co.
Botelho Brothers.
Bradley & Co., Ltd.
Canton Trading Asscn., Ltd.
Carlowitz & Co.
Central Agency, Limited.
Chau Yue Teng.
China Agency & Trading Co., of H.K. Ltd.
Connell Brothers Co.
Currimbhoy & Co.
Davie, Boag & Co., Ltd.
Dodwell & Co., Ltd.
Fung Tang.
('E') Gerin Drevard & Co.
Gibb, Livingston & Co., Ltd.
Gilman & Co., Ltd.
Grace, W. R. & Co., Mr. H. Thompson representing.
T. M. Gregory & Co.
T. E. Griffith, Ltd.
Handelmaatschappy "Transmarina."
W. A. Hannibal & Co.
A. & S. Henry & Co.
Himly & Co.
Holland China Trading Co.

Reiss, Massey & Co., Ltd.
 Hughes & Hough, Ltd.
 J. D. Hutchison & Co.
 G. E. Huygen.
 Ip Tak & Co.
 Jardine, Matheson & Co., Ltd.
 Jebsen & Co.
 Keller Kern & Co., Ltd.
 ('I') Lane Crawford, Ltd.
 Lepack Co., Ltd.
 W. R. Loxley & Co.
 John Manners & Co., Ltd.
 Maxim & Co.
 Melchers & Co.
 Wm. Meyerink & Co.
 Ming Kee Hong.
 Mitsui Bussan Kaisha, Ltd.
 A. B. Moulder & Co., Ltd.
 N. S. Moses & Co., Ltd.
 ('I') Mustard & Co.
 H. M. H. Nemazee.
 Nestle Anglo-Swiss Condensed
 Milk Co.
 P. M. Pinguet & Co.
 Reuter, Brockelmann & Co.
 Robertson, Wilson & Co., Ltd.
 J. M. Da Rocha & Co.
 Rudolf Wolff & Kew, Ltd.
 Sander, Wieler & Co., Ltd.
 David Sassoon & Co., Ltd.
 E. D. Sassoon & Co., Ltd.
 Shewan Tomes & Co.
 Silva-Netto & Co.
 Siemssen & Co.
 H. Skott & Co.
 De Sousa & Co.
 South China Produce Co.
 Suzuki & Co., Ltd.
 A. B. The Swedish Trading Co.
 in China, Ltd.
 M. P. Talati.
 Thoresen & Co., Ltd.
 Union Trading Co., Ltd.
 Edward Wheen & Sons.
 Harry Wicking & Co.
 S. T. Williamson & Co.

**INSURANCE COMPANIES
 & ASSOCIATIONS:**

Canton Insurance Office, Ltd.
 China Fire Insurance Co., Ltd.

Chun On Fire Insurance Co.,
 Ltd.
 Commercial Union Assurance
 Co., Ltd.
 Fire Insurance Association of
 Hongkong.
 Hongkong Fire Insurance Co.,
 Ltd.
 Liverpool & London & Globe
 Insurance Co., Ltd.
 Marine Insurance Association
 of Hongkong & Canton.
 New Zealand Insurance Co.,
 Ltd.
 Royal Insurance Co., Ltd.
 South British Insurance Co.,
 Ltd.
 Union Insurance Society of
 Canton, Ltd.

**MACHINERY AGENTS &
 CONTRACTORS:**

Bradley & Co., Ltd.
 Carmichael & Clarke.
 Dodwell & Co., Ltd.
 General Electric Co. of China,
 Ltd.
 Reiss, Massey & Co., Ltd.
 Jardine Engineering Corpora-
 tion, Ltd.
 Reuter, Brockelmann & Co.
 Alex. Ross & Co. (China), Ltd.

MARINE SURVEYORS:

Carmichael & Clarke.
 Goddard & Douglas.

MINING COMPANIES:

Kailan Mining Administration.

OIL COMPANIES:

Asiatic Petroleum Co. (South
 China), Ltd.
 Standard Oil Company of
 New York.
 The Texas Company.
 Vacuum Oil Company.

PAPER MANUFACTURERS:

Taishing Paper Manufac-
 turing Co., Ltd.

ROPE MANUFACTURERS:
 Hongkong Rope Manufac-
 turing Co., Ltd.

**PUBLIC UTILITY
 COMPANIES:**

Hongkong Telephone Co., Ltd.
 China Light & Power Co., Ltd.
 Dairy Farm Ice & Cold
 Storage Co., Ltd.
 General Electric Co. of China,
 Ltd.
 Hongkong Electric Co., Ltd.
 Hongkong & China Gas Co.,
 Ltd.
 Hongkong Tramways, Ltd.
 Macao Electric Lighting Co.,
 Ltd.

SHIPPING OFFICES:

Apcar, A. V. & Co., Ltd.
 Arnhold & Co., Ltd.
 Bank Line, Ltd.
 Banker & Co., Ltd.
 British India Steam Naviga-
 tion Co., Ltd.
 Botelho Bros.
 Butterfield & Swire.
 Canadian Pacific Steamships,
 Ltd.
 Chau Yue Teng.
 China Merchants Steam Navi-
 gation Co.
 China Navigation Company.
 Dodwell & Co., Ltd.
 Douglas Steamship Co., Ltd.
 Gibb, Livingston & Co., Ltd.
 Hongkong, Canton & Macao
 Steamboat Co., Ltd.
 Indo-China Steam Navigation
 Co., Ltd.
 Jardine, Matheson & Co., Ltd.
 Java-China-Japan Line.
 Jebsen & Co.
 Mackinnon, Mackenzie & Co.
 Melchers & Co.
 Messageries Maritimes.
 Mitsui Bussan Kaisha, Ltd.
 H. M. H. Nemazee.
 Nippon Yusen Kaisha.
 Osaka Shosen Kaisha.

Peninsular & Oriental S. N.
 Co., Ltd.
 Reuter, Brockelmann & Co.
 Robert Dollar Co.
 Shewan Tomes & Co.
 Shui On S.S. Co., Ltd.
 Thoresen & Co.
 Thos. Cook & Son, Ld.
 S. T. Williamson & Co.

SHIPBUILDERS:

(see *Engineers and Shipbuilders*)

SOLICITORS & NOTARIES:

Deacons.
 G. K. Hall-Brutton.
 Johnson, Stokes & Master.
 Wilkinson & Grist.

SUGAR IMPORTERS:

Pentreath & Co.

SUGAR REFINERIES:

China Sugar Refining Co., Ltd.
 Taikoo Sugar Refining Co.,
 Ltd.

TELEGRAPH COMPANIES:

Eastern Extension Australasia
 & China Telegraph Co.,
 Ltd.

TOBACCO MANUFACTURERS:

British American Tobacco Co.
 (China), Ltd.
 Oriental Tobacco Manufac-
 tory.

WATERBOAT COMPANIES:

Union Waterboat Co., Ltd.

WINE & SPIRIT

MERCHANTS:

Bradley & Co., Ltd.
 Caldbeck Macgregor & Co.,
 Ltd.
 Donnelly & Whyte.
 Lane Crawford, Ltd.
 A. S. Watson & Co., Ltd.

WIRELESS COMPANIES:

Marconi International Marine
 Communication Co., Ltd.

**Hong Kong General Chamber of
Commerce.**



REPORT

OF

PROCEEDINGS

AT THE

ANNUAL MEETING.



THURSDAY, 28th APRIL, 1927.

ANNUAL MEETING OF THE CHAMBER.

The Annual Meeting of the Hong Kong General Chamber of Commerce was held in the City Hall, Hong Kong, on Thursday, April 28th, 1927.

The Hon. Mr. D. G. M. Bernard presided, and supporting him were His Excellency the Governor (Sir Cecil Clementi, K. C. M. G.), Hon. Mr. A. C. Hynes, Mr. W. H. Bell, Mr. L. J. Davies, Mr. Paul Lauder, Mr. F. A. Perry, Mr. J. A. Plummer, Mr. T. G. Weall, Capt. R. H. Campbell, M. C., Lieut.-Comdr. L. J. Pitcairn Jones, D. S. C., R.N., and Mr. M. F. Key (Secretary of the Chamber).

The following Members were present: The Hon. Sir H. E. Pollock, K. C., Sir Robert Ho Tung, Mr. B. M. Talati, Mr. Frank Austin, (individual members) Messrs. J. M. Alves and Co., (Mr. J. M. Alves), A. V. Apcar and Co. Ltd., (Mr. D. H. Cooper), Asiatic Petroleum Co. (South China) Ltd., (Mr. W. H. Bell), W. S. Bailey and Co. Ltd., (Mr. W. S. Bailey), Banker and Co. Ltd., (Mr. F. C. Mow Fung), The Bank Line Ltd., (Mr. J. R. Collis), Banque Franco-Chinoise pour le Commerce et l'Industrie (Mr. A. Rollin), Bradley and Co. Ltd., (Mr. J. A. Plummer, Mr. A. Macgowan and Mr. K. S. Morrison), British-American Tobacco Co. (China) Ltd., (Mr. F. A. Perry and Mr. A. P. Bungey).

Canton Insurance Office, Ltd., (Mr. F. C. Hall), Carlowitz and Co., (Mr. R. Schmidt), Central Agency, Ltd., (Mr. Chas. Wallace), China Sugar Refining Co. Ltd., (Mr. E. B. C. Hornell and Mr. G. M. Shaw), Chun On Fire Insurance Co. Ltd., (Mr. T. N. Chau), Donnelly and Whyte (Mr. L. M. Whyte), Eastern Extension Australasia and China Telegraph Co. Ltd., (Mr. E. A. Leggatt), Fung Tang (Mr. Fung Kong Un), Gibb, Livingston and Co. Ltd., (Mr. L. J. Davies), Gilman and Co. Ltd., (Mr.

G. Miskin), T. E. Griffith, Ltd., (Mr. P. A. Dixon), A. S. Henry and Co. Ltd., (Mr. S. H. Dutton), Hongkong and China Gas Co. Ltd., (Mr. L. J. Blackburn and Mr. F. Goodwin), Hongkong Electric Co. Ltd., (Mr. G. Murray), Hongkong Fire Insurance Co. Ltd., (Mr. F. C. Hall), Hongkong and Kowloon Wharf and Godown Co. Ltd., (Mr. F. H. Crappell), Hongkong Land Investment and Agency Co. Ltd., (Mr. L. S. Greenhill), Hongkong and Shanghai Banking Corporation, (Hon. Mr. A. C. Hynes), Hongkong Telephone Co. Ltd., (Mr. J. P. Sherry), Hongkong Tramways, Ltd., (Mr. L. C. F. Bellamy), Hongkong and Whampoa Dock Co. Ltd., (Mr. R. M. Dyer), J. D. Hutchison and Co., (Mr. P. S. Cassidy), Indo-China Steam Navigation Co. Ltd., (Mr. R. Sutherland), Jardine, Matheson & Co. Ltd., (Hon. Mr. D.G.M. Bernard), Keller, Kern & Co. Ltd., Mr. H. A. Keller), A. & P. Leong Hing-kee & Co., (Mr. P. Leong Hingkee), Lowe, Bingham & Matthews, (Mr. John Fleming), W. R. Loxley & Co., (Mr. W. L. Pattenden and Mr. D. O. Russell), Mackinnon, Mackenzie & Co., (Mr. M. T. Johnson), Mercantile Bank of India, Ltd., (Mr. C. L. Sandes), Mitsui Bussan Kaisha, Ltd., (Mr. T. Takahashi), A. B. Moulder & Co., Ltd., (Mr. M. A. Williams and Mr. Wong Oi Kut), National City Bank of New York, (Mr. F. McD. Courtney), Netherlands Trading Society (Mr. O. Steenstra), Pentreath & Co., (Mr. C. P. Marcel).

Reiss, Massey & Co., Ltd., (Mr. B. Lander Lewis), Robertson, Wilson & Co., Ltd., (Mr. G. W. Sewell), J. M. da Rocha & Co., (Mr. J. M. da Rocha), Alex. Ross & Co.,

(China) Ltd., (Mr. A.S.D. Cousland), Royal Insurance Co., Ltd., (Mr. W. L. Pattenden), Rudolf, Wolff & Kew, Ltd., (Mr. C. H. W. Kew and Mr. A. E. Kew), David Sassoon & Co., Ltd., (Mr. E. Ezra), E. D. Sassoon & Co., Ltd., (Mr. R. E. Ost), Shewan, Tomes & Co., (Mr. A. L. Shields), Shiu On Steamship Co., Ltd., (Mr. T. N. Chau), South British Insurance Co., Ltd., (Mr. F. S. Harrison), Stewart Bros., (Mr. H. B. L. Dowbiggin), Thoresen and Co., (Mr. S. Berg), Union Insurance Society of Canton, Ltd., (Mr. P. Lauder), Union Trading Co., (Mr. S. M. Churn), Harry Wicking and Co., (Mr. J. Owen Hughes), Wilkinson & Grist (Mr. D. H. Blake.)

CHAIRMAN'S REVIEW.

The Chairman said.—Your Excellency and Gentlemen. The Report and Statement of Accounts have been in your hands for some days and with your permission I will follow the usual procedure and take them as read.

I wish to express to you, Sir, the great pleasure it gives to us to have you with us at this meeting. Trade is the purpose for which the Colony exists and it is very gratifying to us that the Government keeps in close touch with the Committee of this Chamber and is continually consulting us in connexion with matters affecting our trade.

Your presence here to-day, Sir, is further evidence of the keen interest you take in the trade of Hongkong and I can assure you that the Committee of the Chamber is at all times ready and glad to afford the Government all the assistance which lies in its power.

I must apologise for the late date at which this meeting is

being held. It should have been at the end of March, but our Secretary, Mr. Key, was absent on Home Leave last year, and it has taken him some time to prepare the report. It has involved a great deal of work and the able way in which it has been compiled reflects great credit upon him. (Applause). All matters of interest which have been dealt with during the year are set out fully and there are only a few things on which I wish to offer any comment.

Tributes.

The late Mr. Holyoak presided at the Annual Meeting last year and it was with great sorrow that two months later we learnt of his death shortly after arriving in England. Mr. Holyoak had been a member of the Committee for 13 years. He was Chairman for five years and represented the Chamber on the Legislative Council for over 10 years. He did a prodigious amount of work for the Chamber and this bare record can only give an indication of his unremitting and unselfish labours on behalf of the business community.

By the death of Sir Paul Chater we lost our oldest individual member. Sir Paul was a member of this Chamber for 54 years. He had an unswerving faith in the future of Hongkong and was associated with most of its principal enterprises. He paid special attention to property and it was due to his initiative that the large and important reclamations in Hongkong and Kowloon were undertaken.

In addition to his many business activities Sir Paul was an unofficial member of the Executive Council for nearly 30 years and rendered invaluable service to the Colony during that period.

The late Mr. Ho Fook had been a member of the Chamber for

thirty years. He was Compradore to Messrs. Jardine, Matheson & Co., Ltd., for a quarter of a century and he devoted a great deal of time to matters connected with the welfare of the Chinese community. He was also a Member of the Legislative Council for four years.

We have thus lost during the past year three of our leading citizens whom we can ill afford to spare in the critical time through which we are passing, and on behalf of the Chamber I wish to express to their relatives the deep sympathy of the Chamber in their recent bereavement.

The Boycott.

When we last met there was reason to believe that an early termination of the boycott, which had been in force for nine months, might be expected. Unfortunately, this proved to be incorrect and it was not until October 10th that it was lifted. Even then there was considerable misgiving as to what the future had in store, but business conditions have very materially improved since that time and there is more confidence amongst the Chinese merchants. But the purely local situation in South China has been overshadowed by the developments in the Yangtze Valley following on the success of the Nationalist Government's Northern Expedition.

It is not my intention to dwell on the political situation and the recent events which are fresh in the minds of us all, but I do wish to say how very much we appreciated the action of His Majesty's Government in sending out in the nick of time a strong force to defend the Settlement in Shanghai against possible attack from any quarter. (Applause). The occurrences of the last few

weeks have more than justified their policy and one hesitates to think what would have happened in Shanghai if it had been left to share the same fate as Nanking.

Unity Among the Powers.

Great Britain was singled out by the Red element as the object of its attack, but since the agreement was made for the rendition of the Hankow Concession the enmity has been directed at other nationalities as well. The yielding to what were believed to be the aspirations of the Chinese people has so far been a complete failure. It is now evident to the world at large that the spirit of revolution which is running amok in China cannot be quietened just by surrendering all the privileges and rights acquired by Treaty, and it is very satisfactory and encouraging to find the Powers united in action in connexion with the Nanking atrocities.

Since the foregoing was drafted, however, it has been most disappointing to hear that the Powers are having difficulty in getting their ideas into line but I trust they will be able to do so without delay. (Applause).

It is earnestly to be hoped that the Moderates amongst the Nationalist party, representing as I am sure they do the sound and progressive views of the bulk of the Chinese people, will soon be able to establish their supremacy and restore peace and good order in the country.

For purposes of record there have been included in our report important statements of British policy towards China. These clearly show the friendly and sympathetic attitude of Great Britain and will be useful for reference. We have also included the speech made by H.E. the Governor of Hongkong at a meeting of the

Legislative Council in October of last year. The sentiments expressed therein have our hearty support and we look forward to the time when we shall be able to co-operate with our friends in Canton in the development of the province of Kwangtung. (Applause). With peaceful conditions in the neighbouring province and a good progressive Government, prosperity will soon descend on what is at present a much harassed country.

Piracy.

This leads to the question of piracy which is one of the worst features arising from the unsettled conditions in South China.

You will find in the report a list of steamers which have been pirated and taken to Bias Bay in the last few years. In addition to those there is a list of 30 piracies of small Chinese craft which were reported to the police in 1926, but they are probably only a small percentage of the actual piracies which have occurred.

As regards Bias Bay you will observe how the activities of the pirates in that district have increased during the past few years. In 1925 two vessels were taken there and looted, in 1926, eight and in the first three months of this year three.

The authorities in Canton have made two or three half-hearted attempts to curb the activities of the pirates, but the failure of their efforts is obvious from the increasing number of piracies which have taken place. It was very satisfactory, therefore, to learn that on March 30th, within 34 hours of the piracy of the s.s. Hopsang, a Naval expedition had razed three villages at Bias Bay and given the people a solemn warning that in the event of there being further piracies the action would be repeated. Great care was taken that no per-

sonal injury was caused to any of the inhabitants. It is sincerely to be hoped that this will have the desired effect of stopping these depredations on shipping which have been causing a well nigh intolerable situation.

The Sunning Case.

After the piracy of the s.s. Sunning in November, the Government appointed a Committee to enquire into the whole question of piracy and the existing piracy regulations. The report of that Committee was published within the past week, but we have not yet had time to consider it.

I cannot leave this subject without referring again to the s.s. Sunning piracy. A brief account is given in the report of the officers' gallant attack on the pirates after they had obtained control and which resulted in the recapture of the ship. This attack was made against unknown odds and carried out with splendid resource and daring. (Applause). The conduct of the officers and engineers was in accordance with the highest traditions of the service and I wish to place on record the Chamber's appreciation of their magnificent achievement. (Applause).

Their action on this occasion serves to illustrate what the officers and engineers are prepared to do and would do in defence of their ship when attacked by pirates if they were not overwhelmed and disarmed before they were aware of what was taking place.

Language School.

With regard to the Chamber's Chinese Language School, seventeen students have been in attendance in the Beginners' Class in the course of the last twelve months. These numbers have

Motor Ferry.

With the growth of motor vehicles in Hongkong there has arisen an increasing demand for an adequate service for transporting them across the Harbour. Apart altogether from private cars, the establishment of such a service will lead to the delivery of goods from godowns in Hongkong or Kowloon direct to destination, thus saving time and money. The Government have given the matter considerable attention during the past year and intend to publish a sessional paper at an early date giving details of the proposed scheme, and this is now awaited.

The effect of the boycott on the trade of Hongkong in 1926 is indicated by the number and tonnage of vessels entered and cleared in that year compared with 1924, the last complete year before the boycott was instituted. In 1924 there were 57,765 vessels representing 38,770,499 tons and in 1926 only 30,231 with a tonnage of 28,371,104.

Weathering the Storm.

We have indeed been passing through a very difficult and trying time for nearly two years but we have been able successfully to survive the attempt to damage and destroy the trade of Hongkong which has been built up over a long term of years. (Applause). Losses have been heavy, certainly, but I am optimistic enough to believe that already we have weathered the storm and are on the way to better times. The prosperity of Hongkong has rested in great measure upon confidence in the security that the British Government has been able to offer to our citizens, their trade and investments. It has now been demonstrated that we can withstand the severest attack that could be made by

been reduced by the passing of students into the advanced class, also by transfers to other ports, so that the Beginners' Class at the present time contains six students. In the advanced Class the numbers have been as high as 15, but recently several certificates of proficiency were awarded and the number of students now in attendance is four. As soon as these students have obtained certificates a new Beginners' Class will be formed.

As I think members generally are aware, the Chamber has been able—thanks to the invaluable help of Dr. Pearce (as Director of Studies until last year) and of the Hon. Mr. Kotewall (as Independent Examiner)—to maintain the Language School since the year 1916. A considerable number of members of commercial staffs have acquired, since then, a sufficient knowledge of colloquial Cantonese to enable them to transact ordinary mercantile business in the language. The classes are held at times which have proved convenient to the students, either in the tiffin hour or after five p.m. on three days a week. In addition, each student has an hour's individual conversational practice with a private teacher provided by the school.

Closer Contact.

The trend of events in China recently has brought home to everybody the necessity for establishing closer contact between Chinese and non-Chinese, and, as a practical means of obtaining this, I would earnestly commend the work of the Language School to the support of firms and individuals throughout the Colony. (Applause). We are ready practically at any time to start another Beginner's Class and will be happy to do so forthwith on receipt of even a small number of entrants.

employment of the so-called "invincible" economic weapon and it has proved to be of no avail against us. Moreover the British Government has stated that it has no intention to give back the Colony to China.

These two facts will greatly increase the sense of security which Hongkong can give. It is therefore safe to view the future with confidence and look forward to an era of development and prosperity such as we have not yet approached. But we are here to trade with China and what we specially desire and need are stable conditions in South China where merchants and others can follow their lawful avocations in safety and peace, and these we trust will be realized at an early date.

I have no further remarks to make and now beg to propose the adoption of the Report and Statement of Accounts, and when this has been seconded I shall be pleased to answer to the best of my ability any question which members may desire to ask. (Applause).

SECONDER'S SPEECH.

Mr. W. L. Pattenden seconded. He said:—Your Excellency, Mr. Chairman and Gentlemen, we have followed with close interest the able speech just delivered and, if I may be permitted to do so, should like to endorse the Chairman's remarks with regard to the honour, felt by us all, in the presence of His Excellency at our annual meeting this afternoon. His never failing interest in the trade of Hongkong, for which,—as you, Sir, rightly state,—the Colony exists, is deeply appreciated by all sections of the mercantile community. We feel with you,

Sir, the losses we have sustained by the death of Sir Paul Chater, our oldest individual member, Mr. P. H. Holyoak, and Mr. Ho Fook, all men of outstanding ability, who ever had the interests of the Colony at heart. Their places will be hard to fill.

The Report.

The annual report that has recently been circulated is, in my opinion, a striking testimony to the work of the Chamber. I am glad to notice included in the report are various memoranda dealing with the present situation in China and His Excellency's speech in the Legislative Council on October 15th last year.

I venture to suggest that members send copies of the report to their various friends in other parts of the world, drawing special attention to these memoranda, which, I think, explain clearly and concisely the attitude of the British Government in regard to recent events in China. I should like, if I may be allowed to do so, to congratulate the Committee on the manner in which this comprehensive report has been drawn up, and particularly Mr. Key, our able secretary, on whose shoulders, I understand, the work of compilation has largely fallen. We are glad to have Mr. Key with us again after his well earned holiday.

Bias Bay Raid.

We have learned with satisfaction the stern but necessary measures taken by the Naval authorities in dealing with the almost impossible situation that has arisen owing to the lack of any real attempt by the Chinese authorities to cope with the continual piratical depredations, and it is to be hoped that the measures taken will have a salutary effect. Our sympathies go out to the

HIS EXCELLENCY'S SPEECH.

His Excellency said.—Mr. Chairman and Gentlemen, I am glad you invited me to be present here to-day, for it gives me an opportunity of expressing publicly my admiration of the dogged determination with which the mercantile community of Hongkong has continued to do "business as usual" in spite of the discouraging and even alarming situation in which, for no fault of ours, we find ourselves placed. Neither strikes, nor boycotts, nor armed pickets, nor bandits, nor pirates, nor civil war have deterred British or Chinese merchants in this Colony from maintaining their trade with Canton and the other principal centres of commerce in China. Under the bludgeoning of fate you have suffered, but you are unbowed and, what is more, you will certainly win through to eventual success; for your aims are precisely those of the great mass of the Chinese people—safe and normal trading conditions. (Applause).

Now, as always, British policy in China aims wholly and solely at security, freedom and equal opportunity for British trade throughout the territories which once formed the Chinese Empire, but which are now distracted and disintegrated by Bolshevism and civil war. Great Britain, as all the world knows, has no territorial ambitions whatsoever in China. It is, therefore, most amazing that the self-style "nationalists" of China should vociferously and incessantly denounce Great Britain as their "enemy," while clasping to their hearts as bosom-allies the Russian Bolsheviks, who appear to be pursuing in Chinese Turkestan, in Outer Mongolia and in Manchuria the old Czarist schemes of Slavonic aggrandizement in the Far East.

men of the Naval force who had—what is not perhaps realised by all—a very unpleasant duty to perform, but carried it out in difficult circumstances in a spirit of true chivalry.

I was particularly glad to notice the reference made to the Sunning piracy and the great appreciation shown of the gallant action of the officers and engineers in recovering their ship against almost overwhelming odds.

Sound Policy.

As you rightly say, Sir, we have been through difficult and anxious times during the past two years but the sound lines on which the trade of the Colony, is conducted, is evidenced by the manner in which, in spite of the chaotic state of affairs in the neighbouring provinces, and the insensate boycott proclaimed against British goods, business has been carried on. (Applause). It is to be hoped that saner and wiser counsels among those in control of this great country, in which we are so deeply interested, will prevail, and the futility of this economic weapon, the boycott, of which we have heard so much recently, will be realised, affecting as much, if not more, those using it, as it does those against whom it is directed. Given peace and quietness in the country, and a wise and progressive Government, I am convinced we shall see a prosperity in China such as we have never realised, and linked up as we in Hongkong are with Canton and the surrounding districts—for we are interdependent one on another—this prosperity will be reflected on Hongkong. While it may yet be a long time to the peaceful conditions we all desire, there are, I am inclined to think, signs of a break in the clouds. With these few remarks, I beg to second the resolution (applause).

Self Deception.

This self-deception is one of many symptoms of the madness now afflicting the wild men of the Kuo-min-tang. When sanity returns to them, they will see—as all but the purblind now see—that it is Great Britain, not the Russian Soviet, which would rejoice at the establishment of a strong, stable, enlightened, patriotic and efficient Government of a re-unified China. (Applause). From such a Government we should have nothing to fear; for it would restore peace and security to the harassed population of the Eighteen Provinces and give back to Chinese merchants the thing they most desire, I mean safe and normal trading conditions, free from the tyranny of Bolshevized Labour. (Applause).

We are quite determined to have no Bolshevism in this Colony. The Chinese as well as the European community of Hongkong is of one mind in this matter, and I have no doubt whatever that we shall succeed. All the recent emergency measures taken by the Hongkong Government aim at obviating any disturbance of the law and order and good feeling now happily prevailing among us. We shall certainly not allow any *imperium in imperio* to be formed here by an armed and violent proletariat, as unfortunately has been the case at Canton, at Hankow and in other Chinese cities. The shelter which Hongkong offers from the storm now raging in China is appreciated by none more than by the Chinese themselves, who of late have been taking refuge here by the thousand. They are welcome and they will be protected. (Applause).

Piracy.

Another thing we are resolved upon is that our coastwise shipping shall not be preyed upon with impunity by organized piracy, such as that emanating from Bias Bay. Time and time again the Cantonese authorities have been urged by the Hongkong Government and by His Majesty's Consuls General at Canton to stamp out this pest. Over and over again we have offered them for this purpose our full naval and military co-operation, if they desired it. They have, however, rejected our offer of help and they have done nothing whatever themselves. In fact they have been scandalously forgetful of the first duty of any civilized and self-respecting Government, namely the suppression of piracy and brigandage and the maintenance of law and order. At long last His Majesty's Government has now inflicted salutary punishment upon the pirate dens in Bias Bay. We hope that the lesson given will suffice. We hope that the Cantonese authorities will now themselves take the necessary steps to police Bias Bay and to prevent its use as a pirate base. But, if they do not, we are determined to see this matter through and to protect our shipping from further outrages of this kind. (Applause). The report of the Piracy Commission, just published, indicates very clearly what we have to do.

Contrast.

An instructive comparison and contrast can be drawn between present-day happenings in China and the events of the Boxer year. In 1900 the anti-foreign extremists of northern China believed that in the bullet-proof Boxers they had found a weapon capable of driving all foreigners into the sea.

But the great Chinese Viceroy at Hankow, Nanking and Canton—Chang Chih-tung, Liu K'un-i and Li Hung-chang—knew better and kept peace with the foreigners along the Yangtze and in the South, while northern China was in turmoil. The northerners then learned that Boxers were not invulnerable and that to exterminate all foreigners was less easy than they had supposed. Remembering this, the northerners to-day are not attempting to destroy foreign treaty-rights by violence, but are willing to negotiate a friendly settlement. It is the southerners this time who believe themselves to have found an invincible weapon wherewith to drive all foreigners out of China. They miscall it "the economic weapon," meaning thereby strikes, boycotts, labour unrest, mob violence,—all excited by lying propaganda,—piracy, brigandage and every other means of making trade in China unprofitable to the foreigner and residence in China disagreeable to him. A better name for this weapon would be "the Bolshevik bludgeon" and those who brandish it have been taught by their Russian "high advisers" that with this weapon they can so bedevil the foreigner that of his own accord he will after a while pack up his traps and leave China for good. But the true name of this weapon is "the Bolshevik boomerang", because it will most certainly curl back and deliver its shrewdest blow at those who endeavour to wield it. (Applause). Already none suffer from it more than do the Chinese themselves, and it will sooner or later knock out every bolshevized Chinese in the country.

Lying Propaganda.

Lying propaganda of the most virulent type gives the initial impetus to all these

Bolshevik machinations: and, gentlemen, we must counter it by telling the truth and exposing the falsehoods. There are many who, like Coventry Patmore, would sit down and say that for lack of them the world's course will not fail.

"When all its work is done, the lie shall rot.

The truth is great and will prevail,

When none cares whether it prevail or not."

Such a defeatist attitude will not help us now. We must be up and doing. We must see to it that the lie shall rot before, not after, its poisonous work is done, and that the truth is widely told all over China now when the victory of truth is the best means of averting the Bolshevik menace. The Hongkong General Chamber of Commerce as well as the Chinese Chamber of Commerce should give most serious consideration to this matter. (Hear hear).

The Dawn.

Gentlemen, it is always the darkest hour that comes before the dawn; and already I seem to see a glimmer of light on the horizon. The Chinese Nationalist Party is at last struggling to rid itself of the taint of Bolshevism and is discarding Comrade Borodin and other demagogues who deliriously direct chaos and who are prophets of communism and "world-revolution." It now looks as if measures, similar to the emergency regulations made by the Hongkong Government to save this Colony from the tyranny of bolshevized Labour, have also been enforced by Chinese nationalist generals both in Shanghai and at Canton and in other large cities, although Chinese generals have had to use the mailed fist where I was fortunately able to use the velvet glove. We may, therefore, be on the verge of a renewal of the friendly relations

which are traditional between this Colony and the neighbouring provinces of China. With all my heart I hope that it is so. I have complete faith in the future of this Colony. (Applause) I do not believe that the day of British influence in China is drawing to a close. On the contrary I believe that, when the spasm of madness now convulsing China is spent, Great Britain and the British Colony of Hongkong will be recognized throughout the Eighteen Provinces as the most potent, the most beneficent and the most congenial friends and coadjutors of the Chinese people in this era of its renaissance. (Cheers).

The resolution having then been put to the meeting and carried unanimously, the Chairman said: On behalf of the Chamber, I wish to thank your Excellency for coming here this afternoon and for the very able and helpful speech you have made. The matter to which you have drawn the attention of the Chamber, will certainly be considered by the Committee and I wish to thank you again for so kindly being present with us to-day. (Applause).

The Committee.

Mr. A. L. Shields proposed that the following be elected the General Committee for the ensuing year: Hon. Mr. D.G.M. Bernard, Hon. Mr. A. C. Hynes, Messrs. W. H. Bell, N.S. Brown, L.J. Davies, J. Owen Hughes, Paul Lauder, F. A. Perry, J.A. Plummer and T.G. Weall.

carried.

Mr. F. S. Harrison seconded, and the resolution was unanimously

New Members.

On the proposition of the Chairman, seconded by Mr. W.S. Bailey, the meeting confirmed the election of the following members elected during 1926: Mr. Frank Austria, Messrs. W. R. Grace and Co., The China Agency and Trading Co., of Hongkong, Ltd., Messrs. A. P. Leong Hingkee and Co., Messrs. Sui Heung Yuen.

There being no other business, the meeting terminated.

Subsequently the General Committee re-elected the Hon. Mr. D. G. M. Bernard Chairman for the ensuing year. Mr. T. G. Weall was elected Vice-Chairman.

