



Hong Kong  
General Chamber of Commerce

Report  
For The Year  
1916

**REPORT**

OF THE

**GENERAL COMMITTEE**

OF THE

**Hongkong General Chamber of Commerce**

FOR THE

**Year ended 31st December, 1916.**

PRESENTED TO THE MEMBERS

AT THE

**ANNUAL MEETING HELD ON 26th MARCH, 1917.**

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HONGKONG :

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1917.

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## COMMITTEE 1917.

### General Committee.

Hon. Mr. P. H. Holyoak, (Chairman)

Mr. S. H. Dodwell, (Vice-Chairman)	Mr. G. T. Edkins,
Hon. Mr. C. E. Anton,	Mr. A. O. Lang,
Mr. A. S. D. Cousland,	Mr. E. V. D. Parr,
Mr. C. Montague Ede,	Hon. Mr. E. Shellim,
	Mr. N. J. Stabb.

### Arbitration Committee.

Hon. Mr. C. E. Anton,	Mr. A. O. Lang,
Mr. A. S. D. Cousland,	Mr. E. V. D. Parr,
Mr. C. Montague Ede,	Hon. Mr. E. Shellim.

### Correspondence Committee.

The Chairman,	Mr. G. T. Edkins,
The Vice Chairman,	Mr. N. J. Stabb.

### Metal and Sundries Sub-committee.

Mr. S. H. Dodwell,	Mr. T. Leeman,
Mr. J. H. Brister,	Mr. D. K. Moss,
Mr. E. Grant Smith,	Mr. J. Owen Hughes,
Mr. W. M. Humphreys,	Mr. T. E. Pearce.

### Trade Marks Sub-committee.

Mr. A. S. D. Cousland,	Mr. C. W. Beswick.
Mr. C. D. Wilkinson,	

### Insurance Sub-committee.

Mr. C. Montague Ede,	Mr. S. G. Newall,
Mr. H. F. Campbell,	Mr. A. W. L. Robertson.
Mr. L. N. Leefe,	

### Piece Goods Sub-committee.

Mr. A. S. D. Cousland,	Mr. G. M. Lakin,
Mr. C. W. Beswick,	Mr. K. S. Morrison,
Mr. S. H. Dutton,	Mr. W. Sinclair.

### Inland Trade and Language School Sub-committee.

Mr. C. W. Beswick,	Mr. W. Nicholson,
Mr. J. H. Brister,	Mr. F. A. Perry,
Mr. D. K. Moss,	Mr. N. L. Watson.

## LIST OF MEMBERS, 1916.

- |  |  |
|--|--|
| 1 Mr. G. K. HALL BRUTTON                                 | 11 Mr. ELLIS KADOORIE  |
| 2 Sir C. P. CHATER, C.M.G.                               | 12 " G. P. LAMMERT   |
| 3 Mr. W. DUNBAR  | 13 " W. LOGAN  |
| 4 " A. G. GORDON   | 14 " H. M. H. NEMAZEE  |
| 5 " GEO. GRIMBLE   | 15 Dr. J. W. NOBLE   |
| 6 " R. HANCOCK   | 16 Hon. Mr. H. E. POLLOCK, K.C.                                |
| 7 " J. SCOTT HARSTON                                     | 17 Mr. M. S. SASSOON   |
| 8 " HO FOOK  | 18 " F. SMYTH  |
| 9 " HO TUNG  | 19 " F. P. TALATI  |
| 10 Dr. G. P. JORDON                                      |  |
| 20 Messrs. A. B. THE SWEDISH TRADING Co., IN CHINA, Ltd. | 49 Messrs. COMPAGNIE DES MES-SAGERIES MARITIMES                |
| 21 " ALVES, J. M. & Co.                                  | 50 " CONNELL BROS. & Co.                                       |
| 22 " APCAR, V. & Co.                                     | 51 " DAIRY FARM Co., Ltd.                                      |
| 23 " ARCULLI Bros.                                       | 52 " DAVID, S. J. & Co.  |
| 24 " ASIATIC PETROLEUM Co., Ltd. of LONDON               | 53 " DAVID SASSOON & Co., Ltd.                                 |
| 25 " BANKER & Co.  | 54 " DEACON, LOOKER, DEACON & HARSTON                          |
| 26 " THE BANK LINE LTD.                                  | 55 " DENNY & BOWLEY  |
| 27 " BANK OF TAIWAN, LTD.                                | 56 " DODWELL & Co., Ltd.                                       |
| 28 " BANQUE DE L'INDO CHINE                              | 57 " DONNELLY & WHYTE  |
| 29 " BOTELOHO BROS.                                      | 58 " DOUGLAS S. S. Co.   |
| 30 " BRADLEY & Co., Ltd.                                 | 59 " EASTERN ASBESTOS Co.                                      |
| 31 " BRITISH AMERICAN TOBACCO Co., Ltd.                  | 60 " EASTERN EXTENSION AUSTRALASIA & CHINA TELEGRAPH Co., Ltd. |
| 32 " BUTTERFIELD & SWIRE                                 | 61 " EWENS & NEEDHAM   |
| 33 " CALDBECK MACGREGOR & Co.                            | 62 " FIRE INSURANCE ASSOCIATION OF HONG-KONG                   |
| 34 " CANADIAN PACIFIC OCEAN SERVICES, Ltd.               | 63 " FUNG TANG   |
| 35 " CANTON INSURANCE OFFICE Ltd.                        | 64 " GANDE PRICE & Co  |
| 36 " CARMICHAEL & CLARKE                                 | 65 " GENERAL ELECTRIC Co. OF CHINA Ltd.                        |
| 37 " CAWASJEE PALLANJEE & Co.                            | 66 " GIBB, LIVINGSTON & Co                                     |
| 38 " CHARTERED BANK OF INDIA AUSTRALIA & CHINA           | 67 " GILMAN & Co.  |
| 39 " CHINA & JAPAN TELEPHONE & ELECTRIC Co., Ltd.        | 68 " GODDARD & DOUGLAS   |
| 40 " CHINA BORNEO Co., Ltd.                              | 69 " GREEN ISLAND CEMENT Co., Ltd.                             |
| 41 " CHINA FIRE INSURANCE Co., Ltd.                      | 70 " HANCOCK, A. & S.  |
| 42 " CHINA LIGHT & POWER Co., Ltd.                       | 71 " HANNIBAL, W. A. & Co.                                     |
| 43 " CHINA MERCHANTS STEAM NAVIGATION Co.                | 72 " HASKELL, D. & Co.   |
| 44 " THE CHINA MUTUAL LIFE INSC., Co., Ltd.              | 73 " HOLLAND CHINA TRADING Co.                                 |
| 45 " CHINA PROVIDENT LOAN & MORTGAGE Co., Ltd.           | 74 " HONGKONG, CANTON & MACAO STEAMBOAT Co., Ltd.              |
| 46 " CHINA SUGAR REFINING Co., Ltd.                      | 75 " HONGKONG & CHINA GAS Co., Ltd.                            |
| 47 " CHUN ON FIRE INSURANCE Co., Ltd.                    | 76 " HONGKONG ELECTRIC Co., Ltd.                               |
| 48 " COMMERCIAL UNION ASSURANCE Co., Ltd.                | 77 " HONGKONG FIRE INSURANCE Co., Ltd.                         |
|  | 78 " HONGKONG & KOWLOON WHARF & GODOWN Co., Ltd.               |
|  | 79 " HONGKONG LAND INVESTMENT & AGENCY Co., Ltd.               |
|  | 80 " THE HONGKONG MERCANTILE Co., Ltd.                         |
|  | 81 " H'KONG ROPE MANUFACTURING CO., LTD.                       |

LIST OF MEMBERS,—Continued.

82	MESSRS. HONGKONG & SHANGHAI BANKING CORPORATION.	115	MESSRS. NIPPON YUSEN KAISHA
83	" HONGKONG TRAMWAY COMPANY, LTD.	116	" ORIENT TOBACCO MANUFACTORY
84	" HONGKONG & WHAMPOA DOCK Co., LTD.	117	" OSAKASHOENKAISHA
85	" HUGHES & HOUGH	118	" PABANEY & Co.
86	" HUMPHREYS, J. D. & SON	119	" PATELL & Co.
87	" HUMPHREYS, W. G. & Co.	120	" PENINSULAR AND ORIENTAL STEAM NAVIGATION Co.
88	" HUTCHISON, J. D. & Co.	121	" PENTREATH & Co.
89	" INTERNATIONAL BANKING CORPORATION	122	" PERCY SMITH, SETH & FLEMING
90	" ISMAIL & Co.	123	" REISS & Co.
91	" JACK, W. C. & Co., LTD.	124	" ROBERTSON, WILSON & Co.
92	" JARDINE, MATHESON & Co., LTD.	125	" ROSS, ALEX. & Co.
93	" JAVA CHINA JAPANLIJN	126	" RUSSO-ASIATIC BANK.
94	" JOHNSON, STOKES & MASTER	127	" THE RUSSIAN VOLUNTEER FLEET,
95	" KAILANG MINING ADMINISTRATION	128	" SASSOON E. D. & Co.
96	" LANE CRAWFORD & Co.	129	" SHEWAN, TOMES & Co.
97	" LEIGH & ORANGE	130	" SHUI ON S.S. Co., LTD.
98	" LINSTEAD & DAVIS	131	" SKOTT, H. & Co.
99	" THE LIVERPOOL AND LONDON AND GLOBE INSURANCE Co., LTD.	132	" SOARES & Co.
100	" LOWE, BINGHAM & MATHEWS	133	" DE SOUSA & Co.
101	" LOXLEY, W. R. & Co.	134	" STANDARD OIL Co. OF NEW YORK
102	" MACDONALD & Co.	135	" STEWART BROS.
103	" MARINE INSURANCE ASSOCIATION OF HONGKONG	136	" STEPHENS, H. & Co.
104	" MAISON MARTY, A. R.	137	" TAI SHING PAPER MANUFACTURING Co., LTD.
105	" MERCANTILE BANK OF INDIA LTD.	138	" THE TEXAS Co.
106	" MICHAEL, J. R. & Co.	139	" THOMAS COOK & SON
107	" MING KEE HONG	140	" THORESEN & Co
108	" MITSUI BUSSAN KAISHA LTD.	141	" TOYO KISEN KAISHA
109	" MODY, N. & Co.	142	" UNION INSURANCE SOCIETY OF CANTON
110	" MONTEITH WEBB, B. & Co.	143	" UNITED ASBESTOS ORIENTAL AGENCY LD.
111	" NETHERLANDS TRADING SOCIETY	144	" UNION TRADING Co.
112	" NETHERLANDS INDIA COMMERCIAL BANK	145	" UNION WATERBOAT Co., LTD.
113	" NESTLE'S ANGLO SWISS CONDENSED MILK Co., LONDON	146	" VACUUM OIL Co.
114	" NEW ZEALAND INSURANCE Co., LTD.	147	" WARREN, C. E.
		148	" WATSON, A. S. & Co.
		149	" WILKINSON, HEYWOOD & CLARKE, LTD.
		150	" WILKINSON & GRIST
		151	" HARRY WICKING & Co.
		152	" YOKOHAMA SPECIE BANK LTD.
		153	" YUEN HOP HONG

Officers of the Hongkong General Chamber of Commerce.

From date of Formation in 1861 to 1917.

Year	Chairman	Firm	Vice-Chairman	Firm	Secretary
1861	Alexander Percival	Jardine Matheson & Co.	W. Walkinshaw	Turner & Co.	J. Johnson
1862	James MacAndrew	do.	C. W. Murray	Birley & Co.	J. C. Baldwin
1863	J. J. Mackenzie	Dent & Co.	C. F. Still	Lyall, Still & Co.	J. C. Baldwin
1864	H. B. Gibb	Gibb, Livingston & Co.	H. B. Lemann	Gilman & Co.	J. C. Baldwin
1865	H. B. Lemann	Gilman & Co.	G. B. Gibb	Gibb, Livingston & Co.	J. C. Baldwin
1866	John Dent	Dent & Co.	P. Ryrie	Turner & Co.	Edward Norton
1867	P. Ryrie	Turner & Co.	W. Nissen	Nielsen & Co.	Edward Norton
1868	P. Ryrie	do.	G. J. Helland	J. Burch & Co.	J. W. Wood
1869	W. J. Bryans	do.	G. J. Helland	do.	J. W. Wood
1870	W. Keswick	Jardine Matheson & Co.	J. B. Taylor	Smith, Archer & Co.	A. Noel Blakeman
1871	P. Ryrie	Turner & Co.	A. Zimmermann	Riess & Co.	A. Noel Blakeman
1872	P. Ryrie	do.	L. Kahn	do.	Ed. Baker, Acting
1873	P. Ryrie	do.	L. Kahn	do.	A. Noel Blakeman
1874	P. Ryrie	do.	James Grieg	Hongkong & S'hai Bank	A. Noel Blakeman
1875	P. Ryrie	do.	James Grieg	do.	A. Noel Blakeman
1876	P. Ryrie	do.	W. Keswick	Jardine, Matheson & Co.	N. B. Denny
1877	W. Keswick	Jardine Matheson & Co.	H. H. Nelson	Chartered Mercantile	H. L. Denny
1878	W. Keswick	do.	H. L. Dalrymple	do.	[Bank
1879	W. Keswick	do.	H. H. Nelson	do.	E. George
1880	W. Keswick	do.	H. H. Nelson	do.	E. George
1881	W. Keswick	do.	P. Ryrie	Turner & Co.	E. George
1882	F. B. Johnson	do.	H. L. Dalrymple	Birley & Co.	E. George
1883	F. B. Johnson	do.	P. Ryrie	Turner & Co.	E. George
1884	W. Keswick	do.	P. Ryrie	do.	H. M. Baily
1885	W. Keswick	do.	P. Ryrie	do.	H. M. Baily
1886	P. Ryrie	Turner & Co.	A. P. MacEwen	Holiday Wise & Co.	H. M. Baily
1887	P. Ryrie	do.	A. P. MacEwen	do.	H. U. Jeffries
1888	P. Ryrie	do.	J. Bell Irving	Jardine, Matheson & Co.	H. U. Jeffries
1889	P. Ryrie	do.	J. Bell Irving	do.	F. Henderson
1890	E. Mackintosh	Butterfield & Swire.	A. P. MacEwen	Holiday Wise & Co.	F. Henderson
1891	E. Mackintosh	do.	J. J. Keswick	Jardine, Matheson & Co.	F. Henderson
1892	E. Mackintosh	do.	J. J. Keswick	do.	Adam Lind, Acting
1893	J. J. Keswick	Jardine Matheson & Co.	A. G. Wood	Gibb, Livingston & Co.	F. Henderson
1894	J. J. Keswick	do.	E. Mackintosh	Butterfield & Swire.	F. Henderson
1895	A. G. Wood	Gibb, Livingston & Co.	A. McConachie	Gilman & Co.	F. Henderson
1896	A. McConachie	Gilman & Co.	Herbert Smith	Butterfield & Swire	R. C. Wilcox
1897	R. M. Gray	Reiss & Co.	Herbert Smith	do.	R. C. Wilcox
1898	R. M. Gray	do.	Herbert Smith	do.	R. C. Wilcox
1899	R. M. Gray	do.	A. McConachie	Gilman & Co.	R. C. Wilcox
1900	R. M. Gray	do.	J. J. Keswick	Jardine, Matheson & Co.	R. C. Wilcox
1901	Sir. Thomas Jackson	Hongkong & S'hai Bank.	C. S. Sharp	Gibb, Livingston & Co.	R. C. Wilcox
1902	C. S. Sharp	Gibb, Livingston & Co.	E. A. Hewett	P. & O. Steam Nav. Co.	A. R. Lowe
1903	E. A. Hewett	do.	D. R. Law	Butterfield & Swire.	A. R. Lowe
1904	E. A. Hewett	do.	D. R. Law	do.	A. R. Lowe
1905	E. A. Hewett	do.	A. G. Wood	Gibb, Livingston & Co.	A. R. Lowe
1906	E. A. Hewett	do.	A. G. Wood	do.	A. R. Lowe
1907	E. A. Hewett	do.	A. G. Wood	do.	A. R. Lowe
1908	E. A. Hewett	do.	A. G. Wood	do.	E. A. M. Williams
1909	E. A. Hewett	do.	J. R. M. Smith	Hongkong & S'hai Bank	E. A. M. Williams
1910	E. A. Hewett	do.	J. R. M. Smith	do.	E. A. M. Williams
1911	E. A. Hewett	do.	H. Keswick	Jardine, Matheson & Co.	E. A. M. Williams
1912	E. A. Hewett, C.M.G.	do.	N. J. Stabb	Hongkong & S'hai Bank	E. A. M. Williams
1913	E. A. Hewett, C.M.G.	do.	C. H. Ross	Jardine, Matheson & Co.	E. A. M. Williams
1914	E. A. Hewett, C.M.G.	do.	J. W. C. Bonnar	Gibb, Livingston & Co.	E. A. M. Williams
1915	E. A. Hewett, C.M.G.	do.	J. W. C. Bonnar	do.	E. A. M. Williams
1916	D. Landale	Jardine Matheson & Co.	J. W. C. Bonnar	do.	A. R. Lowe, Acting
1917	G. T. Edkins	Butterfield & Swire	S. H. Dodwell	Dodwell & Co., Ltd.	E. A. M. Williams
	P. H. Holyoak	Reiss & Co.	S. H. Dodwell	Dodwell & Co.	E. A. M. Williams

CHAMBER'S REPRESENTATIVES IN LEGISLATIVE COUNCIL.

<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.

RULES AND REGULATIONS.

(CONFIRMED AT THE ANNUAL GENERAL MEETING HELD 19TH MAY, 1903.)

I. The Society shall be styled "The Hongkong General Chamber of Commerce." Name.

II. The objects of the Chamber shall be to watch 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. Object.

III. All Mercantile Firms, and persons engaged 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 \$60 for Firms, and \$25 for single individuals for the current year of their election, and a like annual subscription thereafter, payable on 1st January. Membership and subscription.

IV. Candidate 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 be managed by the Committee.

VI. The Committee shall consist of ten British Members, to be elected at the Annual Meeting of the Chamber, and shall hold Office for one year. Vacancies occurring during the year shall be filled up by the Committee. Management.

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.

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.

X. The Committee shall have power to appoint Sub-Committees for such purposes as may be deemed advisable.

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.

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.

Committee Meetings.

Sub-Committees.

By-laws.

Accounts.

XIV. A Yearly Report of the proceedings shall be prepared, which, after being approved at the Annual General Meeting, shall be printed and circulated.

XV. A paid Secretary shall be appointed by the Committee, such appointment to be subject to confirmation at the next ensuing Annual General Meeting.

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.

All important questions affecting the Port, and its commercial relations with the Empire 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.

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.

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.

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.

Annual Report.

Secretary.

Annual and Special General Meetings.

Extraordinary General Meetings.

Quorum.

Voting.



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 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.

BYE-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 noon to one o'clock 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 TO REGULATE PROCEEDINGS  
AT MEETINGS HELD FOR THE  
NOMINATION OF REPRESENTATIVES  
OF THE CHAMBER IN 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.

Result.

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.

Case of equality of votes.

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.

**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, .....	2½	per cent.
" " Raw Silk, .....	2½	"
" " Cotton, .....	2½	"
" " Opium, .....	2	"
" " all other Goods and Produce, .....	3	"
" " ships and Landed Property, .....	5	"
" " Stocks and Shares, .....	1	"
Inspecting Tea, .....	2	"
" Silk, .....	1	"
Guaranteeing Sales .....	2½	"
" Remittances, .....	1	"
Drawing or endorsing Bills of Exchange, .....	1	"
" or negotiating Bills of Exchange without recourse, .....	½	"
Purchasing or realising Bullion or Bills of Exchange, .....	½	"
Remitting the Proceeds of Bullion or Bills of Exchange, .....	½	"
Paying and receiving Money in Current Account, .....	1	"
" Ship's Disbursements, .....	2½	"
Collecting Freight .....	2½	"
Obtaining Freight or Charter, .....	5	"
" " and collecting same Freight .....	6	"
Adjusting Insurance Claims on Amount Recovered, .....	2½	"
Effecting Insurance, on the Insured Amount, .....	¼	"
Prosecuting or defending successfully Claims, either at Law or by Arbitration, .....	5	"
Prosecuting or defending unsuccessfully, .....	2½	"
Managing Estates and collecting Rents (on Gross Receipts), .....	5	"
Transshipping or forwarding Jewellery, and Bullion, .....	¼	"
Forwarding or transshipping Cargo, .....	1	"
Transshipping or forwarding Opium, .....	\$2	per chest.
Goods withdrawn or re-shipped, .....	½	Commission
Granting Letters of Credit, .....	1	per cent.
For doing ship's business when no inward or outward Commission is earned, .....	20	cents per Register ton

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, .....	¾	per cent.	Payable by Seller
Produce and General Merchandise .....	½	"	" "
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.

<b>BANKS—</b>		<b>DOCKS, WHARVES &amp; GODOWNS—</b>	
Hongkong & Shanghai	\$2.00	Hongkong & Whampoa Dock	\$0.50
<b>INSURANCE—</b>		Hongkong & Kowloon Wharf	.50
Canton	1.00	<b>REFINERIES—</b>	
China Fire	.50	China Sugar	.50
Hongkong Fire	1.00	Malabons Sugar	.35
Union	3.00	<b>MISCELLANEOUS—</b>	
<b>LAND &amp; BUILDINGS—</b>		China-Borneo	.10
Central Estates	.50	China Light & Power	.10
Hongkong Land Investment	.50	China Provident	.10
Humphreys' Estate	.10	Dairy Farm	.25
Kowloon Land Investment	.35	Green Island Cements	.10
West Point Building	.50	Hongkong Electric	.35
<b>HOTELS—</b>		Hongkong Ice Co.	.75
Hongkong Hotel	.50	Hongkong Rope	.25
<b>STEAMSHIPS—</b>		Hongkong Tramway	.10
Hongkong, Canton & Macao	.20	Steel Foundries	.10
Indo-China, Preferred	.35	Watson & Co.	.10
Do. Deferred	.50	Wm. Powell	.10
Douglas Steamship Co.	.50		
Star Ferry	.35		
Union Water Boat Co.	.20		
<b>MINING—</b>			
Raubs	.05		

When the prices of Stocks fluctuate, the above Tariff is subject to alterations as follows:—

At or over	Stock value.		Brokerage.	
	\$900	Brokerage to be	\$3.00	per Share.
"	700	"	2.00	"
"	500	"	1.50	"
"	300	"	1.00	"
"	200	"	0.75	"
"	60	"	0.50	"
"	35	"	0.35	"
"	25	"	0.25	"
"	15	"	0.20	"
"	12.50	"	0.15	"
"	3.00	"	0.10	"
"	under 3.00	"	0.05	"

N.B.—This scale 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,

EDWARD M. RAYMOND,  
Secretary.

N.B.—This List is to come into force from this date and cancels all previous issues.

Hongkong, 15th January, 1917.

HONGKONG STOCK EXCHANGE.

TARIFF OF CHARGES

ON

STERLING AND STRAITS DOLLAR STOCKS

To be charged to BUYER and SELLER.

Value of Stock.	Brokerage.
Under 5/-	1½d.
5/- and over	3d.
20/-	6d.
60/-	9d.
100/-	1/-
150/-	1/6
200/-	2/-
300/-	2/6
400/-	3/-
Under \$2	5 cents.
\$2 and over	10 "
\$ 10	25 "
\$ 30	40 "
\$ 60	50 "
\$ 100	75 "
\$ 300	\$1.00
\$ 500	\$2.00
\$ 700	\$3.00

By order of the Committee,

EDWARD M. RAYMOND,  
Secretary.

N.B.—This List is to come into force from this date and cancels all previous issues.

Hongkong, 15th January, 1917.

## PUBLIC HOLIDAYS, 1917.

Extract from the Holidays Ordinance 1912.

### SECTION 3.—GENERAL HOLIDAYS.

	1917 HOLIDAYS.
Every Sunday .....	.....
The 1st day of January, or if that day should be a Sunday then the following day .....	Monday, 1st January.
Chinese New Year's Day, or if that day should be a Sunday then the following day. Provided that if the Chinese hereafter adopt the Gregorian Calendar then the first two week days in January .....	Tuesday, 23rd January.
Good Friday .....	Friday, 6th April.
The day following Good Friday .....	Saturday, 7th April.
Easter Monday .....	Monday, 9th April.
*Empire day .....	Thursday, 24th May.
Whit Monday .....	Monday, 28th May.
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 .....	Sunday, 3rd June.
The First Monday in August .....	Monday, 6th August.
The Second Monday in October .....	Monday, 8th October.
The Monday which falls on or nearest to the 9th November .....	Monday, 12th November.
Christmas Day, or if that day should be a Sunday then the following day .....	Tuesday, 25th December
The 26th day of December, or if that day should be a Sunday then the following day, unless Christmas Day falls on a Sunday then the Tuesday following Christmas Day	Wednesday, 26th December.

Section VIII.—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.

\*NOTE.—Empire Day is a Public Holiday.

*MINUTES of the Annual General Meeting of the HONGKONG GENERAL CHAMBER OF COMMERCE held in the CHAMBER OF COMMERCE ROOM, NEW GOVERNMENT BUILDING on Monday, 26th March, 1917, for the purpose of receiving the report of the Committee and passing the Secretary's Accounts for the year ending 31st December, 1916.*

*Present:—*

Mr. G. T. Edkins (Messrs. Butterfield & Swire) presided, and the following firms were also represented:—Hon. Mr. P. H. Holyoak (Reiss & Coy.), Mr. N. J. Stabb (Hongkong and Shanghai Bank), Hon. Mr. C. E. Anton (Jardine, Matheson & Co., Ltd.), Mr. A. O. Lang (Gibb, Livingstone & Co.), Mr. A. S. D. Cousland (Alex. Ross & Co.), Mr. C. Montague Ede (Union Insurance Society of Canton Ltd.), Mr. E. V. D. Parr (P. & O. Co.), Mr. S. H. Dodwell (Messrs. Dodwell & Co.), Hon. Mr. E. Shellim (Messrs. D. Sassoon & Co., Ltd.), Mr. L. M. Whyte (Donnelly & Whyte), Mr. R. B. Cooper (Cawasjee Pallanjee & Co.), Mr. O. E. Arculli (Arculli Bros.), Mr. W. M. Humphreys (W. G. Humphreys & Co.), Mr. T. F. Hough (Hughes & Hough), Mr. M. P. Talati (F. P. Talati), Mr. W. A. Hannibal (W. A. Hannibal & Co.), Mr. J. de B. Lancaster (Liverpool, London and Globe Insurance Co., Ltd.), Mr. J. M. Alves (J. M. Alves & Co.), Mr. H. Humphreys (John D. Humphreys & Son), Mr. R. D. Harvey (British American Tobacco Co., Ltd.), Mr. J. W. Stackhouse (New Zealand Insurance Co., Ltd.), Mr. A. Thomas (Messageries Maritimes), Mr. W. C. Jack (W. C. Jack & Co.), Mr. G. A. Dunlop (Netherlands India Commercial Bank), Mr. E. L. Arnold (Commercial Union Assurance Co. Ltd.), Mr. W. L. Pattenden (Gilman & Co. Ltd.), Mr. S. H. Leung (Yuen Hop Hing), Mr. G. H. Wilson (Robertson, Wilson & Co.), Mr. B. W. Tape (The China Mutual Life Insurance Co.), Mr. A. G. Coppin (Nestle's and Anglo-Swiss Condensed Milk Co.), Mr. T. A. Loughlin (Bank Line, Ltd.), Mr. A. Beattie (W. R. Loxley & Co.), Mr. E. Ormiston (Stewart Bros.), Mr. H. Stephens (H. Stephens & Co.), Mr. R. Hancock, Mr. A. G. Gordon, Mr. G. Ludin (Swedish Trading Co.), Mr. S. M. Churn (Union Trading Co.), Mr. T. C. Downing (Chartered Bank), Mr. L. Berindoague (Bank of Indo-China), Mr. J. S. Plummer (Bradley & Co. Ltd.), Mr. F. C. Butcher (Eastern Asbestos Co.), Messrs. N. L. Watson and W. D. Bell (Asiatic Petroleum Co.), Mr. A. Forbes (Harry Wicking & Co.), Mr. G. M. Lakin (Hongkong Electric Co.), Mr. S. E. Ismail (S. C. Ismail & Co.), Mr. H. W. B. Kennett (China Borneo Co., Ltd.), with Mr. E. A. M. Williams (Secretary).

The Secretary having read the notice convening the meeting, Mr. EDKINS said:—Gentlemen, the report and accounts of the Chamber for the year 1916 have been in your hands for some days, and, with your permission, therefore, we will take them as read. Before formally moving their adoption I will review some of the outstanding matters which have occupied the Committee during the past year.

While your Committee have had the usual numerous and widely varied subjects to deal with, their attention has been naturally claimed by many questions directly and indirectly connected with the War, and although the Committee have been enabled to liberally place before the

members the bulk of the subject matter, much of it exclusively British, certain parts are under censorship for the present, hence the particular excisions which you will have noticed in the report. Thanks to the ready financial response from members, the Committee have been enabled to bring into effect the scholarships instituted as a memorial in remembrance of our respected late Chairman, Mr. Hewett, and three scholars from Queen's College are now benefitting therefrom at the University, where we hope they will have a successful career. (Applause.) During the year the development of measures against enemy trade, as well as the levy of duties for purposes of revenue, led to extension by Government of export and import permit procedure, and in this connection, I would acknowledge the help accorded by Mr. Hutchison, the Superintendent of Imports and Exports, when the Chamber and others have had occasion to seek for mitigation of difficulties and delay: the policy of this Chamber has always been in favour of restricting as little as possible the freedom of movement of merchandise and shipping to and from the Colony. There is a growing demand among merchants for statistical records of the Colony's trade with particular reference to indication of countries of origin as regards imports, and it is hoped that the present expansion of the Government Imports and Exports Office may provide a starting point and nucleus for Government issue of comprehensive trade statistics.

As a result of the population of this port having been subject from time to time to epidemic diseases there apparently exists a too ready tendency at other Ports to declare Hongkong infected, and to impose quarantine restrictions against our trade, but the Government have succeeded in having such restrictions removed when there is good ground for so doing. The Health reports of Hongkong are improving as the result of extended and active remedial measures on the part of the Government and its Health Officers, and it should receive due consideration in this respect from the Ports with which we trade. It is a pleasure to renew here the tribute and appreciation already generally accorded to the Colony's Health Officers, Dr. Woodman and his colleagues, for their work in the recent vaccination campaign. Over 300,000 vaccinations have been performed in the past three months, and the small pox epidemic has been wiped out. Apart from the benefit to human life the improved health conditions make for additional prosperity in the Colony's trade. (Applause).

The Committee have been glad to receive and to respond to suggestions for co-operation with newly formed British Chambers of Commerce in fields so far apart as China and Italy. I am sure the Members heartily respond to the good fellowship extended by the Chambers at Canton, Shanghai, Tientsin and Italy, as also to the proposals of co-operation in various Imperial measures from Chambers of Commerce and other Associations in Australia and elsewhere.

The matter of enemy submarine outrages stirs us to righteous anger. Full reparation can never be attained for the personal sufferings the subjects of Allied and Neutral Countries have undergone from the piratical actions of enemy submarines, but we can at least see that no effort on our part is spared to ensure that material compensation is

secured from tonnage in the enemy's possession, and that he shall not profit through his malign and unscrupulous policy by permitted retention of his vessels at present sheltering in his home and neutral ports. Hence with every assurance of final victory, your Committee were happy to co-operate with the British Chambers of Commerce in China in asking the Imperial Government to adopt the "ton for ton" policy as one of the conditions of peace. It is now pretty generally recognised the world over that the enemy should be required to replace with his own tonnage as far as practicable the losses of shipping for which he is responsible, and I notice the Australian Chambers of Commerce are now moving in this matter. (Applause.) Your Chamber is affiliated with the British Imperial Council of Commerce, and as you are already aware Mr. C. H. Ross acts as your representative on this Council in London. He attends the conferences, and while voicing your views as opportunities occur or call for expression, he also keeps us posted regarding the many important questions arising at home which affect the Colony's interests in particular, as well as others on Imperial matters generally. I am sure you will support the expression of appreciation of Mr. Ross's valuable work in this connection which the Committee have conveyed to him. (Applause).

The Chamber received a request from the Royal Colonial Institute to co-operate on behalf of legislation to confine as far as practicable in the public interest Government Orders to British firms. This was put forward with a view to encouraging new industries and expanding existing industries in the British Empire, and accordingly your Committee intimated their support, and suggested to the Government that British merchants in this Colony should be given opportunity to tender for those Government requirements which ordinarily go past the Colony to the Crown Agents at Home. Such a course would seem to contribute to the encouragement of British industries locally, and in any case might in other ways well prove worth a trial.

A plea for reduction of ocean freight rebates on European Freights claimed a good deal of attention from the Committee of Chambers in China and in Hongkong—the enhanced rates of freight and time occupied in payment of rebate claims being largely responsible for the raising of the question. Strongly divergent views were held by merchants, and the matter was ultimately dropped owing to divided opinions. Amelioration of the position has since been provided by shipowners arranging to pay 90 per cent. of rebate claims immediately at the close of the first period.

A threatened restriction in the supplies of food commodities, notably butter, from Australia to Hongkong and Shanghai led the Committee to take up the question with the Government and with Mr. J. B. Suttor, the Commercial Commissioner for New South Wales, with effective results. The importance of maintaining ready supplies of food products from Australia is obvious in these times, and I take this opportunity to acknowledge the valuable assistance Mr. Suttor always places at the disposal of the Chamber in matters connected with the great Southern Colony. Notwithstanding restricted shipping facilities with high prices and high forwarding charges the enterprise of merchants and

traders has kept the Colony well supplied with staple foods, and it is satisfactory to know that Flour and other food necessities continue in substantial supply in Hongkong; a tribute moreover to the work of the British and Allied Navies.

The Committee had pleasure in subscribing on your behalf to the London organisation for distribution of Newspapers and Periodicals to the men of H. M. Grand Fleet, whose splendid work guards us here in comparative peace and keeps the Seas nearer home free from all but spasmodic attacks from other than submarine operations. Here in the Far East we owe a peculiar debt and tribute to the Allied Fleets who keep the seas open, and to the Officers, Engineers and Men of the Mercantile Marine who steadfastly carry on their important work in face of the worst the enemy can do against our overseas traffic.

The question of extinction of Enemy Trade marks had considerable attention during the year, and the policy favoured by the Committee was forcibly represented in the Legislative Council by Mr. Holyoak. The main aim is that such measures shall be taken as shall irretrievably prevent the revival and use of enemy trade marks at least on British goods after the war, and that the property of an enemy who implacably and unscrupulously conducts a policy of destruction of life and property of Allies and Neutrals alike on the High Seas, shall not have his property and trading means nursed for his benefit after the war. I understand the Imperial and Colonial Governments are further considering this question.

After considerable deliberation your Committee have represented to Government the need for legislation with the object of securing sound conduct of Insurance business in Hongkong as adopted in Great Britain, Canada, the Philippines and elsewhere. The security of policy holders will thereby be strengthened and the growth of mushroom Companies minimised. It is significant in this respect as remarked on a former occasion that out of 48 Companies registered in Hongkong, 20 have been wound up or struck off the Register of Hongkong Companies. In the opinion of the Committee a uniform measure should be instituted for all Companies operating in Hongkong, and for all Companies operating in China controlled from some part of H. M. Dominions. (Applause.)

In response to the request made at the last Annual Meeting, a Chinese Language School has been successfully instituted with Dr. Pearce as the Director in charge. Considering that the school was started in the stress of war time when business staffs are depleted and men's time subject also to the claims of military duties, Dr. Pearce and the 30 to 40 students are to be congratulated on the progress of the school. The first class started with Cantonese on the 2nd November last, and Dr. Pearce is already able to report steady progress on the part of the students towards proficiency in the vernacular. Quarterly tests have been instituted for the benefit of all concerned, but it is hoped that these tests where they do not show high records of marks will not discourage beginners. The times and circumstances are against rapid acquisition of a difficult oriental language and literature, difficult enough in themselves under the most favourable conditions, and the Committee hope

that every encouragement will be given to students to continue their studies even when progress is not so rapid as expected at the outset. The Committee wished to institute classes for Mandarin as well as Cantonese but this has not yet proved practicable. Mandarin holds such a preponderating place in the dialects of China for converse with official Chinese and the peoples of the great and thickly populated areas of Central and Northern China, vast fields for commercial and engineering enterprise, that it is to be hoped it may soon secure a place in the curriculum of our Language school. I desire to acknowledge the assistance Sir Charles Eliot has rendered the Committee in the development of the school, and our appreciation is due to Dr. Pearce for the wholehearted manner in which he devotes his energies for the well being of this new branch of the Chamber's work. Beginners' Classes are starting again in April which it is hoped will be well attended. (Applause.)

As you will have seen the report largely deals with trade policy as applied to the present war period and to the post bellum future. Our letters of 21st March of last year to Mr. Ross and of January 8th of this year to the Colonial Secretary indicate the policy the Committee have adopted on the leading questions that have arisen. Decisions on the many important points at issue are nearing maturity and will probably be arrived at through the great Imperial Council which is now sitting in London. It is necessary therefore that we should be ready with well considered views as to the main requirements in outstanding questions where this Colony is concerned. The chief factor in our decisions appears to be the recognition of Hongkong as a great distributing mart and shipping centre which should not be penalized by import and export charges other than of a limited nature which would not be detrimental to its volume of trade. It should be our policy to foster principles which shall ensure the maintenance and growth of commercial relations with the great field of China. Exports as well as Imports are in question, and in this connection we should advocate as we are already doing, the extension and application of scientific and technical research, with Government assistance, as instituted by the Commission now appointed at Home by H.M. Government, to lead in our case to further scientific development of our export trade from China. (Applause.)

The reorganisation of world traffic after the war will set many problems to those guiding commercial centres such as Hongkong, and I commend to your notice the resolutions, and the spirit thereof, adopted at the Allies' Conference at Paris detailed in the Report. Mr. Bonar Law, in the opening phrases of his letter drawing the Colony's attention to the recommendations of that Conference, turns our thoughts forthwith to measures to be taken to avoid any recurrence of the dangers to which the Empire has been exposed by the growth of German trade and influence within it. Danger in this respect will naturally lie in the return of enemy subjects to our midst, and I know of no other question in the problems of the future which excites higher feeling, and the strongest possible views among your Committee. It is surely not too much to hope and even to expect that the privilege of return to this Colony should be withheld from the enemy for a substantial period after the declaration of peace. The events of the past year have only served to strengthen rather than mitigate the views on this point expressed by Mr. Landale,

the Chairman at last year's Meeting. During the past few weeks stirring events have developed which will figure in future history and they mark decided stages in the progress of the Allied Powers towards victory. (Applause.)

We may with every confidence regard the present Anglo-French advance as effective progress towards the centre of Belgium. In Russia the Revolution has set up a democratic Provisional Government with the declared intention of more vigorous prosecution of the war, while China, like the United States, has now severed diplomatic relations with Germany. There is also the capture of Bagdad with all its consequent possibilities. This rapid series of events favourable to the Allies inspires confidence in the nearer approach of victorious peace, for the welfare of mankind, and with the promise of opportunities for the further prosperous development of this Colony. We are happy to see China taking part with the United States in the cause of international justice and humanity, and it is opportune to express here our good wishes to the great nation of Russia in the development of the ideals her people have set before them. (Applause.) The achievement of great things has its price, and while we are all proud of the men who have gone forth to fight the country's battle, and of the extreme sacrifice some are called upon to render, a great loss falls to us, and it is fitting that we should record our sympathy with the firms who have lost members of their staffs, stricken on the field of battle in the great cause during the past months. (Applause.)

In closing I would mention that during the year Sub-Committees have been extended as indicated in the report, and the Chamber is indebted to the members of these Sub-Committees for the time and attention they have given to much valuable work. The accounts do not call for any elaboration. The balance is on the right side and the figures speak for themselves. I beg therefore to propose the adoption of the report and accounts.

Mr. W. M. HUMPHREYS seconded, and the report and accounts were then adopted.

#### ADDRESS BY THE HON. MR. P. H. HOLYOAK.

The CHAIRMAN then called upon the Hon. Mr. P. H. Holyoak, as the Chamber's representative on the Legislative Council, to address the meeting.

The HON. MR. P. H. HOLYOAK remarked that it had been thought desirable that, as their representative on the Legislative Council, he should explain to them a little of what had been attempted in their name, what had been accomplished, and what the difficulties were in the way of accomplishing more. He would explain at the outset what a laborious process was involved in getting questions answered in the Council, or in proposing a resolution and obtaining a debate upon it. Due notice must be given of any question, and they might possibly, and very often they did, receive such an answer as this to a question affecting really commercial interests, "the answer is in the negative." That meant that

further notice, for a fortnight, must be given, and if there was no Council meeting for a fortnight, or even a month, the interests involved in the question were indefinitely held up. The same applied to any debate upon a resolution. "I think" proceeded the speaker, "that some constitutional reform might be possible in this Colony, so that any question affecting really business interests might be answered by the responsible official in the Council on broad lines, and, if necessary, some amplified answer should be given. (Applause.) Proceeding, the Hon. Mr. Holyoak said he would like to testify to the fact that a large amount of private work had been done by their representative which could not possibly be publicly dealt with, or explained in public, and he would like to give his testimony to the ready assistance which, in almost every case, was given by every senior official in the Colony, and also by the Governor himself on questions which really affected the trade interests in the Colony when he had presented them personally to him. (Applause.) The questions, broadly, which had come up since he had had the honour of being their representative, had been the removal of the enemy prisoners to a safer place than the confines of this Colony, the trade mark question, which was a very vital one, the silk prohibition question, which was due apparently to some rather careless blunder in London, and which necessarily involved the holding up of the trade with considerable loss in this Colony, as they were most of them aware, and for no purpose whatsoever; and, lastly, the war taxation, which was not yet fully dealt with. Referring to the enemy trade mark question, the speaker said that it was being dealt with in a Bill before Council at the present moment, and which would come up for second reading very shortly. To a large extent the Bill gave all that they asked for, but it did not go quite far enough. What the effect of the Bill was, as far as he could understand it, and he had followed it very carefully, was that all enemy trade marks, and all enemy goodwill, and anything associated with them, should be vested for the period of the war in the person of the Enemy Custodian, but the Bill did not provide so far, distinctly, that they would never be returned to the enemy if, for some unforeseen reason, he was ever allowed in their midst again. That, he hoped, would be dealt with before the Bill was passed a second time. In passing he would like to make the remark that he hoped the time had come, and that after the war it would be dealt with, when it would be no longer possible for any official majority in the Colony, in the Council of the Colony, to veto the considered and determined opinion of a body of merchants such as they represented in that room that afternoon. (Applause.) Because, after all, in questions of trade and its connections, they were the experts and the people who knew, and they offered their views to the Government on such questions after they had been carefully considered, and they were not going to have them turned down by an official majority which often did not understand the questions at all. (Applause.) The question of post-war policy had been dealt with by the Chairman, and they all felt, as he did, they felt as a Chamber, that their voice should go forth from this meeting that at the close of the war, as far as they were concerned, they would regard their late enemy associates in this Colony as unclean; unclean to the extent that they were not willing to associate with them either in commercial or social circles for many years to come, and, personally, as far as he was concerned, never again if he could help it. (Applause.) By their outrage of every known law



in warfare as it had been understood, by their ruthless breaking of the laws of the sea, and by their sinking to the lowest depths, they had forfeited their right to be regarded as ordinary civilised citizens of any civilised state. Therefore, their voice should go forth from that meeting that so far as in their power lay they would do all they possibly could to prevent the Germans coming back to this Colony, and, if they could not do that, they would refuse to take them back for a period of years, and then only on terms of license. (Applause). That was a thing they ought to determine before the end of the war. He hoped, and believed, that there was a legacy of hatred left in the minds of every British citizen; parents who had lost their children, brothers who had lost brothers, and who had lost them under conditions which were not ordinary warfare; and those who had had their sisters butchered. Only that morning he had seen an illustrated paper which contained a photograph showing a station in East Africa, which formerly bore a German name, now bearing the sign "Cavell station," and with the words "we will never forget Cavell." And never, so long as they lived, would they forget the horrors and outrages committed upon humanity by the Prussians; it was due to those who had fallen that they should never forget. (Applause).

#### COMMITTEE.

Mr. T. F. Heugh proposed the re-election of Hon. Mr. P. H. Holyoak, Hon. Mr. C. E. Anton, Hon. Mr. E. Shellim, Messrs. A. S. D. Cousland, S. H. Dodwell, C. Montague Ede, E. V. D. Parr, G. T. Edkins, N. J. Stabb, A. O. Lang, as the Committee.

Mr. Gordon seconded the motion, which was carried.

#### NEW MEMBERS.

The chairman proposed and Mr. Dodwell seconded the confirmation of the election of the following new members.

China Mutual Life Insurance Co., Dairy Farm Co., Ltd., Liverpool & London & Globe Insurance Co., Ltd., Messrs. B. Monteith Webb & Co., Patell & Co., Fungtang, C. E. Warren and J. Scott Harston.

*MINUTES of a Special Extraordinary General Meeting of Members of the HONGKONG GENERAL CHAMBER OF COMMERCE held in the CHAMBER ROOM, NEW GOVERNMENT BUILDING, on Monday, 26th March, 1917, for the purpose of considering and if thought fit passing the following Resolution.*

"That Clause 6 of the Rules and Regulations of the HONGKONG GENERAL CHAMBER OF COMMERCE should be amended by the insertion of the word "British" between the word "ten" and the word "Members" in the first line thereof."

*Present:—*

Mr. G. T. Edkins (Messrs. Butterfield & Swire) presided, and the following firms were also represented:—Hon. Mr. P. H. Holyoak (Reiss & Coy.), Mr. N. J. Stabb (Hongkong and Shanghai Bank), Hon. Mr. C. E. Anton (Jardine, Matheson & Co.), Mr. A. O. Lang (Gibb, Livingstone & Co.), Mr. A. S. D. Cousland (Alex. Ross & Co.), Mr. C. Montague Ede (Union Insurance Society of Canton Ltd.), Mr. E. V. D. Parr (P. & O. Co.), Mr. S. H. Dodwell (Messrs. Dodwell & Co.), Hon. Mr. E. Shellim (Messrs. D. Sassoon & Co., Ltd.), Mr. L. M. Whyte (Donnelly & Whyte), Mr. R. B. Cooper (Cawasjee Pallanjee & Co.), Mr. O. E. Arculli (Arculli Bros.), Mr. W. M. Humphreys (W. G. Humphreys & Co.), Mr. T. F. Hough (Hughes & Hough), Mr. M. P. Talati (F. P. Talati), Mr. W. A. Hannibal (W. A. Hannibal & Co.), Mr. J. de B. Lancaster (Liverpool & London and Globe Insurance Co., Ltd.), Mr. J. M. Alves (J. M. Alves & Co.) Mr. H. Humphreys (John D. Humphreys & Son), Mr. R. D. Harvey (British American Tobacco Co., Ltd.), Mr. J. W. Stackhouse (New Zealand Insurance Co., Ltd.), Mr. A. Thomas (Messageries Maritimes), Mr. W. C. Jack (W. C. Jack & Co.), Mr. G. A. Dunlop (Netherlands India Commercial Bank), Mr. E. L. G. Arnold (Commercial Union Assurance Co., Ltd.), Mr. W. L. Pattenden (Gilman & Co., Ltd.), S. H. Leung (Yuen Hop Hing), Mr. G. H. Wilson (Robertson, Wilson & Co.), Mr. B. W. Tape (The China Mutual Life Insurance Co.), Mr. A. G. Coppin (Nestle's and Anglo-Swiss Condensed Milk Co.), Mr. T. A. Loughlin (Bank Line, Ltd.), Mr. A. Beattie (W. R. Loxley & Co.), Mr. E. Ormiston (Stewart Bros.), Mr. H. Stephens (H. Stephens & Co.), Mr. R. Hancock, Mr. A. G. Gordon, Mr. G. Ludin (Swedish Trading Co.) Mr. S. M. Churn (Union Trading Co.), Mr. T. C. Downing (Chartered Bank), Mr. L. Berindoague (Bank of Indo-China), Mr. J. S. Plummer (Bradley & Co., Ltd.), Mr. F. C. Butcher (Eastern Asbestos Co.), Messrs. N. L. Watson and W. D. Bell (Asiatic Petroleum Co.), Mr. A. Forbes (Harry Wicking & Co.), Mr. G. M. Lakin (Hongkong Electric Co.), Mr. S. E. Ismail (S. C. Ismail & Co.), Mr. H. W. B. Kennett (China Borneo Co., Ltd), with Mr. E. A. M. Williams (Secretary).

The CHAIRMAN, speaking with regard to the resolution said:—The Committee have been approached from various sides on the standing of the Chamber as a British Association. Obviously, established as we are in a British Colony with a preponderance of British members our practical status is that of a British Chamber, and I would ask those members owing allegiance to other than the British flag, but whom we are

glad to have with us, to make due allowance for that point. The proposal which is put before you appeals to the outgoing Committee as an opportune measure and they support its introduction. If the resolution is carried it will be a matter for consideration for the incoming Committee to decide whether further steps are desirable to meet the new circumstances arising out of the war in relations between our Chamber, the British Government and other Chambers of Commerce.

Mr. COPPIN proposed the resolution, and in doing so remarked that for many years their Committee had consisted of British members only, and the amended regulation would ensure such being the case in future. It would also have the good effect of assisting other British Chambers to send their Committee some confidential communications which hitherto they had considered inadvisable. By the amending of the regulation that difference would be unnecessary on that account.

Mr. WATSON seconded and the resolution was unanimously carried.

*MINUTES of an Extraordinary General Meeting of the HONGKONG GENERAL CHAMBER OF COMMERCE held in the CHAMBER OF COMMERCE ROOM, NEW GOVERNMENT BUILDING on Tuesday, 24th April, 1917, for the purpose of Submitting to the Members of the Chamber resolutions with reference to Post-War Trade and other matters in connection therewith*

*Present:—*

The Hon. Mr. P. H. Holyoak, (Messrs. Reiss & Co.), Chairman, the Hon. Mr. C. E. Anton, (Messrs. Jardine, Matheson & Co., Ltd), the Hon. Mr. E. Shellim, (Messrs. David Sassoon & Co., Ltd), Messrs. A. S. D. Cousland, (Messrs. Alex Ross & Co.), S. H. Dodwell, (Messrs. Dodwell & Co., Ltd.), C. Montague Ede, (Union Insurance Society of Canton Ltd.), G. T. Edkins, (Messrs. Butterfield & Swire), A. O. Lang, (Messrs. Gibb Livingston & Co.), E. V. D. Parr, (P. & O. S. N. Co.), N. J. Stabb, (Hongkong and Shanghai Banking Corporation), and E. A. M. Williams Secretary.

Sir C. P. Chater, C.M.G., Mr. H. A. Cartwright, Mr. W. Dunbar, Mr. A. G. Gordon, Mr. R. Hancock, Mr. W. Logan, Hon. Mr. H. E. Pollock, K.C.; Mr. M. S. Sassoon, Mr. M. P. Talati, A. B. The Swedish Trading Co., Ltd., (G. Ludin); Arculli Bros., (O. el Arculli); Asiatic Petroleum Co., Ltd., (W. H. Bell and W. Manning); The Bank Line, Limited, (T. A. Loughlin); The Bank of Taiwan (N. Yanagita); Banker & Company (A. Bryson); Banque de l'Indo-China, (L. Berindoague); Botelho Bros., (B. J. Botelho); Bradley & Co., Ltd., (F. C. Butcher); British American Tobacco Co., Ltd., (V. L. Fairley); Caldbeck, Macgregor & Co. (F. W. S. Evans); Canadian Pacific Ocean Services, Ltd., (J. H. Wallace); Cawasjee Pallanjee & Co., (R. B. Cooper); Carmichael & Clarke (J. B. Thomson); China and Japan Telephone and Electric Co., Ltd., (W. L. Carter); China Light and Power Co., Ltd., (T. Leeman); China Provident Loan and Mortgage Co., Ltd., (H. H. Tayler); China Fire Insurance Co., Ltd., (C. H. P. Hay); China Sugar Refining Co., Ltd., (G. M. Shaw); China Mutual Life Insurance Co., Ltd., (B. W. Tape); Compagnie Des Messageries Maritimes, (P. Thomas); Connell Bros. (J. L. M. do Rozario); S. J. David & Co., Ltd., (Archibald David and O. I. Ellis); Dennys & Bowley, (F. B. L. Bowley); Donnelly & Whyte, (D. E. Donnelly); Douglas S.S. Co., (H. P. White); Eastern Asbestos Co., (K. S. Morrison); Fire Insurance Association of Hongkong, (E. A. M. Williams); Fung Tang, (C. M. S. Alves); The General Electric Co. of China Ltd., (A. Basil Raworth); Green Island Cement Co., Ltd., (R. Henderson); Gilman & Co., Ltd., (W. L. Pattenden); Goddard & Douglas, (T. Arthur); A. & S. Hancock, (H. Hancock); W. A. Hannibal & Co., (W. A. Hannibal); Hongkong, Canton & Macao Steamboat Co., Ltd., (W. E. Clarke); Hongkong and China Gas Co., Ltd., (George Currie); Hongkong Electric Co., Ltd., (F. Graham); Hongkong and Kowloon Wharf and Godown Co., Ltd., (W. S. Brown); Hongkong Rope Manufacturing Co., Ltd., (F. J. Tavares); Hongkong Tramway Co., Ltd., (W. E. Roberts); Hongkong and Whampoa Dock Co., Ltd., (R. M. Dyer); Hughes & Hough, (T. F. Hough); W. G. Humphreys & Co., (W. M. Humphreys and W. G. Humphreys); J. D. Humphreys & Son, (Henry Humphreys); J. D. Hut-

chison & Co., (T. E. Pearce); Holloway & Newall, (A. A. Claxton); S. C. Ismail & Co., (S. E. Ismail); W. C. Jack & Co., Ltd., (W. C. Jack); Johnson, Stokes & Master, (H. J. Gedge); Kailan Mining Administration, (J. H. C. Goodban); Lane, Crawford & Co., (A. H. Skeiton); Lowe, Bingham & Matthews, (A. R. Lowe); Linstead & Davis, (F. Maitland); Liverpool and London and Globe Insce. Co., Ltd., (J. de B. Lancaster); W. R. Loxley & Co., (M. P. Beattie); Leigh & Orange, (A. E. Griffin and G. G. Wood); Macdonald & Co., (D. Macdonald); Marine Insurance Association of Hongkong, (S. J. Chinchon); Mercantile Bank of India, Ltd., (C. Champkin and E. L. Sim); N. Mody & Co., (H. K. Erani); N. S. Moses & Co., (N. S. Moses); Nestle's Anglo-Swiss Condensed Milk Co., (A. G. Coppin); New Zealand Insurance Co., Ltd., (W. Sinclair); N. Y. K. (B. Mori); Pabaney & Co., (A. B. Avasia); Patell & Co., (M. J. Patell and N. B. Karanjia); Pentreath & Co., (C. B. Brooke); Reiss & Co., (Hon. Mr. P. H. Holyoak); Robertson, Wilson & Co., (G. H. Wilson); Alex Ross & Co., (D. K. Moss); E. D. Sassoon & Co., (C. S. Gubbay); Shewan, Tomes & Co., (J. M. Gordon); H. Skott & Co., (G. E. Wetton); Soares & Co., (A. M. L. Soares); Standard Oil Co., of New York, (W. D. Kraft); Stewart Bros., (E. Ormiston and H. B. L. Dowbiggin); H. Stephens & Co., (H. Stephens); The Texas Company (J. H. Brister); Thomas Cook & Co., (J. Bentley); United Asbestos Oriental Agency, Ltd., (A. Ritchie); Union Trading Co., (S. M. Churn); Union Waterboat Co., Ltd., (G. Morton Smith); Vacuum Oil Co., (C. C. Stark); A. S. Watson Co., Ltd., (H. Humphreys); Wilkinson & Grist (C. E. H. Beavis); Harry Wickling & Co., (A. Forbes); C. E. Warren & Co., (C. E. Warren); B. Monteith Webb & Co., (B. Monteith Webb); Yokohama Specie Bank, Ltd., (E. Ono); Yuen Hop Hong, (S. H. Leung).

The Hon. Mr. HOLYOAK, who was loudly applauded as he entered the room, and also when he rose to speak, said:—As it is past the hour for which this meeting was called I will proceed to address the meeting upon the subject for which you have been called together this afternoon. Briefly it is this. That a resolution which was unanimously adopted by your elected committee was rejected in the Legislative Council, and we have now brought it before the meeting to endorse or not as seems fitting to you. The resolution which I have to propose, and which in substance is identically the same as that proposed in the Legislative Council in your name, is as follows:—“It is the opinion of the Chamber that it is in the best interest of the Colony of Hongkong that persons of German nationality should be excluded therefrom for a period of at least ten years following the declaration of peace; and, that, subsequently, they be only admitted into the Colony under strict licence.” Now, gentlemen, we contend that, speaking on behalf of the Chamber, there was not the slightest need on the part of the Government to debate this resolution. (Applause.) It was largely academic, it did not seek legislation, it merely asked that the considered, and carefully considered, opinion of your elected Committee should be put before the authorities at Home, who are shortly to meet to consider this very question. We claim that we have a right to a voice, inasmuch as while the greater Colonies will be represented directly by their own representatives, we as a Crown Colony will be represented by the Secretary of State for the Colonies, and therefore a direct pronouncement from this Chamber in no uncertain manner should be sent Home, quite apart from Government despatches and re-

commendations which might not be known to us. Now, gentlemen, we further contend that this resolution was never seriously discussed by the Government in Council, and that His Excellency's speech, if it was not flippant in argument, was at any rate unfortunate, to say the least of it, in its choice of language. (Hear, hear.) It has been said, it was said in Council, that the appeal made was largely one based on sentiment, and was one which ignored economic facts. In the first place, gentlemen, it is impossible in connection with this war to ignore sentiment. (Applause.) The entry of England into this war in the very first place was entirely and absolutely due to sentiment, namely, that we should fulfil our treaty obligations to the nation of Belgium. (Applause.) And, gentlemen, it is impossible to conceive that as a result of this war sentiment in connection with it will die down for many years to come, and therefore we cannot afford to ignore it. (Applause.) You will notice that I am endeavouring in presenting this case to present it without passion, and to deal with it calmly and logically as it presents itself to your Committee, and as I trust it will appeal to you. I propose now to deal with the economic argument which, it has been said, we did not sufficiently dwell upon. Gentlemen, I really felt it was unnecessary to argue it at length because the disclosures in connection with the liquidations were such common property in this Colony that it did not seem necessary to argue them at length, but as it seems desirable to speak more fully upon it I will proceed to do so. I said in my speech that the return of the Germans to Hongkong would be inimical to the interests of Hongkong. That is the basis of our economic argument. (Applause.) I have no hesitation in saying that at least 60 per cent. of the German trade in this Colony was done in British cargo. Now, gentlemen, let us pause for a moment to consider what that means. To all of us who are intimately acquainted with the textile trade, and largely from my own practical and personal experience, it has been well known that there have been many occasions in the past ten years where Lancashire travellers in this Colony have reported large sales to German firms when British merchants, who had precisely the same cargo lying in their godowns and were prepared to accept spot cash prices for it, were unable to sell. And yet large sales took place. Why? Because the whole basis of the textile trade, and of other trades in connection with German business here, was built up upon a credit basis, for which the credit had to be kept revolving. Therefore, it did not matter what the times were, whether they sold at a loss or sold at a profit, it was essential to them, in order to carry on their trade not only to go on selling but, what was more material to them, to go on buying. That is a point I wish to enforce and ask you to dwell upon. I also wish to emphasise the point that British merchants of this Colony were opposed in their trade by goods, made by Lancashire firms, which were sold at a loss by Germans, and sold merely to keep the credit revolving in order to meet due bills. In defiance of obligations in connection with trust deeds and bills, they misapplied funds which should have been used for paying off, without indefinite delay, due bills. I say again, that that sort of business was immoral from first to last. (Applause.) I ask you, gentlemen, whether you are prepared to admit back into your midst men who are prepared to reconstitute this kind of business when, after much pains and tremendous struggling, the trade of the Colony has once more been put upon a sound cash basis. (Voice—No.) And as I said in the

Council, the condition of this Colony to-day is healthier and sounder than it has been for many years past. Allow them to come back and seek to do trade, which from the very nature of things they must offer on terms which no self-respecting British firm would think of accepting. I did not speak of the wider credit system of trade to which the Attorney-General made reference. The trade in the Hinterland, where large Government and engineering contracts are concerned, and where there may be opposition to British firms, may have been allowed to lapse somewhat, and we think it may be possible that British firms will have to consider its development upon credit lines, with the assistance of the banks, in order that the trade of the Hinterland should be more widely pushed than it has been in the past. It is true that in the past we have left much of that trade, to our German competitors. We have realised now that a large trade was done, and possibly a paying trade was done, and that it must be developed possibly on similar lines, but we shall endeavour to make them sounder. It was further hinted that if you did not allow the Germans to return to Hongkong it might lead to the development of Swatow, Amoy and other outports with railway communication between those places and Canton, and possibly the development of other parts. Gentlemen, in the first place, I doubt very much whether for some years to come they will be financially in a position to finance any big railway scheme or any big commercial development scheme. But if they were I have no hesitation in saying that if the British merchants of this Colony allow them to do so it serves them right, and when I say that I mean that if we are not alive to the possibilities of competition, and knowing well we can meet them and overcome them, and do not try to, then we shall deserve all the competition we may possibly have to meet. If we do not work hand in hand with the Chinese Government in connection with railway development between Swatow and Canton, and we allow other people to do it, then we deserve the competition. In conclusion, and in putting this resolution to you, I would say that the question of a time limit of ten years, so far as your Committee is concerned, is merely an academic term for the sake of argument. When the resolution was proposed it was not proposed with the idea of carrying into effect any definite action within this Colony. It was not understood that it should be so; it was merely desired that an expression from the Colony should go to the Home Government for their consideration in connection with Imperial Legislation, and it was equally realised that whatever the Imperial Authorities at Home might decide, this Colony would have to fall in with them, and would do so gladly. (Applause.) But we did contend, and we do contend, that we have a perfect right to express independently our views to the Imperial Authorities at Home on that very point. (Applause.) Further, I am prepared to say in regard to the period of ten years that, if the meeting wish it, we are prepared to modify the resolution in that respect so that it meets with general acceptance. We are most anxious that the views should go forward from this meeting with positively and absolutely united action, if we can possibly see eye to eye together in that connection. Gentlemen, I leave the resolution in your hands. (Applause.)

The Hon. Mr. C. E. ANTON—Those of you who read my speech at the Legislative Council may probably have recognised that I based my argument chiefly on sentimental grounds, not from the

commercial point of view, though I have my views on that. After all is said and done, we cannot guide our policy by a mere matter of pounds, shillings and pence. (Applause.) I am aware that there are arguments, strong arguments, on both sides of the question, and though, personally, I think we should combine ourselves against German opposition of any kind, yet at the same time I should like to hear further views expressed, as I am not a long resident here. That is all I have to say in seconding the resolution.

Mr. E. V. D. PARR—Without trespassing upon the valuable time of the meeting I would like to record my cordial support of the remarks of our worthy Chairman as regards this resolution, and to add that it might be considered a matter of common and ordinary precaution. Gentlemen, we desire these sentiments to be sent home to the Home Government. The Prime Minister, very wisely, since the beginning of the war, has acted in consultation with the best technical and business brains of the country—(applause)—and we are encouraged to think that his Government will welcome the expression of opinion of businessmen of Hongkong, men, gentlemen, who by their position show themselves as worthy successors to their great predecessors. (Loud applause.) I think we have a right to ask that our views should be transmitted Home. (Applause.)

The Hon. Sir PAUL CHATER then said:—Gentlemen, while I yield to none in my detestation and horror of the Germans and the unspeakable atrocities committed by that nation since the commencement of the War, at the same time I cannot find myself in accord with the suggestion "that it is in the best interests of the Colony of Hongkong that persons of German nationality should be excluded therefrom for a period of at least 10 years following the declaration of peace, and that subsequently they be admitted into the Colony under strict licence," save and except under conditions which are, I am convinced, beyond the bounds of practical politics, namely, that the same stand be adopted and maintained by all the Allies in the Far East—France, Russia, Japan and most particularly China—given these conditions, then I am with you. Except under these conditions to exclude the Germans from our Colony would be merely to drive them to neighbouring trade centres, where once established they would prove a serious menace to our welfare and trade—(Voice—No, no.)—not to mention the loss of benefits to be derived from the use of our Harbour by their shipping, and of shipping under their control. (Voice—Rot. They have no shipping. Who wrote it?) I deem it inexpedient that I should here mention in detail places where they could (except and unless China sides with us) so establish themselves in our immediate neighbourhood. They must be as wellknown to you all as to me, but I shall be only too pleased to give my views in full to your Committee if and when they wish. It has been argued that with no coaling facilities on the way German shipping will find a difficulty in reaching these distant waters, but can we for a moment suppose that she will not find means to overcome this difficulty? What about the use of oil fuel in place of coal? It would be easy enough for steamers using oil to reach Dutch ports in the East Indies and there replenish their stock for the further voyage to China, Russian ports in the North and Japan. That China has at the moment broken off diplomatic relations with Germany we all know, and I trust that the day is not far distant when she will be num-

bered amongst our Allies ; but to imagine for a moment that when peace is established she will continue to decline to trade with her is to my mind absurd. I have read that the German Concessions at Tientsin, Hankow and elsewhere, now being taken care of by China, will eventually be handed back to her, and we know Germans to-day are tolerated and trading in Shanghai. I maintain then to exclude them from this Colony only would be a suicidal policy. (Voice—No, no.) It may be said that we have got on very well and prospered without them during the war—granted—but shall we not do so to a greater degree on their return? (voice—No.) Nor do I think we have much to fear for our trade from their competition for many years to come, particularly in view of the statement which has been put forward that they will have to compete without the banking and discount facilities in London which they formerly enjoyed. It will be within the memory of many of you that some years ago an attempt was made through this Chamber to establish bimetallism in this Colony. It was found, however, that unless China would come into line, this could not be done, and the scheme had to be abandoned. As this Chamber itself in its letter to the Government when considering the Recommendations of the Economic Conference of the Allies regarding the commercial and industrial policy to be adopted throughout the Empire after the War, wrote, "Hongkong is essentially a great shipping port and trade emporium and as such cannot be dissociated from the neighbouring State of China, which indeed provides the most important field for Hongkong enterprise. Whatever Imperial Policy is adopted for the future in the interest of Hongkong provision must be made for its peculiar relationship with China and no measures should be taken which would be likely to be detrimental to the further expansion of the import and export trade with China ; any Tariff Regulations should provide for these circumstances." All this goes to support my contention that without the support and co-operation of China any such suggestion as that now before us must prove futile and react to our detriment. (Voice—No, no.) Gentlemen, the question under discussion is to my mind essentially one of Imperial Policy. We have been asked by the Home Government for an expression of our opinion as a guide to our representative at the forthcoming Imperial Conference, and in giving forth such an opinion we must be careful not to let our justly incensed hatred of the atrocities committed by our enemies and our sentiment for the sufferings imposed upon our fellow-countrymen and Allies to obscure our sound and well-considered judgment. Commonsense tells us that so soon as she is able to do so Germany will open up trade throughout the world, and for us to attempt to bar her from trade with or through this Colony, without, as I have already said, the aid and co-operation of our neighbours, would be hopeless, and far from our best interests as a Colony. Briefly, then, while no one would be more pleased than myself to see the Germans excluded from this Colony for the period suggested, it can only be successfully done provided we have the hearty steadfast co-operation of China and the neighbouring countries, and I suggest, therefore, that there should be embodied in any recommendation of this nature forwarded to the Home Government such a proviso. (Voice—No.)

The Hon. Mr. P. H. HOLYOAK—As the member of the Chamber who proposed this resolution, I will exercise my prerogative and reply to

Sir Paul Chater's remarks. I have purposely avoided dwelling upon the subject of shipping for the very reason that obviously the interests of this Colony and other parts of the Empire must be bound up inseparably with that of shipping, and should it so happen that France and Italy should open their ports to German shipping after the war, Hongkong also must admit them within its port. And in reply to the fear he expresses with regard to China, that the prevention of the return of Germans for a certain period would do untold harm in our trade with China and Japan, I trust that before very long China too will have entered the field against the foes of humanity. (Applause.) And, if they do, these economic reasons do not apply, because she will come equally into line with the rest of the Allies in deciding what shall be done with German trade after the war, and we shall be inseparably bound up with her. (Applause.) So I think we need not seriously consider the argument against the proposition at the present moment, always remembering that we are merely expressing views to the Home Government which we say we have a right to have considered. Without further words I will put the resolution, unless there is an amendment to it.

The resolution was then put to the meeting and was carried with two dissentients only.

The CHAIRMAN then declared the resolution carried by an overwhelming majority.

#### ANOTHER RESOLUTION.

Mr. DODWELL then said:—Gentlemen, there is one further resolution I desire to put to you at this meeting; it has reference to the debate in the Legislative Council on the 19th inst., and to certain remarks made by H.E. the Governor, which were taken exception to by Mr. Holyoak at the time, and with which I feel sure you are all familiar. At the conclusion of the debate H.E. said:—"I have only one remark to make, and that is that I do not think any unprejudiced person would consider that the words I used in reference to the deceased Sir Thomas Jackson and deceased William Keswick can by any stretch of imagination be construed into an insult to the Hongkong General Chamber of Commerce or its committee." I was not personally present in the Council Chamber, but I have carefully read the various reports of the debate in our local Press, and with all due respect I say I cannot agree with H.E. No unprejudiced person, to my mind, could come to any other conclusion than that some of H.E.'s remarks, to say the least, lacked that courtesy which I think this Chamber is entitled to expect from the Government. In face of H.E.'s concluding words—those I have just read to you—I personally do not believe that any studied insult or even discourtesy was intended; I take that view the more readily as it seems to me incredible that the Governor, no matter how strongly he was opposed to our views, would wish to make such disparaging remarks about the members of the community chosen by you for your committee, men who, whatever their qualifications, have been entrusted by their fellows with the management of business concerns controlling millions of dollars, and who I submit, further, have taken a very responsible share in guiding those concerns safely and successfully through the greatest crisis in history. (Applause.) And yet, gentlemen, what other inference can one draw? If any of you do not agree with me in this I hope you will get up and say so. I would

remind you that the account of the proceedings in the Legislative Council is likely to be widely read, not only in the Far East, and it is the construction put upon the report by that public which we have to consider. I therefore feel very strongly that if we do not take exception to the words used by His Excellency we should lose not only our self-respect, but our right to be taken seriously hereafter by any commercial body, and more particularly by the Hongkong Government itself. (Applause.) Gentlemen, I beg to move the following resolution:—That the members of this Chamber desire to take exception to the words used by H.E. the Governor at the meeting of the Legislative Council held on Thursday, 19th April last, in speaking to a resolution which sought to convey to the Imperial Authorities the carefully reasoned and unanimous opinion of the Committee of this Chamber.

At this point Sir Paul Chater left the room.

Mr. MONTAGUE EDE, in seconding, said:—Gentlemen, the mover of this Resolution has told you that in coming to the conclusions at which he has arrived he has been influenced only by the printed reports of the speeches made at the Council meeting on the 19th inst. He was not present in the room, and therefore he cannot tell you first-hand what happened. I, gentlemen, was in the room during the whole debate; I was in a position peculiarly favourable both as to seeing and hearing, for I faced H.E. the Governor, and not only heard every word he said but noted particularly the inflections of his voice, and I can assure you that the impression conveyed to my mind was that the slight on this Chamber was intentional. I would specially call your attention to the following paragraph in Mr. Holyoak's speech:—"Finally, I would remind you that the views I have endeavoured, however incompetently, to set forth are unitedly shared and endorsed by the Committee of the Chamber of Commerce, which, at a recent meeting specially convened to consider the whole matter, unanimously adopted the identical motion on which I am now addressing you. The composition of this Committee is so well known to your Excellency and this Council that I am certain its careful considered opinion will not fail to carry the weight it deserves with the Secretary of State for the Colonies." In this H.E. the Governor was clearly informed of the unanimity existing, and there is therefore less excuse for that which transpired. (Applause.) I understand that His Excellency the Governor has stated that a wrong construction has been put upon what he said, but I regret, very much, with all respect, that, having been present and having weighed the point most carefully, I, for one, cannot accept this explanation. (Hear, hear.) Fortunately, this matter can be judged by you all on its own merits, and I therefore leave it to you to show by your voting unanimously for the resolution that you take exception to the way in which this Chamber, through its representative, was slighted, and its considered opinion brought to nought. (Applause.)

The Hon. Mr. HOLYOAK—I am glad that the burden of proposing or seconding this resolution has not fallen to me as your Chairman. I say this because I was present and deeply interested in what took place. I also felt and expressed the resentment, which I can perfectly clearly see is also felt deeply by you, in the Council. There I propose to leave the matter. But it is due to His Excellency that I should tell you that

he sent for me on Saturday, and in the course of an interview he again explained to me that he could not see how I or anyone else could possibly place upon his words the interpretation which we have done. And it is also due to him to say that he said he never intended any such interpretation at all. Be that as it may, gentlemen, when utterances are made by public men, be they governors or be they politicians, they must accept responsibility for the spoken word. (Hear, hear.) And in the absence of any public withdrawal, as public as the statement was made, we have no other course but to make allusion to them. With these few words I put the resolution which has been proposed by Mr. Dodwell and seconded by Mr. Ede.

The resolution was then put to the meeting and carried unanimously.

The Hon. Mr. HOLYOAK—May I express to you, gentlemen, before you leave, the appreciation of the Committee of the Chamber of Commerce in what amounts to a vote of confidence in us. (Applause.) Believe me, the work of the Committee of the Chamber and of its representative is by no means light, and it would certainly not be carried on for one single moment if the Committee or its representative did not feel behind them the united opinion of the Chamber. (Applause.)

In reply to Mr. Bell, the CHAIRMAN said that the resolutions would be forwarded to the Secretary of State for the Colonies and also to the Committee of the United Chambers of Commerce at Home.

Mr. FORBES—The question of the exclusion of the Germans is one on which I think the majority of the members of this Chamber have made up their minds. We do not want the Germans here, we are quite capable of carrying on the trade of the port without them, and we must decline to have anything more to do with them. If there are any friends of the Kaiser in this Colony, I would like to say that we have no use for them, and we will do everything we possibly can to defeat their aims to restore German shipping and business here after the war. As the Government is against us, we should, I think, cable fully to the London Chamber of Commerce and other Chambers in the Empire to ask for their support and ask them to take the matter up to arrive at a decision. I would propose, instead of a period of 10 years, that it would be better to leave this for the Imperial Government in order that the question may be discussed fully. There are many members of the community who are not represented at this meeting and it would be well to ascertain their views. I therefore propose that we should have a public meeting at as early a date as possible.

Mr. LOUGHLIN seconded.

The Hon. Mr. P. H. Holyoak said that he understood arrangements were being made to hold such a public Meeting on Thursday at the Theatre Royal. He had been inundated with letters and telephone calls asking him to make that Meeting public, but he had to explain that it is a meeting of the members of the Chamber of Commerce only and that only members of the Chamber could be allowed to vote.

This was all the business.

REPORT

OF THE

GENERAL COMMITTEE.

*Report of the General Committee of the HONGKONG GENERAL CHAMBER OF COMMERCE, for the year ended 31st December, 1916, presented to the Members at the Annual Meeting held in the Chamber Room, New Government Buildings, on Monday 26th March, 1917.*

Among matters which have engaged the attention of the Committee during past year are the following:—

TEA CONGRESS AND EXHIBITION IN JAVA.

A letter was received from the Consulate General for the Netherlands advising the intention of the Netherlands Indian Government to organise a Tea Congress and Exhibition in Java to be held in 1918. (Appendix A).

HONGKONG GENERAL CHAMBER OF COMMERCE HEWETT MEMORIAL SCHOLARSHIPS.

It will be remembered that in commemoration of the Chamber's late Chairman, the Hon. Mr. E. A. Hewett, C. M. G. two 4-year scholarships were established in the Hongkong University early in the year, since when another scholarship has been provided, as the appeal to members of the Chamber for funds resulted in sufficient being collected.

Your Committee have now considered applications for these scholarships and have awarded them to Messrs. Wong To On, Ngan Shi Leung and Chan Kwan Po, scholars of Queen's College. (Appendix B).

HARBOUR LIGHT DUES.

The question of increased light dues levied since 1909 to partly defray the cost of the new typhoon refuge at Mong-kok-Tsui which was submitted by the Hongkong, Canton and Macao Steamboat Co., Ltd. to the Chamber in the early part of 1915 was again brought forward by the same company this year. The Chamber approached the Government with a view to securing re-adjustment of the temporary tax whereby River Steamers would be required to pay less, and a greater proportion be borne by sea-going vessels. It is to be regretted that the Chamber's application met with no success. (Appendix C).

EXPORT AND IMPORT PERMITS.

A complaint with regard to delay in the issue of permits by the Export and Import Department was satisfactorily investigated by the Chamber. (Appendix D).



## HOLIDAYS.

Applications by the Exchange Banks to the Government to have the following days gazetted as general holidays received the support of your Committee:—4th February and 1st July. (Appendices E and X).

## QUARANTINE RESTRICTIONS.

WITHDRAWAL OF PLAGUE RESTRICTIONS BY THE NETHERLANDS.  
INDIAN GOVERNMENT.

The plague restrictions imposed on Hongkong by the Netherlands Indian Government were removed early in the year and the Chamber was informed that ships leaving this port for Netherlands India would require only to have the bill of health endorsed by the Consulate General. (Appendix F).

## RESTRICTIONS IMPOSED ON HONGKONG BY BURMAH.

A protest was made to the Government that Burmah had declared Hongkong a Plague infected port on very slender grounds, and the matter was represented to the Government of Burmah by Telegraph. (Appendix S).

## CO-OPERATION WITH CHAMBERS OF COMMERCE.

## FORMATION OF THE TIENSIN BRITISH CHAMBER OF COMMERCE.

Advice was received from Tientsin of the formation of an exclusively British Chamber of Commerce and requesting the co-operation of this Chamber in matters of mutual interest to British merchants to which your Committee sympathetically replied. (Appendix G).

SUGGESTED CO-OPERATION WITH THE SHANGHAI BRITISH  
CHAMBER OF COMMERCE.

A proposal from the Shanghai British Chamber of Commerce to provide means whereby co-operation might be attained between the two Chambers in all matters of common interest received the welcome consideration and reciprocation of your Committee.

This question is still engaging the attention of your Committee. (Appendix R).

## CHAMBER OF COMMERCE JOURNAL.

The Chamber has under consideration the advisability of producing a monthly Journal on similar lines to that of the Shanghai British Chamber of Commerce Journal or of combining with the latter. The question of material and finance is still under consideration. (Appendix U1).

## BRITISH CHAMBER OF COMMERCE FOR ITALY.

Advice has been received of the establishment of a British Chamber of Commerce in Italy with branches at Milan, Leghorn, Rome and Naples. An interesting article in this connection will be found in (Appendix W1).

## BRITISH IMPERIAL TRADE QUESTIONS.

## BRITISH IMPERIAL COUNCIL OF COMMERCE.

Mr. C. H. Ross of Messrs. Matheson & Co., Ltd., London consented to act as the Chamber's representative on the British Imperial Council of Commerce in place of the late Mr. E. A. Hewett, C.M.G. and in this capacity attended the Business Conference held in London in June last, at which he was able to make known the views of this Chamber with regard to the Fiscal, Legislative and Commercial Questions, which were discussed. Interesting correspondence will be found in (Appendix H).

## BRITISH TRADE WITH CHINA.

An interesting address by Mr. Thomas M. Ainscough, Special Commissioner of the Board of Trade in China delivered to the Far Eastern Section of the London Chamber of Commerce and Members of the China Association in London on this subject will be found in (Appendix K).

## BRITISH EMPIRE TRADE.

A resolution of the Associated Chambers of Commerce of the Commonwealth of Australia supporting the argument that the time is opportune to consider the best methods of bringing British manufacturers and British merchants throughout the Empire into closer touch by means of tariff reform or by impressing upon British traders the greater necessity of adapting themselves to the requirements of the different British markets, received the support and sympathy of your Committee. (Appendix L).

**CENSORED.**

(Appendix C1). Censored.

## BRITISH LEAGUE OF BRITONS ABROAD.

Australian Correspondence on this subject was received by the Chamber through the Government, advocating stronger organizations among British Communities in Foreign Countries for the purpose of combating German misrepresentations and lying propaganda directed against the British Empire, and against British Trade, to which the Chamber replied that in their opinion the activities of the British War Propaganda at present directed from Shanghai, and their own organizations amply fill the present needs of Eastern British Merchants (Appendix E1).

## PURCHASE OF EMPIRE MADE GOODS.

The Chamber was addressed by the Royal Colonial Institute on this subject, and as will be seen from the Correspondence, your Committee supported the resolutions adopted by that body, and in support thereof, strongly addressed the Government, urging legislation to be enacted to ensure that Government purchases and contracts be placed with British Firms. (Appendix F1).

## ECONOMIC CONFERENCE OF THE ALLIES.

Copy of a Parliamentary paper containing the Recommendations of the Economic Conference of the Allies held at Paris in June last and submitted to the Chamber through the courtesy of the Hongkong Government will be found in (Appendix I1).

## MILITARY SERVICE.

Much dissatisfaction and resentment having arisen among the young men of the Colony of Military age through objectionable criticisms appearing in the local press regarding the military requirements of the Colony as against the claims of the Home Service, the Government was approached on the subject.

Your Committee suggested that some such certificate as that issued by the President of the Board of Trade to the Mercantile Marine Service should be issued to men of Military age in the Colony who are serving their country equally well by continuing their commercial careers here combined with local Military service, as by joining the army at Home.

A Military Service Commission appointed by the Government is at present dealing with the question of whether and to what extent, having regard both to Imperial needs and to local conditions, it is practicable and expedient that male British subjects of military age, resident in the Colony, who wish to volunteer for active service with His Majesty's forces outside the Colony, should be allowed to leave the Colony for that purpose. (Appendix Q1).

## EMPIRE'S COMMERCIAL AND INDUSTRIAL POLICY AFTER THE WAR.

Your Committee through the courtesy of the Hongkong Government was given an opportunity of stating their views on this subject, which are set out fully in (Appendix T1).

*CENSORED.*

(Appendix V1). Censored.

## DEATH OF THE HON. MR. E. A. HEWETT, C.M.G.

An expression of regret and sympathy from the Far Eastern Section of the London Chamber of Commerce is recorded in (Appendix I).

*CENSORED.*

(Appendix J). Censored.

## PIECE GOODS CONTRACT LIMITS.

An enquiry regarding Piece Goods Contract Limits received the attention of your Committee, and a Piece Goods Sub-Committee has since been formed to deal with references of this kind.

A result of the activities of this Committee will be found under heading "New Clause in Contracts for Fancy Goods." (Appendix M).

## HOMEWARD FREIGHT TARIFF REBATES.

Correspondence and telegrams were exchanged with the Shanghai British Chamber of Commerce regarding the proposed reduction of freight rebates from 10 to 5%. The local Association of Exporters and Dealers strongly protested against such a reduction being made unless it should take the shape of a 5% cash discount.

The suggested reduction was finally dropped by the Shanghai Chamber on account of divided opinions (Appendix N).

## ENQUIRY FOR TONNAGE.

An enquiry for tonnage for Mauritius was received by the Chamber and passed on to Shipping Companies likely to be interested. (Appendix O).

OPENING OF PORTS TO FOREIGN TRADE IN NORTH CHINA.

Through the courtesy of the Government, correspondence with the Home Government regarding the opening of seven ports in North China to Foreign trade was submitted to the Chamber. (Appendix P).

MEASURES ADOPTED TO INTERCEPT THE SEA-BORNE COMMERCE OF GERMANY.

The Government courteously afforded your Committee an opportunity of perusing a statement of the measures adopted to intercept the sea-borne commerce of Germany. (Appendix Q).

NEWSPAPERS FOR THE FLEET.

An appeal from the Chairman of the Committee for the Supply of Newspapers for the Fleet was considered, and a draft for £10 forwarded as this Chamber's contribution. (Appendix T).

COTTON TRADE SOCIETY AT ROTTERDAM.

Advice was received from the Consul General for the Netherlands of the formation of a Cotton Trade Society at Rotterdam, the idea of the Dutch Merchants being to make Rotterdam a cotton trade distributing centre in place of Bremen. (Appendix U).

CHINA COAST OFFICERS' GUILD.

The assistance of the Chamber was sought by the Hongkong Agency of the China Coast Officers' Guild with regard to the status of the organization vis-a-vis the local steamship Companies. (Appendix V).

DOUBLE INCOME TAX WITHIN THE EMPIRE.

An interesting memorandum on the subject of Double Income Tax within the Empire, prepared by the London Chamber of Commerce in conjunction with the Protest Association will be found under (Appendix Z).

ENEMY TRADE MARKS.

Your Committee represented to the London Chamber of Commerce and also to the Chamber's representative on the British Imperial Council, the question of Enemy Trade-marks, their uses and abuses, seeking

support and expressing the hope that some practicable means of inducing the Home Authorities to seriously consider the whole question could be found.

Copy of the Report of the debate in the Legislative Council on the subject will be found in (Appendix A1).

AUSTRALIAN SHIPMENTS TO SHANGHAI AND JAPAN.

Successful representations were made by the Chamber to the Government and to the Commercial Commissioner in the East for the Government of New South Wales, with regard to an alleged discrimination against Hongkong by the Australian Export Authorities. (Appendix B1).

TRADE OF HAIPHONG AND TONKIN.

Through the courtesy of the Government, your Committee was given an opportunity of perusing precis of a report on the trade of Haiphong and Tonkin for 1914-15 prepared by H. M. Consul General at Yunnanfu. (Appendix D1).

DEPOSIT WITH GOVERNMENT BY FIRE AND MARINE INSURANCE COMPANIES.

This subject which was referred to in the Chairman's speech at the last Annual General Meeting has now been taken up with the Government and assurance has been obtained that the Government will introduce at an early date legislation for the better control of Fire and Marine Insurance Companies.

Your Committee regard immediate legislation as being urgently necessary and have so informed the Government. (Appendix G1).

COMMERCIAL TREATY BETWEEN THE UNITED KINGDOM AND HONDURAS.

Information was received from the Hongkong Government that the accession of Hongkong to the Commercial Treaty between the United Kingdom and Honduras of 5th May, 1910 took effect on the 11th May, 1916. (Appendix H1).

AN APPEAL TO ALL BRITONS OVERSEAS.

The Chamber received and took measures to secure publicity for this appeal for subscriptions to War Loan and the Committee have reason to believe that Hongkong has contributed liberally. (Appendix J1).

## EXPORT OF RAW OX AND BUFFALO HIDES FROM YUNNAN.

A Report by the H. B. M. Consul General at Yunnanfu on the Export of raw ox and buffalo hides from that province was courteously submitted for perusal of your Committee by the Hongkong Government. (Appendix L1).

## TRANSHIPMENT OF BUTTER AT HONGKONG.

The Shanghai British Chamber of Commerce sought the assistance of this Chamber in a difficulty regarding transhipment of butter from Australia to Shanghai at Hongkong, and representations were made to the Import and Export Authorities at this Port to procure relief. (Appendix M1).

## BILLS OF LADING FORMS.

The decision of the China Homeward Freight Conference to make a charge of 6d. to the freight on each set of Bills of Lading signed, was strongly resented by the Association of Exporters and Dealers of Hongkong.

Your Committee in sympathy took the matter up with the Conference which has forwarded the correspondence to London for the information of Owners, and a reply will be communicated to the Chamber later. (Appendix O1).

## SUBMARINE OUTRAGES.

A telegram from the Shanghai British Chamber of Commerce and Affiliated British Chambers of Commerce in China, forwarded to the Government through H. B. M. Consul General at Shanghai urging the Government to include in conditions of peace the Ton for Ton Policy, received the unanimous support of this Chamber, and a telegram was despatched through the courtesy of the Hongkong Government to the Secretary of State for the Colonies. (Appendix P1).

## UNSATISFIED CLAIMS AGAINST ENEMY FIRMS.

In support of a letter addressed to the Government by a member, the Chamber addressed the Government suggesting that, should the principle of making surplus enemy funds now in the hands of the Imperial Government available for the satisfaction of claims of British creditors be adopted by the Imperial Authorities, that local claims should be a first charge on Local surpluses remitted to the Crown Agents.

The Chamber was advised that copies of the correspondence were being forwarded to the Secretary of State for the Colonies. (Appendix R1).

## LLOYD'S REGISTER OF SHIPPING.

The Chamber have to thank Lloyd's Register of Shipping for kindly furnishing a Report of the Association's operations for the year 1915-1916. (Appendix S1).

## COTTON GROWING IN CHINA.

A very interesting book on Cotton Growing in China may be seen in the Chamber's Library. (Appendix A2).

## FRENCH REPORTS ON THE AGRICULTURAL, MINERAL AND INDUSTRIAL RESOURCES OF INDO-CHINA.

Your Committee was, through the Hongkong Government, given an opportunity of perusing interesting documents on the subject of the agricultural, mineral and industrial resources of Indo-China. (Appendix X1).

## CHINESE LANGUAGE SCHOOL.

During the year a Chamber of Commerce School for teaching Chinese Language was successfully inaugurated. At present the Cantonese Dialect only is taught, and this is under the Directorship of Dr. T. W. Pearce. Your Committee are glad to state that the School has met with considerable success, which it is hoped will continue. The Membership now consists of 40 Students. (Appendix Y1).

## NEW CLAUSE IN CONTRACTS FOR FANCY GOODS.

The deliberations of the Piece Goods Sub-Committee on the question of contracts for Fancy Goods resulted in a new clause being framed and submitted to those members interested in the trade, and the consensus of opinion being that such a clause was highly necessary, the clause was adopted for inclusion in all contracts as from 1st January, 1917. (Appendix Z1).

During the year the Hon. Mr. D. Landale and Messrs. J. W. C. Bonnar and W. Dickson resigned on leaving for home and their seats were taken by Hon. Mr. C. E. Anton and Messrs. A. O. Lang and E. V. D. Parr.

MEMBERSHIP.

During the year under review, Messrs. Moxon and Taylor, the Pacific Mail Steamship and Occidental S. S. Co., and Philippines Steamship Co. resigned Membership, while the following members were elected and their election requires the usual confirmation:—

- Messrs. The China Mutual Life Insurance Co., Ltd.
- „ The Dairy Farm Co., Ltd.
- „ The Liverpool and London and Globe Insee. Co. Ltd.
- „ B. Monteith Webb & Co.
- „ Patell & Co.
- „ Fung Tang.
- „ C. E. Warren.
- J. Scott Harston, Esq.

The Membership now stands at 153, viz., 134 Firms and 19 Individual Members.

FINANCES.

Your Committee is pleased to record a very satisfactory year. Income has increased by over \$2,000 compared with 1915 due principally to increased Membership and fees from Surveys, while Expenditure has also increased by nearly \$1,500 the difference being accounted for by the increases to Secretary's Salary and Legal Expenses. A surplus of nearly \$500 for the year has thus been carried forward to General Reserve Account.

The Accounts of the Chinese Language School have been incorporated in the Chamber's Statement, but the funds are kept separate and are operated upon through a Special Bank Account.

Hongkong General Chamber of Commerce.

	22,715.14	
Hongkong & Shanghai Banking Corporation Accrued Interest on Hongkong Club Debentures for quarter ended 31st Dec., 1916 \$ 120.00 Accrued Interest on F/Ds. .... 110.14 Fire Ins. Association Coolie Hire ...\$ 37.00 Marine Ins. Association " " 28.00 Association of Exporters and Dealers Coolie Hire ..... 46.00 Hewett Memorial Scholarships Account .....	230.14	
PAYMENTS IN ADVANCE:— Insurance for 1917 .....	111.00	509.45
CASH:— Hongkong & Shanghai Banking Corporation— General Current Account .....	5.79	4.00
		237.64
		\$ 27,685.68

E. A. M. WILLIAMS,  
*Secretary.*

We have compared the above Statement with the Books, Vouchers and Securities and find the same to be in accordance therewith.

H. C. SANDFORD,  
E. ORMISTON, } *Auditors.*

Hongkong, 5th February, 1917.

## Hongkong General Chamber of Commerce.

### Income and Expenditure Account for year ended 31st December, 1916.

		1915	General Account.	Chinese Language School A/c	1915	General Account.	Chinese Language School A/c.
\$1,706.66	RENTS—OFFICES AND TELEPHONES .....	\$1,709.16		\$130.00			
3,000.00	SECRETARY'S SALARY .....	3,600.00		—	\$6,420.00		
—	EUROPEAN DIRECTOR .....	—		300.00	425.00	\$7,920.00	
1,200.00	CLERK'S SALARY .....	1,200.00		—		475.00	
—	CHINESE DIRECTOR .....	—		150.00	\$6,845.00		\$8,395.00
246.40	SERVANTS' WAGES .....	274.90		30.00			
50.00	AUDIT FEE .....	50.00		—			
			\$6,834.06				
\$6,203.06	MARKET REPORT—(Cost of Publication)...	704.40			772.64		\$ 1,680.00
640.00	ANNUAL REPORT—(Cost of Publication)...	640.00			432.00		
305.00	FEES TO SURVEYORS...	840.00			10.50		
279.21	BOOKS AND NEWSPAPERS .....	205.19				800.27	
—	DONATION NEWSPAPERS FOR THE FLEET ..	95.86				1,102.00	
642.89	PRINTING, ADVERTISING AND STATIONERY	532.01		99.63			
494.63	POSTAGES AND PETTIES .....	347.23		48.52			
245.00	LEGAL EXPENSES .....	450.00					
151.80	TELEGRAMS .....	162.42					
24.35	SUBSCRIPTION—BRITISH IMPERIAL COUN- CIL OF COMMERCE .....	20.11					
—	BAD DEBTS WRITTEN OFF .....	16.34					
—	DEPRECIATION:—						
252.40	20 per cent on Safe and Furniture...	321.82					2.42
			\$11,169.44	\$758.15			
—	Balance: Surplus of Income over Ex- penditure transferred to General Reserve Account .....	484.13			1,314.28		
—	Balance: Surplus of Income over Ex- penditure transferred to Chinese Language School Reserve Account...	—		924.27	570.24		
\$9,944.66			\$11,653.57	\$1,682.42	\$9,944.66		\$ 1,682.42

### BALANCE SHEET AT 31st DECEMBER, 1916.

	\$	\$		\$	\$
<b>LIABILITIES.</b>			<b>ASSETS.</b>		
SUNDRY CREDITORS (General) .....	873.23		GENERAL FUNDS:—		
"    "    (Chinese Language School) .....	26.50		Hongkong Hotel 6 per cent. Debentures .....	10,500.00	
		899.73	Hongkong Club 6 per cent. Debentures .....	8,000.00	
HEWETT MEMORIAL SCHOLARSHIPS FUND per contra			Hongkong and Shanghai Bank 4½ F/Ds .....	3,000.00	21,500.00
Subscriptions Collected:—			HEWETT MEMORIAL SCHOLARSHIPS FUND:—		
1916, 92 Subscribers @ \$10.00 .....	\$920.00		H'kong & S'hai Banking Corporation 5% F/Ds.	2,000.00	
1917, 74 "    "    "    " .....	740.00		do.                    do.    Current A/c.	1,146.54	3,146.54
1918, 74 "    "    "    " .....	740.00		CHINESE LANGUAGE SCHOOL:—		
1919, 74 "    "    "    " .....	740.00		Cost of Fittings .....	125.50	
Add Interest Hongkong and Shanghai Bank		3,140.00	Hongkong & Shanghai Banking Corporation		
Current Account .....	7.79		Current Account .....	825.27	950.77
Less Cost Cheque Book .....	3,147.79		FURNITURE AND FITTINGS:—		
	1.25	3,146.54	At 31st December, 1915 .....	1,609.10	
CHINESE LANGUAGE SCHOOL—RESERVE ACCOUNT—			Less Depreciation 20 per cent. ....	321.82	1,287.28
per contra .....		924.27	STOCK: Stationery .....		50.00
GENERAL RESERVE ACCOUNT:—			SUNDRY DEBTORS:—		
At 31st December, 1915 .....	22,231.01		Shroff's Imprest .....	100.00	
Add Surplus Income over Expenditure as per		22,715.14	Office Boy's Stamp Imprest .....	20.00	
Statement .....	484.13		Market Report Subscriptions .....	17.52	
			Survey Fees (since paid) .....	25.00	
			Hongkong & Shanghai Banking Corporation		
			Accrued Interest on Hongkong Club Debentures		
			for quarter ended 31st Dec., 1916 \$ 120.00		
			Accrued Interest on F/Ds. ....	110.14	
				230.14	
			Fire Ins. Association Coolie Hire ...\$	37.00	
			Marine Ins. Association "    "    "    " .....	28.00	
			Association of Exporters and Dealers		
			Coolie Hire .....	46.00	
				111.00	
			Hewett Memorial Scholarships Account .....	5.79	
					509.45
			PAYMENTS IN ADVANCE:—		
			Insurance for 1917 .....		4.00
			CASH:—		
			Hongkong & Shanghai Banking Corporation—		
			General Current Account .....		237.64
					\$ 27,685.68

E. A. M. WILLIAMS,  
Secretary.

We have compared the above Statement with the Books, Vouchers and Securities and find the same to be in accordance therewith.

H. C. SANDFORD,                      } Auditors.  
E. ORMISTON,                         }

Hongkong, 5th February, 1917.

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APPENDIX

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TEA CONGRESS AND EXHIBITION IN JAVA.

Consulate General for the Netherlands,  
Hongkong, 22nd December, 1915.

Sir,—I have the honour to inform you that, in connection with the intention of the Netherlands Indian Government to organise a Tea Congress and Exhibition in Java, eventually to be held in 1918 or thereabouts, a committee at Buitenzorg has been appointed to take the necessary preparatory measures.

As the holding of the Congress and the Exhibition and their success will be largely due to the support given by tea growers and merchants abroad, the Committee has approached me privately to ascertain whether tea merchants in Hongkong and in the principal ports of South China will be willing to extend their co-operation in some way or other. In respect of Hongkong I am confident that through the good offices of your Chamber and the Association of Exporters and Dealers it may be arranged that a delegate or delegates be sent to the Congress.

In view of the above I take the liberty of requesting whether the Chamber could in any way give its support in the matter. Any recommendation which you would care to make to ensure the success of the Exhibition and Congress will be transmitted to Java and given due consideration there.

I should feel obliged, if you would kindly consider all correspondence anent the matter provisionally as semi official until the Committee at Buitenzorg has definitely established in what way it may successfully attain its ends.—I have, etc.

M. J. QUIST,  
Vice-Consul in charge.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

Hongkong, 10th March, 1916.

Sir,—I have the honour to acknowledge receipt of your communication of 22nd December last, advising this Chamber of the intention of the Netherlands Indian Government to organise a Tea Congress and Exhibition in Java to be held in 1918.



The information contained in your letter was laid before my Committee at their last Meeting, and I am directed to advise you that so far as Hongkong is concerned this Chamber will do all in its power to assist in making the Exhibition a success.—I have, etc.

E. A. M. WILLIAMS,  
Secretary.

The Vice-Consul in Charge,  
Consulate-General for the Netherlands.

**B**

THE HONGKONG GENERAL CHAMBER OF COMMERCE  
HEWETT MEMORIAL SCHOLARSHIPS.

Circular letter to Members of the Chamber.

Hongkong, 6th January, 1916.

Gentlemen,—The Chamber has been approached by the Advisory Committee of Commerce and Industry of the University of Hongkong with a view to the foundation of Chamber of Commerce Scholarships to be held by poor matriculants in the Faculty of Arts.

The Faculty of Arts provides courses for the training of business men and administrators and more students would take them but for poverty. Every year several of the comparatively few candidates who qualify for admission have to stay out for this cause.

The normal income of the Chamber of Commerce does not permit of the voting of an annual sum and my Committee with the idea of ascertaining whether or not it will be possible to raise an amount of money among the members of the Chamber sufficient for the purpose, has directed me to issue this circular letter.

I am to ask you if you are prepared to guarantee the payment of an annual subscription of say \$10 for the next four years for the purpose of founding one or more Chamber of Commerce Scholarships.

Will you kindly signify your assent or dissent by signing the attached form.—I am, etc.

E. A. M. WILLIAMS,  
Secretary.

RE PROPOSED FOUNDATION OF CHAMBER OF COMMERCE UNIVERSITY  
SCHOLARSHIPS

$\frac{I}{We}$  assent .....  
 $\frac{I}{We}$  dissent .....

To the Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 23rd February, 1916.

Dear Sir,—I should like to try to remove the apprehension, expressed in some quarters that the University may be training the Chinese to take the place of the Britisher in Banking, Shipping, or Merchanting. It is possible that some of your members may feel this, though the ready response to your recent circular shows that the feeling is not widespread.

As to Banking and Shipping the day of the small competitor in those businesses is numbered, and the firms in existence are far too strong and well combined to suffer dangerous competition from Chinese in the future.

In merchanting I contend that the best of our students will create in China the business on which they will live, and incidentally increase the volume of trade passing through British hands in this port. China is going to be modernised, under no matter what form of government, and the first modernised business men of China will make far more money competing with their untrained countrymen under these new conditions, than in struggling to beat a British merchant at his own game in dealing with British firms.

The Chamber might select scholars from regions in which it is desired to establish a connection and send them, when trained, back to these places as agents of Hongkong firms. Every such agency would be a centre of British influence, and a source of sound information.

If the firms developed a system of periodical inspection of these agencies by British representatives, they would get that first hand knowledge of local conditions which I am told was one secret of German success, e.g. at Chang-sha.

I am confident that the trade would so increase that more Britishers would be employed here. We are not under a government which will discriminate against us. Of course the Chinese will grow rich too, but it is both bad economics and bad business to suppose that trade can be conducted, in the long run, on any other principle than mutual benefit.

Something of this kind, I have no doubt, will grow up naturally in any case. What I want to ensure is that it shall operate for our benefit here in Hongkong.—Yours, etc.,

W. J. HINTON.

Director of the Faculty of Arts.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 13th March, 1916.

Dear Sir,—With reference to your letter of 10th December last, with the approval of my Committee I have now approached the members of the Chamber regarding the establishment of Chamber of Commerce Scholarships in the Faculty of Arts for poor students unable to meet their dues.

Sufficient support is forthcoming at the moment to guarantee two scholarships without Hostel charges for 4 years at say, \$300.00 per annum each.

It may be possible at a later date, to obtain further support either as regards an allowance for Hostel charges or the establishment of still another Scholarship, whichever course may be thought the more useful.

My Committee desire that the Scholarships shall be in the nature of a memorial to the late Mr. Hewett, C.M.G., Chairman of the Chamber, and shall be called the "Hongkong General Chamber of Commerce Hewett Memorial Scholarships".

The use of the words "Chamber of Commerce" one might imply the Chinese Chamber.

Be good enough to advise me of the date the fund will be required in each year and I will take the necessary steps for its collection.—Yours, etc.

E. A. M. WILLIAMS,

Secretary.

Professor W. J. Hinton,  
Director of the Faculty of Arts,  
University of Hongkong.

Hongkong, 16th March, 1916.

Dear Sir,—I have forwarded your letter of the 13th inst. to the Registrar, who will take steps to offer the scholarship to the Council and convey their thanks to you, with suitable acknowledgments.

In the meantime, as the Council does not meet until April, may I express for myself and the Faculty of Arts, our warm appreciation of the beneficence of the Hongkong General Chamber of Commerce?—Yours, etc.

W. J. HINTON,

Director of the Faculty of Arts.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 21st March, 1916.

Sir,—I am directed to acknowledge with many thanks the receipt of a letter addressed to Professor Hinton and conveying the gratifying information that your Committee desire to establish two Scholarships in this University.

Your letter will be brought before the Council of the University at its next meeting.—I am, etc.

A. C. FRANKLIN,

Registrar.

The Secretary,  
Hongkong General Chamber of Commerce.

## C

### HARBOUR LIGHT DUES.

The Hong Kong, Canton & Macao Steamboat Co., Limited.

Hongkong, 12th January, 1916.

Dear Sir,—On 28th January 1915 I drew the attention of your Committee to the matter of light dues paid by this Company. As the Mong Kok Tsui Typhoon Shelter is now completed, I am desired by my Directors to again draw your attention to this matter. Without wishing

to re-iterate in detail the arguments set forth in my previous letter under consideration, it was understood, according to a memorandum submitted by His Excellency the Governor to the Chamber of Commerce in 1908 that the increased levy should only be charged during period of construction of this typhoon refuge and the period was calculated as for five years. Bearing in mind the attitude of the Government in a similar work, the construction of the Gap Rock Light, my Directors are of the opinion that unless some protest is raised, the temporary increase will be converted into a permanent charge.

For the period 1904-1908 inclusive total light dues paid by this Company averaged \$1,720.00 per annum against \$9,245.00 per annum for the period 1909-1915.

For the information of your Committee I would mention, owing to the war, adverse general local conditions, and restrictions placed by the Authorities on river shipping the Company's steamers have been operated during the past year at a heavy loss, and the tax being a very heavy one, any amelioration would be welcomed.

I would ask you to place my previous letter, copy of which is enclosed, and this letter before your Committee with a view of bringing the matter to the notice of the Government, and requesting adjustment as soon as possible.—Yours, etc.

W. E. CLARKE,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

The Hong Kong, Canton & Macao Steamboat Co., Limited.  
Hongkong, 28th January, 1915.

Dear Sir,—I beg to draw your Committee's attention, with a view of their approaching other shipping companies and if deemed desirable of addressing the Government on the subject of increased light-dues, levied since 1909 to defray part of the cost of the new typhoon refuge at Mong Kok Tsui.

In 1908 when the regulation was made by the Governor-in-Council under the provisions of the Merchants Shipping Ordinance 1899, the rate

for light dues for all river steamers was raised from 1/3rd of 1 cent to 5/6ths of 1 cent per ton.

In the memorandum submitted by His Excellency the Governor to the Chamber of Commerce in answer to a petition from the principal steamship owners the period estimated for the building of the typhoon refuge was given as five years and the increase of dues was to be levied temporarily, and such increase only to be maintained until the receipts aggregated the sum of half the cost of the construction of the refuge. I am not aware whether such a sum has yet been collected, but bearing in mind the attitude of the Government in 1898 with regard to the amount levied in increased light dues for the construction of Gap Rock Light, when it attempted to make a similar temporary charge a permanent one, I think the present time opportune for raising this question.

The light dues may be a trifle in themselves, but in these days of keen competition and careful calculation of expenses they have to be taken seriously into consideration. I contend that the dues levied on river steamers arriving in the port by day are iniquitous, as they never need lights maintained by the Hongkong Government nor will they ever benefit by the construction of the Refuge at Mong Kok Tsui. As such I consider it a huge mistake. Prior to 1909 no dues were paid by day river-boats, and as more than 2/3rd of this Company's vessels are day boats I think some alteration should be made in the present method of taxation.

During the period from April 1904 till 31st December 1908 this Company paid in light dues on all their vessels \$8,606. and from 1st January 1909 till 31st December 1914 \$55,517.68. Owing to figures not being obtainable from the Harbour Master's Office prior to 1909 I cannot tell what proportion of river steamer's light dues was borne by this Company for the period previous to the increased levy, but for the latter period this Company have annually contributed nearly half of all light dues paid by river steamers, as you will observe from the enclosed memorandum.—Yours, etc.

W. E. CLARKE,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 28th January, 1915.

MEMORANDUM OF LIGHT DUES PAID BY H.K., C. & M. S. B. CO., LD.

April 1904—December 1904 .....	\$1,516.56	
1905 .....	2,230.18	
1906 .....	1,902.41	
1907 .....	1,772.10	
1908 .....	1,184.75	
		\$8,606.00
1909 .....	8,774.84	
1910 .....	8,717.08	
1911 .....	9,622.89	
1912 .....	9,534.64	
1913 .....	9,245.11	
1914 .....	9,623.12	
		\$55,517.68

LIGHT DUES COLLECTED BY H.K. GOVERNMENT FROM RIVER STEAMERS.

1909 .....	\$17,969.58
1910 .....	18,970.93
1911 .....	20,203.35
1912 .....	20,903.34
1913 .....	21,837.11
	\$99,884.31

Hongkong, 13th March, 1916.

Sir,—I am directed to address you with regard to the Light Dues Special Assessment for the purpose of providing half the cost of the Mong Kok Tsui Refuge, instituted in 1909.

My Committee is aware that there still remains a substantial balance to raise by this form of taxation before half the cost is provided and the special assessment lifted, but it contends that the method of taxation bears unduly hard on River Steamer Owners.

Two-thirds of the Premier Company's Steamers are day boats and the remaining third do not use the Harbour Lights for which they are taxed.

The many entrances necessary in the case of River Steamers makes the tax most burdensome in their case, and it cannot have escaped the attention of Government that the published accounts of the Premier

Company do not reveal such a prosperous trading result as would make the charge a matter of small importance to River Steamer Companies.

On the other hand, a greater proportion of the tax could with comparative ease be borne by Ocean-going Steamers.

My Committee suggest in the best interests of an important local industry and of the Colony, a readjustment of this temporary tax whereby a greater proportion thereof shall be borne by sea-going vessels.—I have, etc.

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary,  
Hongkong.

Hongkong, 21st March, 1916.

Dear Sir,—Your letter of 12th January was duly considered by my Committee at their last Meeting, and I beg to enclose for your information copy of a letter addressed to the Government on the subject.—Yours, etc.

E. A. M. WILLIAMS,  
Secretary.

W. E. Clarke, Esq.,  
Secretary,  
Hongkong, Canton and Macao Steamboat Co., Ltd.,  
Hongkong.

Colonial Secretary's Office,  
Hongkong, 17th April, 1916.

Sir,—With reference to your letter of the 13th March, I am directed to inform you that the representations made by your Committee regarding the light dues paid by the owners of river steamers have been carefully considered by the Government.

It appears that the largest river steamer pays for sixteen arrivals in a month a sum of \$110, or about the same as a Blue Funnel steamer pays for one arrival. His Excellency the Governor regrets, therefore, that he cannot see his way to entertain the proposal for a reduction of the dues paid by river steamers.—I am, etc.

CLAUD SEVERN,  
Colonial Secretary

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 19th April, 1916.

Dear Sir,—In continuation of previous correspondence with regard to Light Dues paid by owners of River Steamers, I now enclose for your information copy of a reply from the Government on the subject.—  
Yours, etc.

E. A. M. WILLIAMS,  
Secretary.

W. E. Clarke, Esq.,  
Secretary,  
Hongkong, Canton and Macao Steamboat Co., Ltd.,  
Hongkong.

The Hong Kong, Canton and Macao Steamboat Co., Limited.

Hongkong, 19th April, 1916.

Dear Sir,—Replying to your letter of date intimating that the Government does not see its way to make any reduction in light dues, in view of their statement that the largest river steamer for 16 arrivals is paying only the sum of \$100? for your Committee's guidance I append figures for light dues paid during March. I fail to understand where the Government obtained their figures. The s.s. "Kinshan" is the largest tonnage river steamer and according to our figures for 16 arrivals the payment would be:—

Tons 1092 x  $5/6$  of one cent x 16 = \$145.60.

I should be pleased if you would reply to the Government.—  
Yours, etc.,

W. E. CLARKE,  
Secretary.

E. A. M. Williams, Esq.,  
Secretary,  
Hongkong General Chamber of Commerce.

TONNAGE DUES PAID BY H.K., C. & M. S. B. CO., MARCH, 1916.

Steamer	Net Tonnage	Arrivals	Dues Paid
"Honam"	951	18	\$142.65
"Kinshan"	1092	18	163.80
"Heungshan"	928	11	85.99
"Sui Tai"	765	31	197.63
"Taishan"	928	31	239.48
	4661 tons		\$829.55

W. E. CLARKE,  
Secretary.

Hongkong, 8th May, 1916.

Sir,—Further to my letter of the 13th March, and in reply to yours of the 7th April, I am directed to enclose for your information copy of a letter received from the Secretary of the Steamboat Company, which would appear to question the accuracy of a statement made in your letter under reply.—I am, etc.

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

Colonial Secretary's Office,  
Hongkong, 18th May, 1916.

Sir,—I am directed to acknowledge the receipt of your letter of the 8th May relative to the light dues paid by river steamers.

2. I regret that my letter of the 17th April should have conveyed a wrong impression. I should have stated that the mean payment made by the four largest river steamers during the month of February was \$112.05. The figures are as follows:—

Heungshan .....	\$ 93.80
Honam .....	118.88
Kinshan .....	127.40
Fatshan .....	108.12
	4/ 448.20
	112.05

This is about the equivalent of the dues for a Blue Funnel Steamer arriving once.—I am, etc.

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 25th May, 1916.

Dear Sir,—With reference to your letter of the 19th April on the subject of Harbour Light Dues paid by river steamers, my Committee have again approached the Government on the matter, and a reply has now been received from the Colonial Secretary dated 18th May, copy of which I enclose for your information.

In view of the trend of the correspondence, my Committee do not think any useful purpose will be served by again approaching the Government, as it is evident that there is no likelihood of the relief asked for being granted.—Yours, etc.

E. A. M. WILLIAMS,  
Secretary.

W. E. Clarke, Esq.,  
Secretary,  
Hongkong, Canton & Macao Steamboat Co., Ltd.,  
Hongkong.

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## D

### EXPORT AND IMPORT PERMITS.

Hongkong, 18th January, 1916.

Dear Sir,—We would draw your attention to the fact that under the new Ordinance we find a certain amount of difficulty and delay in obtaining Import and Export Permits.

This is due, no doubt, to the fact that the Ordinance has just come into force, and that some of the Regulations were made before their full effect was known.

At first we had difficulty in obtaining a sufficient supply of forms, but this difficulty no longer exists.

We have been refused Permits for the day following.

This not only causes us trouble, but we run serious danger of having our cargo shut out. Take for instance shipments by the Douglas Boats, which leave about 1 o'clock. We send a coolie down to get an Export Permit, but, owing to the fact that there may be anything from 50/100 other coolies on the same errand, and that there is only one European in addition to the Superintendent who signs Permits, there is bound to be a very considerable delay.

It seems to us that business would be considerably facilitated if Permits could be obtained the day before the steamer sails, as certain cargo can only be taken in on the day of departure.

We shall greatly appreciate anything you can do which would expedite the issue of these Permits.—We remain, etc.

For the Asiatic Petroleum Co., (S.C.) Ltd.  
W. H. BELL.

E. A. M. Williams Esq.,  
Secretary,  
The Hongkong General Chamber of Commerce.

Hongkong, 18th January, 1916.

Dear Sir,—With regard to your letter of the 18th inst., I have now interviewed the Superintendent of the Import and Export Department as to the points you raise.

Mr. Hutchison informs me that there should be no difficulty in obtaining permits before the day of shipment, and cannot understand the statement that a permit has been refused.

As regards the granting of permits upon the day of shipment, Mr. Hutchison guarantees that all applications made at 12 o'clock will be satisfied before 1 o'clock. I pointed out to him that this left a very small margin of time in the case of the Douglas Boats and he has made a note to see what can be done to alleviate the inconvenience.

I shall be glad to hear from you of any difficulties which you may experience under the new Ordinance from time to time, as I gather the impression that the authorities are very desirous that the new Legislation shall work smoothly and without unnecessary hardship to the Mercantile Community.—I am, etc.

E. A. M. WILLIAMS,  
Secretary.

W. H. Bell, Esq.,  
Manager,  
Asiatic Petroleum Co. (S.C.) Ltd.,  
Hongkong.

The Asiatic Petroleum Co. (South China) Ltd.,  
Hongkong, 19th January, 1916.

Dear Sir,—We are in receipt of your letter of the 18th inst., and beg to thank you for the trouble you have taken in connection with the new ordinance relating to the importation and exportation of goods.

We are pleased to note that Mr. Hutchison states that there should be no difficulty in obtaining permits before the day of shipment. This has been applied for on several occasions and been refused but no doubt the matter has been remedied in the meantime.

The main difficulty experienced at present is the delay attending the issue of permits which can perhaps be expected owing to the large number that have to be dealt with daily.

As requested we shall advise you of any further difficulties we may experience and desire to express our thanks for the prompt and energetic manner in which you have taken up this matter with Government.—We are, etc.

For the Asiatic Petroleum Co., (S.C.) Ltd.  
W. H. BELL.

E. A. M. Williams, Esq.,  
Secretary,  
Hongkong General Chamber of Commerce.

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**E**

CHINESE NEW YEAR BANK HOLIDAY.

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Chartered Bank of India, Australia & China,  
Hongkong, 20th January, 1916.

Dear Sir,—We enclose copy of a letter addressed to the Colonial Secretary requesting that Friday, the 4th February be Gazetted as a Public Holiday for the Chinese New Year, and shall be glad if the Chamber will support same.—Yours, etc.

Wm. DICKSON,  
Manager.

The Secretary,  
Hongkong General Chamber of Commerce.

Chartered Bank of India Australia & China,  
Hongkong, 20th January, 1916.

CHINESE NEW YEAR

Sir,—This falls on Thursday, 3rd February, which is a Gazetted Holiday, and it is suggested that His Excellency the Governor be asked to declare Friday, 4th an additional holiday as the Chinese are not likely to resume work so soon and will not be satisfied with one holiday.—I am, etc.

Wm. DICKSON,  
Manager.

The Honourable, The Colonial Secretary,  
Hongkong.

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Hongkong, 21st January, 1916.

Sir,—With reference to the application of the Exchange Banks to have Friday 4th February gazetted a Public Holiday in addition to Chinese New Year's day Thursday 3rd February, I am directed by my Committee to state that the matter has been referred to them and has their support.—I have, etc.

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary,  
Hongkong.

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Colonial Secretary's Office,  
Hongkong, 27th January, 1916.

Sir,—Referring to your letter of the 21st January, I am directed to state that His Excellency the Governor-in-Council has been pleased to appoint Friday the 4th February to be observed as a General Holiday in addition to Thursday the 3rd February.—I am, etc.

E. BULLOCK,  
for Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

**F**

WITHDRAWAL OF PLAGUE RESTRICTIONS BY THE  
NETHERLANDS INDIAN GOVERNMENT.

Colonial Secretary's Office,  
Hongkong, 31st January, 1916.

Sir,—I am directed to forward for your information a copy of a letter received from the acting Consul General for the Netherlands relating to the withdrawal of the restrictions against vessels from Hongkong owing to plague.—I am, etc.

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 22nd January, 1916.

Sir,—I have the honour to inform you that the Netherlands Indian Government have rescinded the decree by which Hongkong was declared an infected port on account of plague.

No special measures are any more necessary for ships leaving for the Netherlands Indies with the exception that the bill of health has to be endorsed by this Consulate-General.—I have, etc.

M. J. QUIST,  
Vice-Consul in charge.

The Honourable, The Colonial Secretary,  
Hongkong.

Hongkong, 10th March, 1916.

Sir,—I have the honour to acknowledge receipt of your letter of the 31st January, advising this Chamber that the Netherlands Indian Government have withdrawn the Plague Restrictions against this port.—I have, etc.

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary,  
Hongkong.

**G**

FORMATION OF THE TIENSIN BRITISH  
CHAMBER OF COMMERCE.

Tientsin British Chamber of Commerce,  
Tientsin, 15th January, 1916.

Dear Sir,—I am directed by my Committee to acquaint you with the fact that a British Chamber of Commerce has been established in this Port which is known as "The Tientsin British Chamber of Commerce." The objects of the Chamber are to protect British commercial interests locally and, as far as it may be possible to do so, generally in the Far East, alone or in co-operation with other Chambers having similar aims.

For your information I take the liberty of enclosing a copy of the Constitution and Rules of the Chamber, from which you will gather in detail its aims and ambitions and in acquainting you of the existence of this body I am desired by my Committee to say that they will be glad at any time to receive from your Chamber any news that you may think will be of interest or advantage to British Merchants in this part of the world and at the same time, whenever advantageous, to supply you with such information as we trust may be of interest to you.

In short my Committee hope that a system of mutual co-operation and support, in which they desire to play their part, may be introduced whereby British interests may be strengthened and protected throughout the Empire.

I trust I may receive from you in due course an assurance of your Chamber's sympathy and support in this movement and in the meantime—I am, etc.

K. W. MOUNSEY,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

CONSTITUTION.

- 1.—The Chamber shall be styled the "TIENSIN BRITISH CHAMBER OF COMMERCE."
- 2.—The Chamber shall consist of Members and Associate Members.
- 3.—British firms or subjects engaged in business in China are eligible for membership.



For the purpose of these Rules—by a "British firm" is meant either a Joint Stock Company registered in some part of the British Empire and subject to the jurisdiction of some British Court, or else, two or more British subjects jointly engaged in independent business, of recognised British nationality and subject to some British Court. No partnership which is not predominantly British in capital and control will be recognised as eligible for membership.

Neither British representatives of alien firms nor alien representatives of British firms are eligible for membership.

4.—British subjects employed in British firms who are already members of the Chamber, and British subjects not engaged in trade but whose interests are affiliated therewith and British firms not having an office or local representative in Tientsin are eligible for Associate Membership.

5.—The objects of the Chamber shall be—

(a) To watch over and protect the general interests of British commerce;

(b) To collect information on all matters of interest to the British mercantile community;

(c) To use every means within its power for the removal of evils, the redress of grievances, the promotion and extension of British interests and to bring about co-operation of British Merchants in China in all matters relating to the trade of the British Empire;

(d) To communicate with authorities and others thereupon;

(e) To form a code of practice whereby the transactions of business may be simplified and facilitated;

(f) To receive references;

(g) To arbitrate between disputants—the decisions in such cases being recorded for future guidance;

#### RULES.

1.—Candidates for Membership or Associate Membership shall be recommended by two members and the application form shall be presented to the General Committee for approval.

2.—Members shall pay an entrance fee of fifty taels and an annual subscription of twenty-five taels. Associate Members shall pay an annual subscription of fifteen taels but no entrance fee.

3.—A Member or Associate Member being guilty of any action which, in the opinion of the Committee, is a gross violation of British

trade interests, may be expelled from the Chamber on the proposition of the Committee, communicated to all the members, and considered at a General Meeting, provided that not fewer than two-thirds of those present vote for the expulsion.

4.—The Annual General Meeting of the Chamber shall be held in the month of October each year, or as soon after as may be convenient, to pass the Report and Accounts of the Committee and for transacting such other business as may arise. Special General Meetings shall be called by the Chairman, or, in his absence, by the Vice-Chairman, on the requisition of any five members of the Chamber, to be held within ten days of the receipt of such requisition.

5.—Any number of members, not less than twelve, shall be held to constitute a General Meeting or a Special General Meeting in conformity with the rules of the Chamber.

6.—Members whose subscriptions are in arrear shall not be allowed to vote. Not more than one member of the same firm shall be allowed to vote on the same occasion.

7.—Any Member or Associate Member losing the necessary qualification (see Articles 3 and 4 hereof) shall, *ipso facto*, cease to be a member.

8.—The business and funds of the Chamber shall be managed by a Committee to be elected at the Annual General Meeting of the members. The Committee shall consist of not less than six and more than eight members, who shall immediately after election proceed to elect two of their members as Chairman and Vice-Chairman respectively of the Chamber. In the absence of the Chairman and Vice-Chairman the Committee shall elect another Chairman from the Committee. Four members of Committee shall form a quorum, and the Chairman for the time being shall have a casting vote in case of equality of votes in addition to his own. Should the members in General Meeting omit to elect a new Committee the retiring Committee shall remain in office.

If willing H.M. Consul-General for the time being shall be Honorary President and H.M. Commercial Attache shall be Vice-President of the Chamber and the latter shall be *ex-officio* a member of the Committee and of all Sub-Committees.

9.—The Committee shall meet at such times as may be necessary for the transaction of business or upon the requisition of the Chairman, Vice-Chairman or any three members of the Committee, and the minutes of such meetings shall be open to the inspection of members of the

Chamber, but the Committee may, in their discretion, temporarily suspend this privilege.

10.—Vacancies on the Committee shall be filled *pro tempore* by the Committee.

11.—The Committee shall have power to appoint Sub-Committees from their own number for any purpose whatever, and to elect other members of the Chamber to serve with them on these Sub-Committees.

12.—Each Sub-Committee shall elect its own Chairman and the Secretary of the Chamber shall attend meetings of Sub-Committees when requested to do so.

The minutes of Sub-Committee meetings shall in all cases be recorded in special minute books and shall be read at the following Meeting of the Committee for confirmation or otherwise.

In case the decisions of the Sub-Committees are not confirmed by the Committee the Secretary shall at once inform the Sub-Committee of the fact, reporting the reason of the Committee for such non-confirmation.

13.—A paid Secretary shall be employed by the Committee.

14.—The Committee shall have power to frame Bye-laws, which shall at once come into force, but must be presented for confirmation at the next ensuing General Meeting of the Chamber, and, being so confirmed, shall be binding upon all Members, and Associate Members.

15.—A yearly Report of the proceedings of the Chamber shall be printed and circulated to members.

16.—All disbursements shall be made at the discretion of the Committee on orders signed by the Secretary, and all accounts shall be duly audited by a member of the Chamber.

17.—In all cases of arbitration undertaken by the Chamber the parties to the dispute shall sign the special form provided by the Chamber. The fees shall be in accordance with a scale which the Committee shall from time to time fix.

18.—These Rules shall be added to or altered only by a majority of the members of the Chamber present at a General Meeting, ten days' notice having been given of such proposed addition or alteration.

19.—A copy of the Rules of the Chamber shall be issued to each Member and Associate Member on admission.

Hongkong, 10th March, 1916.

Dear Sir,—I beg to acknowledge receipt of your letter of 15th January last advising this Chamber that a British Chamber of Commerce has been established at Tientsin, and enclosing copy of the constitution and rules of the Chamber.

I am directed by my Committee to assure you of this Chamber's sympathy and support and to state that this Chamber will be at all times willing to cooperate with you, and all similar bodies having for their object the furtherance of British Trade in the Far East for the British—I am, etc.

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
Tientsin British Chamber of Commerce,  
Tientsin.

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## H

### BRITISH IMPERIAL COUNCIL OF COMMERCE.

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The British Imperial Council of Commerce,  
London, E.C., 22nd December, 1915.

Dear Sir,—I write to remind you that the late Mr. E. A. Hewett was the representative of your Chamber upon my Council. I presume that you will, in due course, be appointing another member of your Chamber to serve in his place.—Yours, etc.,

CHARLES E. MUSGRAVE,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

## CIRCULAR LETTER TO CHAMBERS OF COMMERCE AND BOARDS OF TRADE.

The British Imperial Council of Commerce,  
London, E.C., 22nd December, 1915.

## NINTH CONGRESS.

Dear Sir,—I am instructed to inform you that the Executive Committee recently met to consider what steps should be taken in regard to the Ninth Congress of Chambers of Commerce of the Empire, which, you will be aware, was formally postponed for twelve months, and, it having been ascertained that the Board of Trade of the City of Toronto, where the Congress is to be held, were agreeable, decided again to postpone the meeting for a year, i.e., to 1917. It will, no doubt, be desirable to hold the Congress in that year, whether or not the war has terminated.

## TRADE AFTER THE WAR.

There is a general feeling that the commercial policy of the Empire should be placed on a sounder basis in readiness for the time when peace conditions rule once more. Present events point clearly to the necessity of further consolidating inter-Imperial trade, and rendering the Empire more and more self-supporting. It is essential that this question, as well as that of trade outside the Empire which has hitherto been in enemy hands, should be considered without delay, for it is evident that, the war over, our present enemies will put forth extreme efforts with the object of regaining their position in the international markets. The Executive Committee, accordingly, have considered the practicability of convening a strictly business Conference of representatives of the Empire Chambers, when the various aspects of the matter requiring consideration might be discussed and practical steps initiated, and have decided to confine the Conference to the Council itself, on which, of course, all affiliated Chambers and Boards are already directly represented. This Conference will take place in London during the week commencing June 5th, 1916. The Committee recognize that the nominees, on the Council, of some Chambers may find themselves unable to attend, and in such cases it will, therefore, be permissible to appoint temporary representatives for the purpose of the Conference. Prominent members of overseas Chambers may be in London at the time, and, in addition, therefore, a few special invitations may also be issued.

An agenda paper specifying the subjects for discussion is in preparation, and will be circulated prior to the meetings in sufficient time to permit of affiliated Chambers instructing their representatives in regard thereto.

## MEMBERSHIP OF BRITISH CHAMBERS AND BOARDS.

The Executive Committee have been urged to impress upon all Chambers the desirability of their membership being confined to British born subjects. The question is of a somewhat delicate and difficult nature, and for that reason it is improbable that the Committee, or the Council itself, will make any definite recommendation. It is possible, however, that your Chamber may wish to express some opinion on the proposal for the guidance of the Council.

## NOTICE OF AFFILIATION.

It has been suggested that many Chambers affiliated to the Council would doubtless consent to insert a notice of such affiliation in their letter headings, &c., and the Officers have, therefore, with the approval of the Executive Committee, decided to have a small electro prepared for this purpose, as per rough sketch herewith. Should your Chamber (or Board) decide to fall in with this suggestion, kindly let me know, when I will supply you with the block. It is felt that the adoption of this course will be of advantage in giving the organization wider publicity, and emphasizing its representative character.—Yours, etc.,

CHARLES E. MUSGRAVE,  
Secretary.

The British Imperial Council of Commerce,  
London, E. C., 28th January, 1916.

Dear Sir,—I enclose a copy of the circular recently issued on the subject of the forthcoming Business Conference to take place in London in June next, and would remind you that you have not yet nominated a representative on the Council in the place of the late Mr. Hewett.

In view of the very great importance of the Conference, and the desirability of as many Chambers as possible being represented, I would ask you to be good enough to bring the matter before your governing body at the earliest opportunity. The Conference, I would point out, will not be open to delegates of Chambers generally, but will be confined to the actual members of the Council.—Yours, etc.,

CHARLES E. MUSGRAVE,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

## CIRCULAR LETTER TO MEMBERS OF THE COUNCIL.

The British Imperial Council of Commerce,  
London, E.C., 30th December, 1915.

CONFERENCE, JUNE, 1916.

Trade During and After The War.

Dear Sir,—I beg to advise you that the Executive Committee, in view of the postponement to the following year of the Ninth Congress of Chambers of Commerce of the British Empire arranged to take place in Toronto in the Autumn of 1916, have decided, in the meantime, to convene a Conference in London during the week commencing June 5th, 1916, to which all members of the Council will be invited, and certain special delegates from overseas and the United Kingdom.

The question of trade during and after the war is now engaging the serious consideration of Chambers of Commerce in this country, and evidence is forthcoming that it is also being dealt with in other parts of the Empire. While the assent of the Home, Dominion and Colonial Governments will be necessary to any legislative measures which may be proposed in accordance with local needs and aspirations, the adoption of a common policy in regard to certain aspects of the question is clearly desirable. The consideration of this common policy is within the scope of the objects which the British Imperial Council of Commerce was formed to promote, and therefore the proposed Conference will afford a fitting opportunity of dealing with the question, and, to some extent, preparing the way for further action in connection with the Congress in 1917.

The Executive Committee will notify the detailed arrangements for the 1916 Conference in due course, and in the meantime they beg to submit the following provisional programme for consideration:—

## (1) FISCAL QUESTIONS.

- (a) The adoption of a system of preferential tariffs within the Empire.
- (b) The question of preferential trade relations between the British Empire and allied nations.
- (c) The measures which should be taken within the Empire against enemy countries in respect of manufactured goods and shipping.
- (d) Measures against the dumping of enemy goods within the British Empire.

## (2) LEGISLATIVE QUESTIONS.

- (a) Amendment of the laws relating to nationalization.
- (b) Compulsory registration of aliens throughout the Empire.
- (c) The question of licences to trade and other regulations affecting foreign firms and companies.
- (d) The prohibition of contracts with aliens which may have the effect of restraining Imperial trade.
- (e) Reform of Patents and Designs and Trade Marks law, with the object of establishing a uniform basis throughout the Empire.
- (f) The application of the principle of Imperial preference in taxation and the adjustment of the present system by which double income tax is charged within the Empire.

## (3) VOLUNTARY ACTION BY CHAMBERS OF COMMERCE AND BOARDS OF TRADE.

- (a) Limitation of membership of Chambers of Commerce, &c., to British-born subjects.
- (b) Appointment of additional Trade Commissioners by the respective Governments of the Empire.
- (c) Encouragement of inter-Imperial trade exhibitions.
- (d) The promotion of closer trade and social relations within the Empire and in relation to allied countries.

No doubt it will be possible to add other items under the three divisions outlined as regards trade during and after the war, and the Committee will be pleased to consider additional suggestions which may reach them prior to the issue of the final programme, but it is felt that in order to be effective and lead to practical results any undue extension of the items will be undesirable. It must be borne in mind that the Conference is mainly concerned with, and will be representative of, the Empire as a whole and therefore purely local considerations must be left for separate treatment by the constituent bodies in consultation with their own Governments, or for individual action. As at present proposed the Conference will devote three days to the consideration of its business, and in the present circumstances no social functions are contemplated.

It is proposed to appoint an advisory Committee with power to consider and decide what resolutions shall be put forward for discussion

at the Conference; but in the meantime the Executive Committee commend the foregoing proposals to the favourable consideration of the members of the Council.—Yours, etc.,

CHARLES E. MUSGRAVE,  
Secretary.

Hongkong, 17th March, 1916.

Dear Sir,—As a result of telegrams exchanged with home I am pleased to inform you that Mr. C. H. Ross has expressed his willingness to act as the Representative of the Hongkong Chamber of Commerce on the British Imperial Council of Commerce in place of the late E. A. Hewitt, C.M.G.—I am, etc.,

DAVID LANDALE,  
Jardine, Matheson & Co., Ltd.

E. A. M. Williams, Esq.,  
Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 21st March, 1916.

Dear Sir,—I am to convey to you the thanks and appreciation of my Committee that you find yourself able to represent this Chamber in the Council of the British Imperial Council of Commerce in the place of the late Mr. E. A. Hewitt, C. M. G.

There will be, as you no doubt are aware, a Conference in London during the week commencing June 5th, 1916 to which all members of Council and certain special delegates from overseas will be invited.

The provisional programme embraces many important questions some of which deeply interest this Colony.

My Committee are fortunate in securing as the representative of this Chamber one who has such a first-hand knowledge of conditions of trade in Southern China.

The liberty is taken herein of indicating the trend of commercial thought as regards certain questions which will receive the attention of the coming Conference.

The expression "Commercial" in the preceding paragraph is used advisedly in that it is duly recognised that local trading interests must be subservient to Imperial Policy.

The Circular dated 30th December 1915, announcing the Conference, suggests among other matters for consideration:—

(1) FISCAL QUESTIONS.

(a) The adoption of the system of preferential tariffs within the Empire.

This is a knotty problem as regards the Colony of Hongkong.

As you know, we are merely a depot—a godown. Even a small tariff may give an undesirable filip to direct trading with other ports—may, indeed, encourage the establishment of a new port in Southern China to the detriment of Hongkong.

A tariff on foreign goods entering Hongkong would mean a double tax on the same goods entering China via this port.

Should we gain Imperially what we lost locally?

On the other hand if an exception were made in our favour in a general scheme of Imperial preference, the import of foreign goods into other parts of the Empire via Hongkong, and duty free, would have to be guarded against.

(b) The question of preferential trade relations between the British Empire and allied nations.

If this resulted in Hongkong becoming a depot for exports from China in order to qualify for preferential treatment it would largely increase our trade.

Would the Preference extend to shippers of all nationalities?

(c) The measures which should be taken within the Empire against enemy countries in respect of manufactured goods and shipping.

This chiefly concerns Hongkong as regards shipping, and being the last of a chain of British Ports it depends upon what is decided as a general British Policy. The more ships using the port the better for our local prosperity and taxes.

(d) Measures against the dumping of enemy goods within the British Empire.

This is a question of general policy throughout the Empire.

(2) LEGISLATIVE QUESTIONS.

(a) Amendment of the laws relating to rationalization.

It is hoped in future that the nationalization laws will be drawn up and administered on much stricter lines.

(b) Compulsory registration of aliens throughout the Empire.

My Committee are in favour of the compulsory registration of aliens throughout the Empire.

(c) The question of licences to trade and other regulations affecting foreign firms and companies.

Foreign Firms and Companies should only be allowed to trade under license.

(d) The prohibition of contracts with aliens which may have the effect of restraining Imperial trade.

Generally in favour of this.

(e) Reform of Patents and Designs and Trade Mark law, with the object of establishing a uniform basis throughout the Empire.

Generally in favour of this.

(f) The application of the principle of Imperial preference in taxation, and the adjustment of the present system by which double income tax is charged within the Empire.

As you know, no income tax is payable in Hongkong. It is recognised that the difficulties in the way of imposing such a tax on a Community mostly Chinese are probably insuperable. To tax the small European population only would be iniquitous. It is held that the Colony already bears a fair share of the Imperial Burden in the form of the Military Contributions.

(3) VOLUNTARY ACTION BY CHAMBERS OF COMMERCE AND  
BOARDS OF TRADE.

(a) Limitation of Members of Chambers of Commerce, etc., to British-born subjects.

There again we are peculiarly situated with a cosmopolitan trading population contributing to the prosperity of the port. However, the formation of a purely British Chamber has already been tentatively considered and if a general move were made in that direction we should probably take the necessary steps to follow suit.

(b) Appointment of additional Trade Commissioners by the respective Governments of the Empire.

It is recognised that the British Consular service leaves much to be desired in its relation to the furthering of British Trade interests. There are some bright exceptions, but generally speaking the usual type of Consular Official is not sympathetic to the trader. It is not his fault.

His training does not equip him with the trading instinct, if one may use the expression, and he cannot recognise openings for trade expansion.

On the other hand, the type of man who would be really useful is he who can demand a higher scale of remuneration in actual commerce than a Government would perhaps be able to offer.

The appointment of such men to suitable trading centres might make necessary an all round raising of Consular emoluments to level things.

If properly trained men were appointed the result would be undoubtedly beneficial, but the selection should be made by business men themselves. The choice by legal legislators would probably only mean an additional Imperial burden.

The Commercial Attache of the present type would be of comparatively little value.

(c) Encouragement of inter-Imperial trade exhibitions.

We are not in favour of local Exhibitions of British Manufactures which can be used to supply Eastern competitors with models for copying purpose.

(d) The promotion of closer trade and social relations within the Empire and in relation to allied countries.

A very worthy ideal.

I enclose for your information two letters recently addressed by this Chamber to the Hongkong Government.—They give some indication of a feeling among the Mercantile Community of this port which is rapidly hardening and would appear to be shared by the British Merchants of other Far Eastern possessions.

My Committee leave the expression of their views to you in the fullest confidence that you will interpret them in the interests of the Empire as a whole, and this Colony in particular.—Yours, etc.,

E. A. M. WILLIAMS,  
Secretary.

C. H. Ross, Esq.,  
Messrs. Matheson & Co. Ltd.,  
3 Lombard Street,  
London, E.C.

Hongkong, 21st March, 1916.

Dear Sir,—In reply to your letter of 22nd December last, I am now able to advise you that Mr. C. H. Ross of Messrs. Matheson Co., Ltd., No. 3 Lombard Street, London, E.C. has consented to represent this Chamber upon your Council.

My Committee has conveyed to Mr. Ross its views so far as it is possible to do so upon the several questions which your circular of 30th December last states will be raised at the Conference.

Wishing you every success.—Yours, etc.,

E. A. M. WILLIAMS,  
Secretary.

Charles E. Musgrave, Esq.,  
Secretary,  
British Imperial Council of Commerce,  
London.

—  
The British Imperial Council of Commerce,  
London, E.C., 19th April, 1916.

Dear Sir,—I am in receipt of your letter of March 21st, notifying me that Mr. C. H. Ross will represent your Chamber on my Council and will attend the Conference on your behalf. I shall, of course, communicate with him direct on the subject.—I am, etc.,

CHARLES E. MUSGRAVE,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

—  
CIRCULAR LETTER TO MEMBERS OF THE COUNCIL AND CHAMBERS  
OF COMMERCE OF THE EMPIRE.

The British Imperial Council of Commerce,  
London, E.C., 4th August, 1916.

Dear Sir,—I have pleasure in handing you herewith—

- (1) Report of the proceedings of the Business Conference on June 6, 7 and 8 last.
- (2) Report of a visit paid by the Conference Delegates to the Imperial College of Science and Technology, London, W.

- (3) Second Report of the London Chamber of Commerce on "Trade During and After the War."

The last mentioned is included in view of the fact that several speakers at the Conference referred thereto, and their remarks, accordingly, might be somewhat obscure without the possibility of reference.

As it is thought that Chambers may wish to assist in giving greater publicity to the work of the Imperial College of Science and Technology, arrangements have been made for supplying additional copies of (2) where desired.

I may add that particulars of the action taken by the Executive Committee with the object of giving effect to the various Resolutions of the Conference will be issued in due course.—Yours, etc.,

CHARLES E. MUSGRAVE,  
Secretary.

—  
Hongkong, 12th October, 1916.

Dear Sir,—I have the pleasure to acknowledge the receipt of your circular letter dated 4th August, 1916, and of the enclosures as stated therein, which my Committee have perused with considerable interest.

I am directed to ask if you could arrange in future to send to this Chamber additional copies of any Reports you may issue (say a dozen), so that I can distribute a copy each to the Members of my Committee. If you are able to spare some copies of the Second Report of the Special Committee on Trade during and after the War, I shall be very much obliged to receive them.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

Charles E. Musgrave, Esq.,  
Secretary,  
The British Imperial Council of Commerce,  
London.

—  
London, E.C. 9th August, 1916.

Dear Sir,—I have to acknowledge the receipt of your letter of 21st March, and beg to inform you that I duly attended the Business Conference held here on June 6th, 7th and 8th.

I delayed answering the above letter pending publication of the Report of Proceedings; these have just been issued and are enclosed herewith.

The Conference was very largely attended by Delegates, representing all parts of the Empire. Practically every one of these Delegates wished to speak, and it soon became evident that it would be impossible to get through the programme unless the speeches were limited.

The only questions which were of serious importance to Hongkong were 1. (a) (b) (c) and (d) and it had been my intention to put forward the views of your Chamber on these matters, as detailed in your above letter. Before however I had an opportunity to speak (Australia, Canada, New Zealand and South Africa were naturally invited to speak first) the news of Lord Kitchener's death was announced and the Conference was adjourned.

On reassembling the following morning, Delegates who were permanently resident in this country were privately asked to avoid speaking, if possible, as their views could easily be ascertained at another time. This enabled the Delegates of the great self-governing Dominions to more freely express their views and eventually the general principles involved in Fiscal questions 1. (a) (b) (c) and (d) were unanimously adopted.

South Africa supported these resolutions, but pointed out that while in favour of the principle, they might not, when details came to be discussed, be able to agree to such a wide system of preference, as was evidently desired by Canada and Australia.

Although the views of your Chamber were not publicly expressed by me at this Conference, I have taken steps so that they are known, and appreciated, and when the time comes to discuss details, I do not think it will be difficult to exclude Hongkong altogether, and leave it a free port as at present.

Thanking the members of your Chamber for the honour which they conferred on me by appointing me as their Delegate,—I have, etc.,

C. H. ROSS.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

Hongkong, 17th October, 1916.

Dear Sir,—I am directed by my Committee to acknowledge the receipt of your letter of the 9th August, 1916, with reference to the British Imperial Council of Commerce.

My Committee have read your letter with considerable interest, also the several enclosures which accompanied your letter.

A point of special interest to my Committee is the statement contained in the penultimate paragraph of your letter under reply to the effect that when the time comes to discuss details you do not think it will be difficult to exclude Hongkong altogether and leave it practically a free Port as at present.

I am desired by my Committee to convey to you their warmest thanks for acting as this Chamber's delegate at the Business Conference, and for the active interest you have taken in matters relating to the Trade of this Colony,—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

C. H. Ross, Esq.,  
Messrs. Matheson & Co. Ltd.,  
3, Lombard Street,  
London, E.C.

—  
The British Imperial Council of Commerce,  
London, E.C., 21st November, 1916.

Dear Sir,—I am in receipt of your letter of 12th October, and note contents. As desired, I am forwarding you, under separate cover, 12 copies of the Report of Proceedings of the Business Conference, for the cost of which plus actual postage kindly remit 15/- at your convenience. I have added a few copies of the Report of the Special Committee of the London Chamber of Commerce on "Trade During and After the War."—Yours, etc.,

CHARLES E. MUSGRAVE,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.



Hongkong, 10th January, 1917.

Dear Sir,—I am in receipt of your letter of the 21st November last advising the despatch of 12 copies of the Report of Proceedings of the Business Conference, together with 6 copies of the Report of the Special Committee of the London Chamber of Commerce on "Trade During and After the War."

The package for which I thank you, has arrived, and copies of the books been distributed to members of my Committee.

I enclose herewith Money Order for 15/- in payment thereof.—  
Yours, etc.,

E. A. M. WILLIAMS,

Secretary.

The Secretary,  
British Imperial Council of Commerce,  
London.

**I**

DEATH OF THE HON. MR. E. A. HEWETT, C.M.G.

London, E.C., 24th December, 1915.

Dear Sir,—It was with feelings of deep regret that the members of the Far Eastern Section of this Chamber learned of the death of your Chairman, the Hon. Mr. E. A. Hewett, C.M.G. and we write, therefore, on their behalf, to offer our sincere condolences.

The highly successful work accomplished in the interests of the Empire by your late Chairman, both in that capacity, on the Executive Council of the Colony, and formerly in prominent positions in Shanghai, was thoroughly appreciated on this side where his consistent and very practical efforts have been readily recognised by those here connected with British trade in the Far East, many of whom were at one time or another personally associated with Mr. Hewett.

We desire, therefore, to say how greatly the Section sympathise with the Colony and with your Chamber in the loss which you have sustained.—We are, etc.

F. ANDERSON,

Chairman of the Section,

CHARLES E. MUSGRAVE,

Secretary.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

*CENSORED.*

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BRITISH TRADE WITH CHINA.

London, E.C., 10th January, 1916.

FAR EASTERN SECTION.

Dear Sir,—I beg to enclose, for your information, six copies of an address recently delivered to members of the above Section and members of the China Association by Mr. Thomas M. Ainscough, Special Commissioner of the Board of Trade in China.—Yours, etc.

CHARLES E. MUSGRAVE,

Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

An address on the above subject was delivered before the members of the Far Eastern Section of the Chamber and of the China Association by Mr. THOMAS M. AINSCOUGH, M. Com., F.R.G.S. (Special Commissioner of the Board of Trade in China), on Wednesday, November 24, 1915, at 3 p.m.

Mr. FREDERICK ANDERSON (Chairman of the Far Eastern Section and of the China Association) presided, and among those present were:—

Mr. Gershom Stewart, M.P., Mr. Byron Brenan, C.M.G., Mr. A. P. Simpson, Mr. H. S. Hancock, Mr. R. H. Hill, Mr. F. M. Shaw, Mr. R. P. Dipple, Mr. H. J. Algar, Mr. E. A. Stanton, Mr. H. S. Aspinall, Mr. F. T. Bone, Mr. J. R. Michael, Mr. E. E. Hills, Mr. W. Carter, Mr. C. Watney, Mr. L. Kerr, Mr. Herbert Hutchinson, Mr. G. A. Richardson, Mr. F. H. Jefferd, Mr. H. C. Wilcox, Mr. R. C. Wilcox, Mr. G. H. Medhurst, Mr. D. T. Keymer, Mr. E. J. Carroll, Mr. H. D. C. Jones, Mr. A. Heckling, Mr. A. Campbell, Mr. F. O. P. Bland, Mr. C. S. Moore, Mr. H. Hickling, Mr. M. S. Salinger, Mr. C. W. Salisbury, Mr. J. Penzer, Mr. N. Hayakaya, Mr. F. Lange, Mr. C. H. Bates, Mr. D. C. Rutherford, Mr. L. Chotzen, Mr. J. W. Jamieson, C.M.G., Mr. C. J. Longcroft, Mr. C. E. Angus, and Mr. C. E. Musgrave (Secretary).

THE CHAIRMAN said he had much pleasure in introducing Mr. Ainscough, of the Board of Trade, who had promised to deliver an address on "British Trade in China." Very nearly up to the close of last century the attitude of both the Chinese Government and the Chinese people towards foreigners who desired to bring about closer relations with the country was one mainly of passive resistance. They looked upon any attempt on the part of foreigners to draw closer relations with their country, and the development of the resources of China, as foreign encroachment, so that practical business men came to the conclusion that it was a waste of time and energy to spend very much of either in endeavouring to promote what was called the opening up of China. Pioneer work was always very hard, very often unremunerative, and it also required a great deal of patience. (Hear, hear.) In the days to which he was referring any tentative attempts in the direction of the opening up of China seemed to show that if sanguine people "cast their bread upon the waters" they would have to live to a green old age

before they could have more than the faintest hope of finding any of it again. In the last few years considerable changes had taken place in China, and he thought it was not unlikely that Mr. Ainscough would refer to those changes, and perhaps be able to indicate to them what effect those changes were having upon trade. His (Mr. Ainscough's) experience might enable him to show them how practical advantage could be taken of those changes. His qualifications for forming a sound opinion on those subjects were excellent. After taking a full course of administration in commerce at Manchester University, and passing in Chinese—where he was examined by their friend, Mr. Byron Brenan—he spent a good many years in mercantile work both in this country and in China. After giving up that work, he travelled overland from China to Burma, and stayed for about eight months in Western Szechuan. He need hardly say that this journey involved a good deal of discomfort and was not unattended with danger. During the last sixteen months Mr. Ainscough had been engaged, on behalf of the Board of Trade, in investigating and reporting upon the condition of affairs in the interior of China; he had written a great many most interesting reports. He (the Chairman) had not read them all, but those which he had read he thought were extremely interesting. In the course of his travels Mr. Ainscough had journeyed over nearly all the main-trade routes of China and had visited 18 of the 21 provinces of that vast country, so that with an experience of that kind he was entitled to an attentive hearing which he was sure those present would accord him. (Applause.)

Mr. AINSCOUGH said:—

To deal adequately with the vast and comprehensive question of British Trade in China is a task well-nigh impossible in the limited time at my disposal on this occasion, but in addressing the Far Eastern Section of the London Chamber of Commerce and the China Association, I feel sure that the majority of those present are already well acquainted—many of them from long years of residence in the East—with the conditions and general trend of events in the past. With your permission, therefore, I propose to confine my remarks this afternoon to certain vital problems and tendencies which have engaged my careful attention in the course of the recent mission throughout the interior of China—a mission which has embraced almost every province, and certainly every important trade route from Manchuria to the Shan States, and from the coast ports to the Tibetan border.

The interior of China has in the past been regarded by the average British merchant in Shanghai and the larger Treaty Ports as a *terra incognita*, a vast area where communications were difficult, currency conditions chaotic, and where there was little security for life or property; and, inasmuch as the foreign merchant was not allowed to hold land or buildings in his own name beyond the Treaty Port limits, and pioneering journeys in the interior demanded a knowledge of the language and customs of the people which he did not possess, he regarded the *hinterland* as being well beyond the pale of safe and satisfactory trading. In this he was encouraged by his Chinese entourage of *compradores* and dealers in the open ports, who relieved him of financial risk by guaranteeing native accounts, discouraged him from learning the language by making pidgin English the *lingua franca* of foreign trade, and facilitated intercourse to such an extent that the British merchant was able to conduct a steady, moderately safe business with quite a satisfactory margin of profit without troubling himself as to the ultimate destination, conditions of distribution of his imports, or the origin and conditions of production of his exported articles. The little clique of native *compradores* and merchants in the meantime amassed considerable fortunes, and developed trade only in those channels most profitable to themselves. The system was, in fact, a survival of the time-honoured Co-Hong methods of trading in the factory days at Canton, extended and modified to meet changing conditions, and round it enormous vested interests, both British and Chinese, have been built up. All went well so long as British traders held the virtual monopoly of the traffic, which was the case until the end of the last century, but with the close of the Boxer troubles in 1900 the attention of industrial Europe, America and Japan was drawn to the enormous potentialities of an undeveloped market with a population of four hundred millions of industrious, commercially minded people, and the past fifteen years has marked a period of increasing competition, coinciding with a well defined tendency towards decentralisation from the great centres of Hong Kong and Shanghai, and increased foreign activity in the interior of the country.

Our competitors entered the field with enormous disadvantages. The British houses had mostly been established in China for several decades, a few of them dating back to the palmy days of John Company. They monopolised the soundest and wealthiest of the Chinese *compradores* and merchants. Their chops had been established on the market for

years, they held the cream of the British agencies, and the banking, shipping and insurance facilities on the coast were in their hands. Our competitors were forced to seek new avenues of trade and employ improved methods, but in this they were aided by the fact that they brought to bear on the task a free, untrammelled and progressive attitude, and, above all, they were unfettered by "old custom" and vested Chinese interests, which the old-established houses have found, and are finding to-day, so difficult to break through.

Our first and most formidable rivals were the German firms. They entered the lists of competition in the ordinary staple articles of trade, such as piece goods, metals, hardware and sundries. Prices were cut, margins were reduced, credit was granted to Chinese purchasers, sometimes with disastrous results, the greatest pains were taken to develop a trade in those miscellaneous goods which the British houses did not care to take up so long as it was possible to obtain a satisfactory turnover on the standard and less troublesome articles. Connections were opened up with London and Manchester houses for those products which it was not possible to obtain from the Fatherland, and the fullest possible advantage was taken of that great reservoir of capital which is always available in London for the finance of foreign trade. In fact, I have been astonished at the exceptional trading facilities accorded to our German competitors by certain merchants in this country, and the extent to which their operations were financed by British capital. Despite all these efforts, however, and despite the fact that grave risks were incurred, which should have been offset by increased margins, my investigations and experience lead me to believe that in the staple articles of import handled in Shanghai and Hong Kong our competitors were not able to secure a return on their capital at all commensurate with the amount of their turnover and the risks involved. So far, it may be argued, the British merchant has a good case for the maintenance of his existing system, but I propose now to deal with a much more serious issue of the past few years, and that is the increased activity of our competitors in the smaller ports such as Tientsin, Hankow, Canton and Tsingtao, and the development of direct business connections with Chinese in the interior, which has resulted in great inland provinces such as Hunan, Yunnan and Szechuan becoming strongholds of German trade and influence. The foreign commerce of the four ports mentioned has advanced enormously of recent years, and the lion's share of the net increase has been secured by our competitors. This has been

mainly due to the determined effort of the Germans to secure a strong hold of the development of the export trade in China produce, in the realisation that the purchasing power of the district would be increased, and the demand for foreign goods stimulated, which demand has been met by direct importation to the ports, and has fallen largely into their own hands. It must be remembered that, although our direct shipments to China in 1913 were 97 million taels as against Germany's 28 million, in the same year Germany imported direct from China 650,000 taels' worth of produce more than Great Britain, and the German export firms have also a very strong hold on the trade with the rest of the Continent and the United States. What have been termed the aristocratic exports of tea and silk still remain largely in British hands, but in the miscellaneous export of such articles as beans and seeds, hides, cotton, tallow and wood oil—an export which has been increasing at a very rapid rate—British merchants are finding themselves very far behind. In the Tientsin produce market, where British firms already had a strong hold, they are managing more or less to hold their own, but the great and increasing Hankow trade before the War was almost entirely under German control. The reasons for this state of affairs are many.

In the first place, our competitors went into trade on a large scale. They purchased sites in the concessions when land was cheap, equipped them with modern plant and laboratories, seed cleaning machinery, installations for purifying oils, tanks for storage, and large warehouses for handling the produce, and developed the trade by scientific methods. Their Chinese compradores and staff opened branches at the main depots up-country, and thither also were sent German buyers during the season, who at the same time unobtrusively pushed the sale of those articles of import of which their firm held stocks in Hankow, and kept their eyes open for electrical and other large engineering contracts which might be secured in any of the large cities in the interior. The produce was brought straight into the German concession by means of a railway siding, was treated and prepared in the go-downs, and in the majority of cases was financed by the British, French, and Russian banks, who offered more favourable terms than the *Deutsch Asiatische Bank*, whose somewhat rigid policy is dictated from Berlin, thus involving delays and difficulties. The German firms were usually agents for one or other of the home lines of steamers, and so were often able to effect a further economy by obtaining agents' commissions and special rebates on the shipping of the goods. Furthermore, inasmuch as the development of

plant for crushing oil-bearing beans and seeds has been more highly developed on the Continent than in Great Britain, and the Germans have done more to work this raw material into food products, Continental ports have become more and more the markets for Hankow produce, to the exclusion of London and other British centres. Hamburg was before the War the premier market for seeds in the world, and was bidding fair to rival London as a distributing centre for many other lines of produce. The present is a crucial time in the Hankow export trade. Owing to the War the German community has been largely depleted, and their trade is practically at a standstill. There is little doubt but that when peace is established, the German firms will re-enter the market, and the competition will be as fierce as ever. The time is most opportune, however, for British firms to make a bold bid for the trade, and there would appear to be a great opportunity for powerful houses with capital to enter the business on a large scale, and conduct it on broad, scientific and modern lines. The business is one that must be handled by an expert inspector with every facility in the way of plant for cleaning, refining, etc., and large warehouse accommodation, together with an experienced Chinese staff. One of the principal difficulties which will be experienced is the shortage of British inspectors, possessing the requisite knowledge of the goods they have to handle. The bulk of the Hankow exports are now examined and passed by Germans, Swiss, and other Continentals, who are trained not only in the technical knowledge of the produce, but also in the art of dealing with Chinese brokers and merchants. Still, the difficulties are not insuperable, and it is to be hoped that British firms will avail themselves of this opportunity, and that the merchants here in London and other centres in this country may find increased markets for the consumption of Chinese produce, not only in the interests of the produce trade, but also as a stimulus to the export of British manufactures.

Let us now turn to what, in my opinion, is the most important question of all, and that is the commercial penetration of the interior beyond the limits of treaty ports by trained Chinese-speaking Europeans, working in conjunction with native agents and correspondents. During the past few years this method has been adopted by a rapidly increasing number of British, American, German, Russian and Japanese houses, but it is noteworthy that, whereas the German penetration has been largely effected by merchants whose headquarters were at the ports, the British organisation has been almost entirely carried out by large manu-

facturers of semi-monopolies and proprietary articles, such as cigarettes, kerosene, alkalies, household soap, candles, patent medicines, and refined sugar, who, having previously conducted their business through the medium of merchants in the ports, have discarded this system as being unsuitable to their requirements, and have undertaken the marketing themselves. This fact demonstrates that there has been a much closer cooperation between the German manufacturers and merchants than is the case in this country. The Germans have enjoyed the virtual monopoly of two important lines of trade, viz., arms and ammunition, and aniline dyes and synthetic indigo. The manufacturers have insisted upon the elaboration of an extensive up-country organisation, have defrayed the bulk of the expense, have sent out experts to assist in the work, and have allowed a generous commission of not less than five per cent. to their agents for the services rendered. These agencies have had a dual advantage. In the first place, they have provided the German merchant in China with a handsome annual profit; and, secondly, they have furnished him with an organisation, free of expense, which he has been able to utilise for the sale of those other lines of imports in which he was interested. This brings us to the vital question of the sale of industrial and machinery supplies, a business which has been fostered by our rivals by these extensive methods, and where they have been rapidly gaining on us. I feel very strongly that unless prompt steps are taken by British manufacturers and merchants towards installing the necessary organisation for securing the new contracts which are springing up in all parts of China for electrical power plants, and industrial and mining machinery and supplies of all kinds, we shall find before very long that the market is closed to us, and is entirely in the hands of our competitors. British manufacturers can, as a rule, produce the machinery required at competitive rates, but we have lost and are losing ground through less efficient methods of marketing, and the fact is that while our representatives are busy in their offices in Shanghai and elsewhere the German firms are tapping this considerable and rapidly increasing stream of trade at its source. This question is one which has been dealt with in some detail in certain interim reports, which doubtless many of you gentlemen have already seen. I will, therefore, briefly describe the methods which have been employed by our rivals to secure the trade. The German houses through their valuable agencies, and also their hold on the export trade of China produce, have usually a branch at the interior Treaty Ports, such as Chung King, Changshen and Tsinan Fu. Their trade in

arms and munitions and other equipment for Government contracts has enabled them to maintain representatives at the large provincial capitals such as Chengtu, Yunnan Fu and Moukden. In many cases they have been able to induce the Chinese authorities to employ their nationals to operate the plant in the Government powder factories and arsenals, which means that all renewals and extensions are obtained through them. From these bases in almost every province a system of Chinese correspondents has been elaborated, who inform the local office of any new industrial scheme mooted within their district, and receive a small commission should business result—an inexpensive but quite satisfactory arrangement. Should it become likely that an electrical power plant or mill of any sort is shortly to be required, the firm sends down usually a Chinese-speaking engineer, who is also tactful and possesses the *savoir faire* required in handling Chinese, and this representative remains on the spot sometimes for months if the scheme is an important one, acquires the confidence and goodwill of the buyers by means of painstaking and persistent methods, entertainment, social intercourse, and the preparation of specifications and plans of the machinery required. Pressure is also occasionally brought to bear by the nearest Consul, working through the officials, and in nine cases out of ten the representative does not leave that locality until he has secured the contract. All this work, of course, is in addition to a splendid business organisation at headquarters, and as efficient methods in China as prevail in Europe. For example, most of the larger engineering firms publish their own journals, which are well produced, contain interesting accounts of the work carried out by the firm, illustrated by photographs and translated into Chinese, and are just what is required to attract the Chinese buyer, who, as a rule, understands very little of the machinery he wishes to buy, and merely requires the cheapest machinery to do a given work. It is often stated that, although the German firms have secured these large contracts, they have suffered losses on them, both by cutting down their margins to an unremunerative figure, and also by default of the Chinese. I am in a position to state that the largest German mercantile firms always calculated on making at least 10 per cent. on large industrial contracts in the interior, and frequently obtained as much as 15 to 25 per cent. Nor were the conditions of payment particularly onerous. These varied, of course, but the usual terms were one-third with the order as guarantee of good faith; one-third either upon shipment, or sometimes upon arrival of the plant in China; and the final third six to twelve

months later. The payment of the final balance was sometimes delayed, but cases of default have been extremely rare, and interest was paid on the overdue portion. In return for a concession as regards deferred payment, new orders for plant were frequently obtained as a *quid pro quo*. It must be remembered that the suppliers were merchant firms doing as wide and varied a China business as any British house, and their sole object was to turn over their capital as rapidly as possible and secure as full and safe a commission on each transaction as could be obtained. The question arises: What is the remedy, and how can we meet this competition and secure for British labour and capital its fair share of what is going to be a most important and rapidly expanding business as China develops her mining and industrial resources? The answer to this question, in my opinion, lies in the extension and more efficient organisation of our marketing system, and the meeting of our Competitors on their own ground by methods better than theirs. It must be remembered that the benefits derived from securing contracts for electrical plant are cumulative, as many of the contracts stipulate that all further renewals and accessories shall be obtained from the original supplier. This probably accounts for the fact that one of the largest electrical manufacturing firms in Germany has carried on an enormous business in China through its own marketing organisation, which I know for a fact has lost money on each year's working, but has succeeded in securing such a hold of the business that it is prepared to continue working, extending and organising, in the certain knowledge that its forbearance and effort will bear fruit in the near future, when China looms larger as a market for electrical machinery. If we wait until then it will be too late, but fortunately the present War is giving us a capital opportunity to take stock of our position, to realise our deficiencies in the past, and—with the experience of our competitors always before us—to so perfect our marketing organisation that the products of British manufacturing engineering enterprise will have every chance of competing on favourable terms in the markets of the interior.

There has been a growing conviction among British engineers for some time that, unless the present system of representation was modified, before many years are past they would find themselves almost completely excluded from the electrical and industrial machinery market of China, owing to the paucity of British merchant houses interested in the trade, and the fact that even these firms mainly confined their attentions to business brought to them by their native clients in the open

ports. This conviction was very largely justified, and has been reflected by the formation of groups of manufacturers who have combined, either to carry on the pioneering work in China in conjunction with the merchants, or to sell their own products direct to the Chinese. These groups are, without doubt, working in the right direction, and their energy and enterprise are deserving of all success, but such action would not have been required had the British merchant availed himself of the advantages and facilities he has had in the past. The function of a merchant is to find outlets for and facilitate the sale of the products of his country's manufacturers, the scope of whose activities lies in utilising all their capital, labour and energy in the manufacture of those goods which are wanted at the lowest possible price. In a perfect economic system any overlapping of these two functions is productive of waste, and I hold that the ideal system in China to-day is for the large merchant houses to develop their marketing system with the close co-operation and assistance of the manufacturers they represent. The British houses in China who are in a position to handle engineering and machinery on an extensive scale can almost be counted on the fingers of one hand, but they are mainly firms of good financial standing with branches in many ports, admirable financial and shipping facilities, a wide and old-established native clientele, and long experience of the needs of the market.

What is required is an active forward policy, the development of the smaller branches in the up-country ports, the installation of a wide system of Chinese correspondents, and the realisation of the fact that engineering business has to be sought, and may be secured in the country itself where the field of competition is restricted, and good margins may be obtained, rather than waiting until an enquiry reaches Shanghai, by which time every firm on the coast is aware of it, and free competition has rendered it of no value. In great provinces like Szechuan, Hunan and Yunnan the Germans have had no competition whatever, except among themselves, and consequently have been able to secure full margins of profit. Such a system as has been suggested entails considerable expense and additions to the staffs of highly trained, specially qualified salesmen and engineers, but this is exactly where co-operation with the manufacturer is needed. The extension of their engineering departments should be effected by the merchants with the active assistance of the British manufacturers they represent, whose interests would be served by such extension. This assistance may be rendered by

sharing the cost, or, preferably, by sending out engineers trained in their work, experts in their own lines, to assist the Eastern staff in the pioneering work, to travel, and give their expert knowledge in drawing up plans for schemes, making preliminary estimates, and advising the Chinese purchaser as to the best way out of his difficulties. British manufacturers in this way would have the benefit of dealing with financially sound, reputable firms in China, would be freed from the risk and worry of establishing their own system, and would receive all the benefits accruing from old-established Chinese connections. Individualism has been carried too far in the past, and the closer co-operation of our officials, manufacturers, merchants and financial interests will be necessary if we are to compete successfully with that close co-ordination of Government, financial, industrial and mercantile effort which has characterised the German engineering trade. It is extremely probable that German competition in China will be keener than ever after the War. Germany will have to devote greater attention to those neutral overseas markets, such as China and South America, where there is no sentiment against her, and we can only hope that she will be so crippled financially that her banks and finance houses will no longer be able to accord exceptional facilities to her merchants; and, on the other hand, we trust that our own banking and financial institutions may see their way to adopt a less rigid attitude with regard to the financing of deferred payments on sound industrial contracts in China, and that the greater share of that British capital which formerly financed our competitors may in future be utilised for furthering the legitimate expansion of British industry and commerce.

By far the most striking and far-reaching development in the foreign trade of China during the past fifteen years has been the rapid increase in the number of firms who are distributing their goods direct to the Chinese consumer in all the large cities and towns or the interior through the medium of guaranteed Chinese agents working under the constant supervision of European travellers and inspectors. The pioneers in this connection were the cigarette and kerosene oil companies, but their example has been followed by manufacturers of alkalies, household soap, aniline dyes, candles, sewing machines, patent medicines, condensed milk, refined sugar, Japanese sheetings and drills, and Russian cotton prints, while certain firms in the Treaty Ports are doing a considerable trade in drugs and chemical products, and in one case quite a promising general mail order business with native clients

by means of the efficient parcel post, cash on delivery system of the Chinese Post Office. This method of direct distribution, which at first sight presents enormous difficulties, evolved from the realisation that the Chinese merchant does not distribute foreign imports as widely and efficiently if left to his own devices as he does when working under a modern system and with constant and stimulating foreign supervision. The systems vary in accordance with the needs of the various districts and the articles handled, but the most elaborate method is to divide China into territories under foreign managers, and these territories are subdivided into districts with a European in charge. Native agents are appointed in each city or large village, who are always secured by a good shop guarantee, and frequently make a deposit with the company, which allows interest thereon. Goods are consigned up to the value of the deposit and/or guarantee and are stored for account of the company pending their sale. Prices are fixed, and the agents work on a stipulated commission. Returns of sales and unsold stocks are made weekly, and these are verified by foreign inspectors, who travel constantly, appoint new agents, investigate complaints, and make suggestions as to future possibilities of extension. Remittances are made periodically to the district headquarters, all losses or profits due to fluctuations in exchange being for account of the agent. The difficulties of inland taxation are overcome either by the taking out of transit passes, or else by the dealers making their own arrangements with the authorities, and in this way the goods are distributed into almost every village in China up to the borders of Tibet, under the direct supervision of the firm which manufactured them in Europe. The losses incurred in a well-managed distribution scheme through default of native agents are negligible, as everyone is guaranteed and the closest check is kept on each individual account. In my opinion, this is the most perfect method of marketing foreign imports in China, and the trade returns clearly demonstrate the enormous influence such applied method and organization has had in the trade.

Between the years 1900 and 1913, the imports into China of—

Cigarettes	increased in value by 1,200 per cent.
Aniline dyes	„ „ „ by over 300 „
Soap	„ „ „ 350 „
Kerosene oil	„ „ „ 350 „
and sugar	increased in value by as much as 600 „

There are no exact statistics available of the total value of the goods distributed by these various systems, but after careful examination I would compute it at a minimum of £8,000,000 sterling, which is over 11 per cent. of the total imports into China. A demand has been created for entirely new articles simply by the fact that these articles have been rendered accessible to the consumers by a supply on the spot, and an active, resourceful advertising campaign, the main feature of which has been the display of the actual goods in the large shops throughout the towns and villages of the country. The standard of native living throughout China is being rapidly raised, wages and prices have advanced enormously during the past decade, and there has grown up an ever-increasing demand for better quality and articles of comparative luxury. This has been most marked in the import of cotton piece goods. A few years ago this trade was confined to certain staple lines of greys, whites, and the lower grades of dyed and printed goods. To-day there is an increasing demand for best quality dyes, sateens, venetians, and poplins, high-grade cotton prints, and a miscellaneous assortment of woven fancy goods. I have been surprised to find in remote cities of the interior a demand for such articles as figured poplins at prices which were the equivalent of as much as 1s. 3d. to 1s. 4d. per yard c.i.f. Shanghai. From the British industrialist's point of view this is eminently satisfactory, as it is generally recognised that in the coarser grades of grey cloths we shall have to meet an ever-increasing competition from Japan and the textile factories in China itself, but in the higher grades, and in bleached and dyed goods, Lancashire is well able to hold her own, and to secure the greater portion of the net increase in the trade if only we keep 'au courant' with the everchanging needs of the business, and improve our marketing organisation. It is true that direct distribution is not suited to very many articles of import owing either to their bulk, difficulty in handling or variety of qualities, designs and colours, but I am confident that more could be done in the way of direct distribution even of articles such as cotton piece goods. We see the great Japanese merchant houses distributing their grey sheetings, drills, nankeens, and red cambrics throughout Manchuria and North China. A wide distribution scheme for grey cotton cloths was actually working throughout the Northern Provinces a few years ago through the medium of an existing organisation, and was discontinued, not from the inherent defects of the system, but owing to totally extraneous reasons. The Russian

merchants are selling high-grade cotton prints, the most complex and diversified of all piece goods, through their agencies in the towns of Manchuria and China proper, and are prepared not only to sell multiples of one case, but even single pieces and single yards. Three months' credit is allowed to guaranteed native merchants, and with regularly established agents this is usually extended to six, and in exceptional cases nine months. Although reverses were incurred at the commencement due to extended credits, unsatisfactory guarantees, and defective control of stocks, with the perfection of the system, these losses have been turned into substantial profits, and the result is that 51 per cent. of the imports into China of chintzes and plain cotton prints are to-day of Russian origin, while 65 per cent. of the import of grey sheetings, 73 per cent. of grey drills and 20 per cent. of Turkey Red cambrics are credited to Japan, this trade having been built up largely on the same lines.

If it is possible for our competitors to build up a satisfactory and increasing business in such complex articles as cotton prints, surely the time has arrived for the great British houses in China carefully to take stock of the position and earnestly enquire whether the present methods of selling piece goods to a closed circle of native dealers in Shanghai are adequate in order to cope with existing conditions and the general trend of events. Organisations for the direct distribution up-country have many risks and difficulties to contend with, such as internal taxation, difficulty of communication, currency and exchange questions, and the increasing difficulty of securing capable European salesmen with a knowledge of handling Chinese. They have, however, the following great advantages:—

(1) There are the economies to be secured from the fact that the goods remain, until sold to the consumer, in the hands of the distributing syndicate, thus eliminating the Shanghai native brokers' and merchants' commissions, and effecting an enormous saving in interest, and inasmuch as a Foreign Syndicate need not in normal times charge more than five per cent. per annum, the native interest under the present system is from one to two per cent. per month. Carrying charges, such as storage and fire insurance, are also much lower in the interior than at the ports.

(2) With an organisation extended all over the country any effort of the Chinese to combine and defer purchasing until the importer brings down his price to an unremunerative level is practically impossible, as transfers could be effected; and, besides, the Syndicate



could afford to offer prices very much below those of goods imported under the present system. This removes the evils arising from a limited market such as Shanghai, where the Chinese constantly exercise their powers of combination against the foreign importer.

(3) There is the incalculable advantage of having a perfect knowledge of the special wants of and quantities required by the various consuming areas. Under the present system the average importer in Shanghai, once the goods have left his hands, takes very little further interest in their ultimate disposal, and, beyond a general knowledge that certain goods are taken by certain provinces, is almost completely in the dark as to the conditions in those districts where they are distributed.

Any such scheme of distribution as has been suggested would require to be carried out either by large merchant houses or manufacturers with considerable sums at their disposal in order to be able to carry out the whole scheme in its entirety, and so effect the fullest economies, and avoid the risks and pitfalls attending half-hearted attempts. The company should be strong enough to judge of the success of the system by carrying it out for a full trade cycle of five years or so, and be prepared to devote a considerable amount of courageous, patient and painstaking effort for the future. It is evident that it would be easier for a new undertaking to carry out a system of this kind than for one of the old merchant houses who are so closely bound by their existing Chinese connections in the ports, but the change might be effected by Jegreees, and at all events it must be recognised that the present system cannot be regarded as satisfactory, and requires a complete revision. Conditions in the China import trade are tending more and more towards centralisation in the hands of a few powerful firms who are in a position to import the goods and sell them on their own account. The day of the small merchant importing for Chinese dealers on a commission basis is past, and the market requires to be handled with the same care, energy and foresight and improved methods as European markets are handled. The conditions affecting any scheme for expansion in the hinterland are rapidly improving, and many of the largest cities in the interior can now be reached by rail; great provinces such as Szechuan are being opened up and brought within comparatively easy reach of the coast by steam navigation, and currency conditions in the provinces are being put on a much more satisfactory basis. The postal and telegraph system connects with every town of note in the country, with such modern methods as parcel and sample post, and a cash on

delivery system. The new native press offers a wider medium of advertisement. The revolution of 1911 was a revolution not only in political thought, but also in the emancipation of Chinese ideas as regards fashion, customs and general mode of living. This has made itself felt already in a tentative adoption of Western products and methods and a demand for countless European articles, the sale of which would formerly have been impossible. It is the duty and privilege of the British Empire, whose trade with China—despite all the disadvantages I have enumerated—still predominates, to foster and stimulate this quickening of the Chinese economic life, and this, in my opinion, can only be done by the revision of existing methods of trading, with the great end in view of bringing the products of our industrial organisation within the reach of the Chinese consumer at the lowest possible price. Gentlemen, I firmly believe that permanent success in the future will lie in the development of direct distribution.

Here are four vital requirements, which face us in any consideration as to the expansion of our trade with China in the future, and to these I would draw your most earnest attention this afternoon. The first one is the absolute necessity for a closer co-operation between the manufacturer and merchant in this country, based on mutual recognition of each other's aims and sphere of activity, so that their efforts may be co-ordinated to the common end of securing the trade of the future. More should be done by our manufacturers in paying careful attention to the special requirements of the market as regards styles, qualities, designs, finish, make-up, and the 101 minute details which play such a large part in a developing market such as China. They should be prepared to work for the future, and not in every case to expect an immediate return on their capital outlay. They should take a closer interest in the special needs of the country, and render every possible assistance to the merchants in their efforts to develop the trade, as, for example, by more generous commissions, the taking of a share in the expense of costly organisation, the loaning of the services of experts for pioneering purposes, the free distribution of well-drawn up catalogues and advertising matter, and a much more generous scale of sampling than has been carried out in the past. On the other hand, manufacturers have the right to expect that the merchants, on their side, will adopt the best available methods for distributing and marketing British goods, and that every effort will be made to keep our industrialists posted with the changing needs of the Chinese consumers. By such

joint efforts to a common end shall we be able to secure our fair share of the great market of the future.

Secondly, greater financial facilities will be required from our banks and finance houses for the purpose of financing deferred payments on large Chinese Government and private contracts for plant, machinery and other supplies. Such contracts almost always entail extended facilities for a certain portion of the payment, and British financiers in the past have not looked kindly on such business unless collateral security were offered. Our German rivals have usually been able to arrange these cases through the medium of the large manufacturer in Europe—such houses as Messrs. Krupp, the A.E.G. and Siemens-Schuckert being enormous concerns with the closest connections in German finance circles. In this country, however, there is much greater difficulty. The majority of our manufacturers utilise the whole of their resources in the organisation and running of their own works, and it is too much to expect them to have to finance their clients in addition, nor is such a method an economical one. An argument frequently adduced by our banks is that, inasmuch as they are handling the money of their clients and not of their shareholders, they are restricted in their choice of securities. While this is a very sound attitude, it unfortunately does not help us in the case in point. It is hoped that British banks may see their way to modify their attitude with regard to these contracts in the best interests of our trade and industry, or, failing this, that it may be possible for other financial enterprise to step into the breach, either in the form of private financial trusts or possibly of an industrial bank. I merely put forward these types of enterprise as a suggestion for your earnest consideration.

Thirdly, it will be found necessary, as China opens up, for our mercantile assistants and travellers to secure a wider knowledge of the country and its people, their language, traits of character, business methods, and mode of life. There is at present a great shortage of young Englishmen who possess the requisite knowledge to travel on business in the interior, and this scarcity will become more acute as the trade extends. The great distributing organisations in China are now making it obligatory for their staffs to speak Chinese, and the time is coming when the British merchants will find it necessary to do the same. Our competitors have stolen a march on us in this respect, and have combined a knowledge of Chinese with very close application to their own business. The average British assistant in Shanghai knows practically nothing of

China beyond the Settlement limits, and yet this great area is his market, on whose development his very livelihood depends. It is hoped that the Eastern houses will encourage their assistants to take up courses of Chinese either at King's College or Manchester University, and that the most important groundwork thus obtained (of the value of which I can speak from personal experience) may be extended by further study in China. The difficulties of colloquial Chinese have been somewhat exaggerated. It is possible for the average man with a good ear and memory to obtain quite a useful working knowledge of the spoken language with one to two hours' steady application per day for a year or so, and in two to three years he would acquire a sufficient vocabulary for ordinary business intercourse in the interior. The important point is that he should begin his course of study when young, while the memory is retentive. All that is required is a little application and a spirit of enterprise. The facilities for study now are infinitely greater than those accorded to British pioneers in the past, and when it is realised what a great field of utility is opened up, and the prospects which will lie with the alert Chinese-speaking business men in the future, I have no doubt that we shall find a ready response from our younger men if only the matter is drawn to their attention by their seniors.

Fourthly and lastly, I would make a most cogent appeal to the British merchant houses in China, most of whom have their headquarters in this country, to take advantage of the temporary lull in German competition during the War in order to take stock of their position, to revise their system and organisation, bearing in mind the changing conditions in China, and the many facts with regard to the methods of our competitors which are now coming to light, and, in short, to put their own house in order. Owing to the extent to which our industrial organisation is mobilised for war purposes and the shortage of men it is often difficult to take advantage of many immediate opportunities in China, but even so a great deal of the business in British goods formerly handled by enemy firms can be diverted to British houses if only they will make a strenuous effort to secure it, and if only they are met, as is only just and right they should be met, in a spirit of co-operation and goodwill by the suppliers concerned in this country. What is required is the adoption of a marketing organisation which will be in a position to meet increased competition at the end of the War, closer co-operation with the Chinese, whether as employees, or as clients, a wider outlook on trade, in the realisation

that commercial activity in the great undeveloped 'hinterland' is going to play a more important role than ever before, and steady, patient, painstaking effort. There is little to learn in many vital things from the methods employed by the enemy, but there is one thing we can all take to heart, and that is his infinite capacity for taking pains, and his close application to detail, and the minutice of business.

In conclusion, I would like to make a brief reference to the present political situation in China. Certain misgivings have been expressed in various quarters as to the outcome of the proposed change in the Constitution from a Republic to a Monarchy, which will probably be effected on the 1st of January next, Chinese Calendar. It is unfortunate that such a vital step should have to be taken at a time when the majority of the nations of the West are engaged in conflict, but there is every reason to believe that it will be taken without serious disturbance, and with the approval or rather tacit acquiescence of the vast majority of the Chinese people. The President has proved himself to be the one strong man capable of governing the country, and if the change will only maintain the stability and increase the efficiency of the Central Government, and settle the important question of the succession, upon which so much depends, then I think we may congratulate the new Empire of China upon having made a wise and far-sighted decision. The past two years have been marked by a steady centralisation of authority in the hands of the Executive at Peking. Law and order have been restored in the distant provinces, the depreciated paper currency of the revolution has been gradually redeemed, largely through the medium of the two powerful semi-official institutions—the Bank of China and the Bank of Communications. The Revenue derived from the Salt Administration, under the able direction of Sir Richard Dane, has expanded almost beyond belief, and the over-subscription of the recent internal loan affords definite proof that the Chinese mercantile community is gradually regaining confidence in the stability of the Central Government.

The openings for an extension of the foreign trade of the country are greater than ever before. We have an industrious and commercially minded people of some 400 millions, whose present purchases of foreign articles average not more than three shillings and ninepence per head per annum, beginning to feel their feet in the industrial world. I do not anticipate a great boom in China, but all my observations and experience lead me to believe that we shall witness a steadily increasing

expansion of her overseas trade, and in that expansion I trust that British merchants and manufacturers, by their own efforts and by the excellence of their goods, will secure an increasing share, and so maintain and place on an unassailable foundation that great and dominating edifice of British trade in China.

The Chairman, in moving a vote of thanks to Mr. Ainscough, said they had listened with great pleasure to his very interesting address, and he hoped that many of the suggestions which had been made would be taken to heart. He thought that perhaps Mr. Ainscough was looking far into the future when he anticipated that there would be changes in the foreign commercial life of China of so drastic a nature as had been indicated in his very able address, especially those in connection with the distribution of the import trade. What he had said about foreigners going into the interior and dealing direct with consumers was quite sound as regards certain commodities, but he doubted if this system was equally sound regarding the great bulk of the imports into China. They would all be extremely glad if they could hit upon some system which would make the import trade more profitable to British merchants; as a matter of fact, if they bought Lancashire piece goods in Manchester to-day and sold them in Shanghai to-morrow, they would lose somewhere about 1s. 6d. per piece, and that state of affairs had been more or less characteristic of the trade throughout the year. Perhaps in dealing with a few commodities of general consumption, such as kerosene oil, soap, sugar and cigarettes, which were in actual practice semi-monopolies, direct sales in the interior might be advantageous to the foreign importer. He was obliged to hold large stocks in China, and had the choice of storing very large quantities at a few of the principal ports, or smaller quantities at many different places in the interior. It was clear that the competition of rivals would be easier under the former system than under the latter. If, for example, the principal importer held stocks to the extent of £100,000 at Shanghai, a competitor might lower the market for the whole of that stock, although he himself only held stock to the extent of £10,000. If, however, the principal importer had established a system of agencies all over China, each holding stock for local consumption, with foreign representatives at the Treaty Ports to supervise these agencies, he would be in a much better position to withstand competition, as his rival would be obliged to establish a similar organisation before he could successfully compete.

That internal agency system was comparatively simple when dealing with one article of universal consumption, but it would be a very different matter to organise agencies capable of handling the immense variety of cotton goods comprised in the import trade of China. If that departure were attempted on a very large scale, it was quite possible that importers might come into conflict with the Merchant Guilds in China, which were large and powerful bodies, and which were a not unimportant factor in maintaining law and order in the country. Their influence was very strong and widespread. However, whether the old-established system or the new was the better could only be proven by practical experience, and if, as Mr. Ainscough had said, the new plan was being brought into actual practice in many cases, provided that the people interested found it successful, he had no doubt it would spread. At the same time, if anyone wished to carry on business on a large scale under the new plan they would have to run considerable risks. Large stocks would have to be held all over the country; one element of risk was that between two provinces internal exchange sometimes varied as much as twenty-five per cent within a year; they would have to satisfy themselves that the agents they had selected were trustworthy, and there were many other difficulties. They could not settle the matter by theory; it could only be settled by experience. Mr. Ainscough had called attention to the splendid opportunity of recovering trade from the Germans, and he had every reason to believe that many people were taking advantage of the present position of affairs. One of the most important means of recovering trade from the Germans would be the withdrawal of financial facilities which in the past had enabled Germans to give long credit to the Chinese. They all knew that for twenty-five years business which was formerly conducted on a cash basis had been turned by the Germans into a trade on a basis of six, eight and twelve months' credit. It was perfectly clear that if a merchant traded to the extent of ten times the amount of his capital in the course of a year, and that this trade was all being done on the lines of extended credit, when a financial or political crisis arose, such as the Boxer revolution, his position became one of great danger. Many serious failures would probably take place, all owing to the encouragement given by our financiers to an unsound system, fostered by our enemies at a time when they were pretending to be our friends. His own belief was that if the financial houses in London were to abolish that business it would be beneficial for everyone

concerned. He thought that all Mr. Ainscough had said concerning business in machinery, and also as to business in exports being developed in the interior of China, was quite sound, and that these were directions in which we had been behindhand. He hoped that the report which Mr. Ainscough was issuing, and the address which he had made that day, would bear fruit in extending our connections with China. (Applause.)

Mr. GERSHOM STEWART, M.P., seconded the vote of thanks, stating that he had listened with great interest to Mr. Ainscough's address. Like their Chairman, he did not think the distribution scheme proposed by the lecturer was a very easy matter to attain. He was certain that as regards the future Germany would not be permitted to assail British trade in China as had been the case in the past. There were two specialities which the Germans had enjoyed—dyes, a British invention, and munitions. He was not a pessimist as regards the future of British trade in China, and he endorsed all Mr. Ainscough had said concerning long credit; no doubt some of those present had had some sad experiences in that connection. There was a great deal in what Mr. Ainscough had said concerning young business men going to China, but, on the other hand, looking back on life in a Chinese town, it was a very hard thing to send a young English lad out to the Chinese town. If they were sending to the up-country, it would be better to obtain an experienced man and pay him well for living what was an exile's life. Of the amount of £97,000,000 which were direct imports from China, including Hong Kong, he thought they could feel sure they could maintain their premier position in the great interchange of trade between the inhabitants of China and India and the whole world. (Hear, hear.)

Mr. AINSCOUGH, having briefly acknowledged the vote of thanks, Mr. HILL proposed a vote of thanks to the Chairman, which was unanimously adopted, and the proceedings then terminated.

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Hongkong, 16th March, 1916.

Dear Sir,—I beg to acknowledge receipt of and to thank you for your letter of 10th January covering copy of an address delivered by Mr. T. M. Ainscough to your members and members of the China Association

The pamphlet has been perused with much interest by my Committee.—Yours, etc.

E. A. M. WILLIAMS,  
Secretary.

Charles E. Musgrave, Esq.,  
Secretary,  
Far Eastern Section,  
London Chamber of Commerce,  
London.

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**L**

BRITISH EMPIRE TRADE.

The Associated Chambers of Commerce of the  
Commonwealth of Australia,  
Melbourne, 20th January, 1916.

Dear Sir,—I have to inform you that at the meeting of the Associated Chambers of Commerce of the Commonwealth of Australia held last year, the following resolution was carried at the instance of Mr. F. W. Vasey of the Adelaide Chamber, and ordered to be transmitted to the Chambers of Commerce throughout the British Empire, namely:—

“That the present is an opportune time to consider the best methods of bringing British manufacturers into closer touch with Australian markets, and generally diverting to Great Britain trade hitherto done with manufacturers outside the Empire, either by means of tariff reform, or by impressing upon British traders the greater necessity of adapting themselves to Australian requirements, and giving to Australian importers at least equal advantages in the matter of freight and finance as have hitherto been afforded to them by foreign manufacturers.”—I am, etc.

W. N. NOTT,  
Hon. Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 16th March, 1916.

Dear Sir,—I am directed by my Committee to acknowledge receipt of your letter of 20th January, setting out the resolution passed by the Associated Chambers of the Commonwealth with regard to Australian trade with the Mother Country in the future.

My Committee is in sympathy with your aims and trusts that some such means as those suggested will be employed to stimulate and divert trade to Great Britain which in the past has been done with manufacturers outside the Empire.—I am, etc.

E. A. M. WILLIAMS,  
Secretary.

The Hon. Secretary,  
The Associated Chambers of Commerce  
of the Commonwealth of Australia,  
Melbourne.

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**M**

PIECE GOODS CONTRACT LIMITS.

Hongkong, 15th March, 1916.

Dear Sir,—We shall be greatly obliged if you will kindly inform us whether the Members of the Chamber have any fixed rule in dealing with goods which have not been taken up and paid for within Contract limits.

We might state that we have a considerable quantity of Flannel, sold for clearance 60 days after arrival, which our dealers have not taken up, and they ask us to carry over till Sep./Oct. The goods certainly arrived somewhat late due to conditions at home, but prices have since advanced at least 30%.

As we wish to work entirely in line with other Members, we shall esteem it a favor if you will inform us whether there is any recognized rule for dealing with such matters so that we may act accordingly.

Thanking you in anticipation for your kind reply.—We are, etc.

H. STEPHENS & CO.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 27th March, 1916.

Dear Sirs,—I have submitted your letter of 15th instant to my Committee who desire me to state that although suggestions have been made that a fixed rule for dealing with such matters would be desirable, no such rule has been adopted.

It appears to be a matter for individual arrangement.

At the moment there is a movement on foot for the appointment of Piece Goods Sub-Committee of the Chamber, which if instituted would no doubt frame regulations governing the point you have raised.

All members of the Chamber will be duly advised upon the coming into force of any regulations governing the sale of Piece Goods.—Yours, etc.

E. A. M. WILLIAMS,  
Secretary.

Messrs. H. Stephens & Co.,  
Hongkong.

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**N**

HOMEWARD TARIFF FREIGHT REBATES.

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British Chamber of Commerce,  
Shanghai, 15th March, 1916.

Dear Sir,—For some time the General Committee has had under consideration the question of homeward Freights and the lack of tonnage, with a view to finding some means of helping those exporting firms whose business is seriously hampered by existing conditions. The whole question is fully dealt with in the March number of the Chamber Journal (p. 126), and it is therefore unnecessary to go into it at length in this letter. In the discussions that have taken place on the subject, a good deal of stress has been laid on the fact that the Homeward Freight Conference rebate rate of ten per cent (10%) is much too high under existing conditions, and that it acts to the detriment of Shippers (especially the smaller firms) in locking up a considerable amount of capital. Representations made to the Conference, by merchants with a view to a reduction in the rate, have not been successful.

It appears to be generally agreed that the freight question is governed by economic conditions resulting from a world wide state of war, and that representations to the Government would be useless. This, however, is not the case with rebates, the object of which is clearly set forth in the article referred to above. It is felt that a reduction in the rate would impose no hardship on the Conference Lines, for the simple reason that a rate of 5% on present freights would yield more than 10% under pre-war conditions. On the other hand, a reduction to 5% would undoubtedly benefit exporters in that their available capital would be proportionately increased,—a somewhat important consideration in times when every effort is being made to capture enemy trade.

In these circumstances it has been decided to make representations in the name of the Chamber, urging the Conference to reduce the rate of rebate to 5% (payable in half yearly instalments of 2½%) during the continuance of the present high rates of freight. As a representation from the Chambers of Commerce of China will naturally carry more weight than if made by the Shanghai Chamber alone, I am directed to ask if your Chamber would be willing to join in such representations.

As the matter is urgent, I am further directed to ask that your decision may be communicated to me by telegraph. If a majority of the British Chambers of China are in favour of the proposal, steps will be taken to give effect to it without delay.—I am, etc.

H. B. STEWART,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

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Telegram to Shanghai, 22nd March, 1916.

British Chamber of Commerce,  
Shanghai.

“Committee unanimously support your movement to secure reduction of freight rebate.”

WILLIAMS,  
Secretary.

Hongkong, 25th March, 1916.

Dear Sir,—I am permitted to enclose for your information copy of a letter received by this Chamber from the Shanghai British Chamber of Commerce dealing with Homeward Freight rebates, and requesting this Chamber to join in a joint movement on the part of Chambers of Commerce of China to make representations to the Conference Lines to secure reduction of Freight rebate.

You will observe from copy of my Committee's telegraphic reply to Shanghai that the movement has received the support of this Chamber.—Yours, etc.

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
Association of Exporters and Dealers of Hongkong,  
Hongkong.

Hongkong, 30th March, 1916.

Dear Sir,—Your letter dated 25th instant with copy of Shanghai British Chamber of Commerce's letter of 15th idem, and copy of cable sent by you in support of Shanghai Chamber's proposal. Which has been circulated.

I do not think your Committee really grasped the full purport of the Shanghai Chamber's letter (as written) in sending them their unanimous support and I feel sure it was never their intention to in any way harm the Export interests of Hongkong and South China, in agreeing with the proposal of a reduction of the Freight Rebate of 10% to 5% without an adequate "quid pro quo" as in many classes of Export articles the Freight Rebate is all that is worked for. I fear a miscarriage of intention by your Committee has been done, who have erred in ignorance of the trade. I must ask you to immediately put this matter before your Committee so that a correction to your cable can be made "That the Association of Exporters & Dealers of Hongkong do not support or agree to the proposal as set forth in the Shanghai Chamber's letter."—I am, etc.

W. M. HUMPHREYS,  
Chairman,

Association of Exporters & Dealers of Hongkong.

E. A. M. Williams, Esq.,  
Secretary,

The Hongkong General Chamber of Commerce.

Telegram to Shanghai, 30th March, 1916.

British Chamber of Commerce,  
Shanghai.

"Further my wire twenty-second instant understand your meaning to be reduction to five per cent. in rebate involves five per cent. reduction in freight or cash discount stop are we correct."

WILLIAMS,  
Secretary.

Telegraphic reply from Shanghai, 31st March, 1916.

"Chamber of Commerce Hongkong: Letter posted."  
British Chamber.

British Chamber of Commerce,  
Shanghai, 29th March, 1916.

Dear Sir,—Referring to my letter of the 14th instant, I beg to inform you that replies have now been received from all the British Chambers in China (except Swatow) and from the Hongkong General Chamber. Before proceeding further in the matter, however, my Committee have deemed it advisable to consult with those members of this Chamber who are exporters, and a copy of the letter addressed to them is enclosed herewith.—I am, etc.

H. B. STEWART,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

CIRCULAR LETTER TO SHANGHAI EXPORTERS.

Shanghai, 29th March, 1916.

Dear Sir,—For some time the General Committee of the Chamber has had under consideration the question of homeward freights and Conference rebates. The pros and cons of the question are set out in length in an article on "The Export Trade and the Lack of Tonnage," which appeared in the Chamber Journal for March.

It is recognised that as matters stand at present, representations on the question of freight would be largely useless. But there remains the question of rebates. It is claimed on behalf of shippers that the maintenance of a rebate rate of 10% on the ruling rates of freights lock up an undue amount of exporters' capital in the hands of Conference owners, and that this is particularly hard on the smaller firms. With a view to some action in the matter, the General Committee recently communicated with all the British Chambers of Commerce in China, asking if they were prepared to join in urging the Conference to reduce the rebate rate to 5%, payable in half yearly instalments of 2½%. The replies received may be tabulated as follows:—

<u>For</u>	<u>For Conditionally.</u>	<u>Against.</u>	<u>No reply.</u>
Hongkong.	Canton.	Foochow.	Swatow.
Newchwang.	Hankow.	Chefoo.	
Changsha.			
Tientsin.			

The condition imposed by Canton and Hankow is that there should be a corresponding reduction in the freight rates. In this connection it is necessary to point out that the Conference tariff rates are ruled solely by supply and demand. This being so, the rate of freights does not enter into the discussion, and there can be no question of shippers losing 5% over the proposed alteration in the scale of rebates, for naturally the rate of freight would adjust itself to the altered conditions. In other words, having to refund 5% less than hitherto, the Conference would necessarily adjust freights accordingly. The revised rate, if adopted by the Conference, would come into force on a date to be agreed upon, and would not be retrospective in its action.

Before proceeding any further in the matter, the General Committee desire to ascertain the views of exporters on the question, and I am directed to ask you for an expression of opinion as to the desirability or otherwise of pressing for a reduction of the rebate as proposed.—I am, etc.

H. B. STEWART,  
Secretary.

Hongkong, 12th April, 1916.

Dear Sir,—This subject was considered by my Committee at a Monthly Meeting held yesterday and it was decided, in view of the

divergent views which appear to be held on the subject and the close bearing it has on the Export trade, to ask your Association to be so good as to formulate their wishes in writing with regard to the proposed reduction in Freight rebates.—Yours, etc.

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
Association of Exporters and Dealers of Hongkong,  
Hongkong.

Association of Exporters and Dealers of Hongkong,  
Hongkong, 17th April, 1916.

Sir,—I am directed by my Committee to acknowledge your letter of 12th instant relative to the proposal of the Shanghai British Chamber of Commerce that the Freight Conference should be approached with the object of obtaining a reduction to 5% in the rebate at present granted to shippers.

I am to state that this Association is not in favour of such reduction, and believes that the present arrangement is one best suited to conditions of Export in Hongkong.

The larger rebate from the point of view of the locking up of capital affects only certain articles in Hongkong, and the Export trade of this Colony being small, the point is not considered to be of sufficient importance to call for change.—I am, etc.

T. W. HILL,  
Chairman.

The Chairman,  
Hongkong General Chamber of Commerce.

Hongkong, 26th April, 1916.

Dear Sir,—Your letter of the 17th instant on the question of the proposed reduction of five per cent in the rebate granted by the Freight Conference, was laid before my Committee at their meeting on the 18th instant.

My Committee carefully considered the question from all points of view, and came to the conclusion that Hongkong ought to take the same line as Canton, that is that a five per cent reduction in rebates would be acceptable if accompanied by a five per cent reduction in freight or a cash discount which amounts to the same thing.



If your Committee is prepared to accept such an arrangement, my Committee will support it, and communicate with Shanghai accordingly.—Yours, etc.

E. A. M. WILLIAMS,  
Secretary.

The Chairman,  
Association of Exporters and Dealers of Hongkong,  
Hongkong.

Association of Exporters and Dealers of Hongkong,  
Hongkong, 8th May, 1916.

Dear Sir,—Your letter of the 26th April relative to the question of the proposed reduction of five per cent in the rebate granted by the Freight Conference has been considered by my Committee.

We should prefer that the ten per cent rebate be adhered to, but if the concensus of opinion among the Exporters through China is that a reduction is desirable, we think that such reduction should take the shape of a five per cent cash discount, thus retaining the principle of ten per cent rebate.—Yours, etc.,

T. G. WEALL,  
Vice-Chairman.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 12th May, 1916.

Dear Sir,—With reference to my telegrams of the 22nd and 31st March, and your letter of the 29th March, my Committee have now had an opportunity of consulting the Exporters Association of this Colony thereon.

In sending my first wire, my Committee had read into your letter of the 15th March the meaning placed upon it by my second wire, and it was only upon referring to the Association of Exporters that any question arose as to the intention of your Committee.

It now seems clear, however, from the third paragraph of your letter of the 29th March, that a five per cent. reduction in rebate does not necessarily mean a five per cent. reduction in freight or cash discount, and my Committee will be glad therefore, if you withdraw the first wire.

The Exporters of this Colony are not generally in favour of any alteration in the present rebate of ten per cent., but if the concensus of opinion is that a five per cent. reduction is advisable, they are of opinion that this should take the form of a cash discount, the principle of the ten per cent. rebate still remaining.—Yours, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
British Chamber of Commerce,  
Shanghai.

British Chamber of Commerce,  
Shanghai, 23rd May, 1916.

Dear Sir,—After long and careful consideration the General Committee of the Shanghai Chamber has decided not to proceed further with the proposed representations in favour of a reduction in the Conference rebate rate.

It appears to the Committee that the proposed representations could only be successful if they had the unanimous support of the British Chambers and of Exporters generally. Of the Chambers four unconditionally favour reduction; three are for reduction provided there is a corresponding reduction in freight; and two are against any change. In Shanghai and Hongkong it is clear that while some Exporters favour a reduction in the rate, Exporters generally are not in favour of a change. The reason for this appears to be that most Exporting houses look upon the rebate as profit to themselves, which would be lost to them if the rate were reduced.

In these circumstances my Committee feels that the question of pressing for a reduction in the rebate had better be allowed to drop.

There is one point, however, on which Exporters appear to be unanimous, namely, that there ought to be a much earlier payment of the rebate. There appear to have been many cases of unnecessary delay in payment. It is claimed by local Shipping firms that this delay is chiefly due to the existing depletion of staffs. At the same time the importance of the matter is fully recognised, and several Shanghai Ship-

ping Offices are pressing it upon the attention of their principals.—  
I am, etc.,

H. B. STEWART,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

Hongkong, 29th May, 1916.

Dear Sir,—For the information of your Committee I beg herewith  
to enclose copy of a letter received from the Shanghai British Chamber  
of Commerce, from which it will be learned that it has been decided to  
drop the question of reduction of freight rebate, and to allow present  
system of rebates to stand.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
Association of Exporters and Dealers of Hongkong,  
Hongkong.

ENQUIRY FOR TONNAGE.

Port Louis, 17th February, 1916.

Dear Sir,—The scarcity of tonnage owing to prevailing conditions,  
is being much felt at this port, and we believe that some of the lines  
trading between Saigon and Marseilles, and Japan and Plymouth would  
find sufficient inducement to call here for freights.

The Castle Line and Messageries Maritimes steamers can give but  
very limited space, the former having to keep most of their tonnage  
available for South African ports, whilst the latter reserve their bookings  
for Reunion and Madagascar.

We feel certain that if a trial call were made here, it would meet  
with good support, most of our products awaiting opportunities for  
shipment. And if, as we understand, steamers from the Far East are  
now taking the Cape route instead of the Suez Canal, it might perhaps  
be possible for them to make a deviation via Mauritius.

Would you be good enough to put us in touch with steamship  
owners to whom our suggestion would appeal, and any communication,  
cable or otherwise, they might wish to make on the subject of tonnage  
or bunker coal, would receive our immediate attention.

Thanking you in anticipation of your kind services, which we  
would be at any time too happy to reciprocate.—We remain, etc.,

ROGERS & CO.

The Chairman,  
Hongkong General Chamber of Commerce,  
Hongkong.

Hongkong, 23rd March, 1916.

Dear Sirs,—I have for acknowledgment your letter of 17th ult.,  
calling for tonnage which has duly been circulated to the members of my  
Committee and all the Shipping Companies in the Colony.

My Committee trust that your appeal will meet with immediate  
response.—Yours, etc.,

E. A. M. WILLIAMS,  
Secretary.

Messrs. Rogers and Co.,  
Port Louis,  
Mauritius.

The Royal Mail Steam Packet Company,  
Hongkong, 24th March, 1916.

Dear Sir,—We thank you for sending us copy of a letter of the  
17th ultimo from Messrs. Rogers and Co., Port Louis, Mauritius, in  
connection with steamers calling in that port but so far as the "Shire"  
Line is concerned at present we are afraid they will not be interested.  
Should the occasion arise we shall bear this firm in mind.—We are, etc.,

R. SUTHERLAND,  
per pro. JARDINE, MATHESON & CO., LTD.,  
Agents.

The Secretary,  
Hongkong General Chamber of Commerce.

**P**

## OPENING OF PORTS TO FOREIGN TRADE IN NORTH CHINA.

Colonial Secretary's Office,  
Hongkong, 21st January, 1916.

Sir,—I am directed to transmit for the information of your Chamber the enclosed copy of a despatch received from the Secretary of State for the Colonies on the subject of the opening of ports in North China to foreign trade.—I am, etc.

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Downing Street,  
London, 3rd December, 1915.

Sir,—With reference to my predecessor's despatch "Miscellaneous" of the 20th February, 1914, with regard to the opening of ports in North China to foreign trade, I have the honour to transmit to you, for your information, the accompanying copy of a despatch from His Majesty's Minister at Peking reporting the opening to foreign trade of the port of Lungkow by the establishment of an office of the Maritime Customs.—I have, etc.

A. BONAR LAW.

Governor,  
Sir F. H. May, K.C.M.G.,  
&c., &c., &c.

British Legation,  
Peking, 21st October, 1915.

Sir,—In my despatch No. 10 of January 12th 1914, I reported the issue of a Presidential Mandate for the opening of seven new ports to foreign trade and I have now received a note from the Wai Chiao Pu stating that Lungkow, which was one of them, will be opened on the 1st of November by the establishment of an office of the Maritime Customs.—I have, etc.

J. N. JORDAN.

The Right Honourable,  
Sir Edward Grey, Bart., K.G., M.P.,  
&c., &c., &c.

**P**

Hongkong, 10th March, 1916.

Sir,—I have the honour to acknowledge receipt of your letter of the 21st January covering correspondence with the Home Government relative to the opening up of seven ports in North China to Foreign Trade and advising that Lungkow one of the seven was opened on November last.

I am directed to request that you will be good enough to convey to His Excellency the Governor the thanks of my Committee for the information.—I have, etc.

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary,  
Hongkong.

MEASURES ADOPTED TO INTERCEPT THE  
SEA-BORNE COMMERCE OF GERMANY.

Colonial Secretary's Office,  
Hongkong, 20th March, 1916.

Sir,—I am directed to forward for the information of the Chamber of Commerce a copy of a Statement of the Measures adopted to intercept the Sea-borne Commerce of Germany. I shall be glad if this print may be returned to me in due course.—I am, etc.

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 28th April, 1916.

Sir,—I have to acknowledge the receipt of your letter of 20th March, 1916 covering copy of a Statement of the Measures adopted to intercept the Sea-borne Commerce of Germany, and I am directed by my Committee to thank you for placing this before them.

As requested I return the print.—I have, etc.

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

**R**SUGGESTED CO-OPERATION WITH THE SHANGHAI  
BRITISH CHAMBER OF COMMERCE.

British Chamber of Commerce,  
Shanghai, 10th April, 1916.

Dear Sir,—I am instructed to inform you that, at a recent meeting of the General Committee of this Chamber, it was suggested that steps should be taken to provide means whereby co-operation with the Hongkong Chamber in all matters of common interest might be attained. Such co-operation is highly desirable, and probably nothing more is necessary to bring it about than an exchange of views on any particular matters on which joint action is likely to be valuable.

My Committee would be glad to have the views of your Chamber on the matter.—I am, etc.

H. B. STEWART,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

Hongkong, 26th April, 1916.

Dear Sir,—I laid your letter of the 10th instant before my Committee who welcomed the suggested co-operation with your Chamber.

My Committee agrees with yours that such co-operation can best be attained by a free exchange of views on any particular matters in which joint action is likely to be valuable.—I am, etc.

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
British Chamber of Commerce,  
Shanghai.

**S**QUARANTINE RESTRICTIONS IMPOSED ON  
HONGKONG BY BURMAH.

Hongkong, 8th June, 1916.

Sir,—With reference to Government Notification No. S 93 dated the 15th of May to the effect that Hongkong had been declared a plague infected port by Burmah, I am directed by my Committee to protest against this action on the part of the Government of Burmah.

It would appear to my Committee that this declaration has been made on insufficient grounds, as the cases of plague reported from the 1st January to the 15th May number only 11, and to date there have been an additional 11 cases, in all 22 cases.

In view of these circumstances, my Committee desire me to state that, unless there be special reasons for the action of the Government of Burmah, these restrictions should be immediately removed, and my Committee will very much appreciate any action which His Excellency the Governor may see his way to take to effect this purpose.—I am, etc.

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

Colonial Secretary's Office,  
Hongkong, 20th June, 1916.

Sir,—I am directed to acknowledge receipt of your letter of the 8th June, 1916, and in reply to state that the question raised therein has been represented to the Government of Burmah by telegraph.—I am, etc.

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.



NEWSPAPERS FOR THE FLEET.

Oxford Court & 97, Cannon Street,  
London, E.C., 5th May, 1916.

Dear Sir,—On behalf of this Committee, which was established by the Chamber shortly after the outbreak of the War, under the authority of the Lords Commissioners of the Admiralty, and has since carried the work on in close co-operation with that Department, I venture to invite the support of your Chamber to the work which the Committee is doing in supplying newspapers and periodicals to the men of the Grand Fleet.

Thanks to the generosity of individual members of this chamber and the general public, the Committee have furnished daily supplies to over 400 war vessels, as well as to various units, including Mine-sweepers, Naval Hospital Ships and Naval Base Hospitals, representing in all, up to date, about 280,000 packets containing nearly 10,000,000 papers, magazines, periodicals, and books.

There have also been sent, writing materials, playing cards, and about 100 gramophones and 14,000 gramophone records.

For your information I enclose a few copies of a reprint from the "Morning Post" in which the work of the Committee is described.

This service has been greatly appreciated by Admiral Sir John Jellicoe and by the Officers and Men of the Fleet, and has also had the gracious approval of Their Majesties The King and Queen and of Her Majesty Queen Alexandra, who have all subscribed to the Funds of the Committee.

Special mention should be made of the fact that the Committee have been greatly assisted in their operations by the Proprietors of Newspapers and Periodicals, who have most generously provided a large number of free copies. Owing, however, to the restricted import of paper and paper-making material and the consequent rise in prices, the leading newspapers are not able to continue these voluntary supplies. The Committee is, therefore, now obliged to purchase large quantities of newspapers which hitherto have been obtained free of charge.

For this purpose and also to meet the necessary expenses of packing, delivery, &c., larger funds are now needed, as otherwise supplies on the same scale as hitherto, cannot be maintained.



In these circumstances it has occurred to my Committee that Oversea Chambers of Commerce, whose appreciation of the efforts of the Navy will be fully equal to our own, might be willing to co-operate in carrying on the work during the remainder of the War.

It should be mentioned that the London Chamber has provided accommodation for carrying on the work of the Committee, both as to packing rooms and offices, and has kept the Committee's accounts free of charge.

I shall, therefore, be obliged if you will bring the matter before the governing body of your Chamber, or such individual members as may be disposed to assist us, by forwarding subscriptions to the Honorary Treasurer, Mr. Lionel A. Martin, at this address.—I am, etc.

F. FAITHFULL BEGG,  
Chairman of the Committee.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 22nd June, 1916.

Dear Sir,—Your letter of the 5th May, 1916 asking for the support of this Chamber to the work of supplying newspapers and periodicals to the men of the Grand Fleet has been laid before my Committee, and I have the pleasure to inform you that a draft for £10 has been forwarded to Mr. Lionel A. Martin, Honorary Treasurer, as this Chamber's small contribution towards this worthy object.

I have passed your letter on to the Secretary of the local "War Charities Committee", and have every reason to hope that you will receive a contribution from that quarter.—I, am, etc.

E. A. M. WILLIAMS,  
Secretary.

F. Faithfull Begg, Esq.,  
Chairman of the Committee,  
"Newspapers for the Fleet Committee,"  
London.

Hongkong, 22nd June, 1916.

Dear Sir,—I have the pleasure to hand you the enclosed draft for £10 in response to an appeal from Mr. F. Faithfull Begg, Chairman of the "Newspapers for the Fleet Committee", and would ask you to be good enough to acknowledge receipt of this remittance.—I am, etc.

E. A. M. WILLIAMS,  
Secretary.

Lionel A. Martin, Esq.,  
Hon. Treasurer,  
"Newspapers for the Fleet Committee,"  
London.

Hongkong, 22nd June, 1916.

Dear Sir,—I am directed to forward you a copy of a letter from Mr. F. Faithfull Begg, Chairman of the "Newspapers for the Fleet Committee," London, appealing for support to their work of supplying newspapers and periodicals to the men of the Grand Fleet.

My Committee have asked me to address you on this matter in the hope that your Committee may be able to allocate some part of the Funds in your hands for this object which is thoroughly deserving of support.

I am also to inform you that a draft for £10 has been forwarded to Mr. Faithfull Begg as this Chamber's small contribution to the funds of the "Newspapers for the Fleet Committee."—I am, etc.

E. A. M. WILLIAMS,  
Secretary.

The Chairman,  
"War Charities Committee,"  
Hongkong.

Oxford Court & 97, Cannon Street,  
London, E.C., 20th July, 1916.

Dear Sir,—I am very grateful to you and your Chamber for your generous contribution, for which official receipt is enclosed.

The great Battle of Jutland Bank has reminded our public of their duty to the men of the Grand Fleet, and we find contributions are flowing in fast, so that we have no longer fear for the future of our work while we have another grateful letter from Sir John Jellicoe.

Again thanking you.—Yours, etc.

F. FAITHFULL BEGG,  
Chairman of the Executive.

E. A. M. Williams, Esq.,  
Hongkong General Chamber of Commerce.

## U

### COTTON TRADE SOCIETY AT ROTTERDAM.

Hongkong, 27th June, 1916.

Sir,—I have been instructed to inform you that, in a meeting of the principal houses of commerce, banking and transport, held at Rotterdam on April 7 last, which meeting was called together through the initiative of the President of the Rotterdam Chamber of Commerce, a Society for the Cotton Trade ("Vereeniging voor Katoenhandel") at Rotterdam was founded in order to establish a Cotton Market in that town.

The Board of Directors is composed of the following gentlemen:

- W. A. Croockewit of the firm of Lenersan & Coy., Chairman.
- A. Boden of the firm of Boden & Coy., Secretary.
- H. Visser of the firm of Wambersie & Zoon.
- Dr. W. Suermondt, Lzn, of the firms of:
  - A. C. Fraser & Coy.
  - E. Suermondt & Zconen & Coy.
  - and van Eeghen & Co.

Sir J. R. de Monchy Jr. of the firm of F. & R. de Monchy,  
Holland-China Trading Company.

This Board has been directed:

1. to draft the Statutory Rules, to be submitted to the Queen for approval, as well as the regulations concerning the management;
2. to fix the market conditions; and
3. to establish an arbitration-bureau with classifying experts.

They will proceed at once in order that the Rotterdam Cotton Market may be able to start business within as short a time as possible.

A bounded corporation for cotton ("Katoenveem") was founded some months ago, also through the initiative of the Rotterdam Chamber of Commerce, technically quite up to date, which will begin its operations towards the end of the current year.

It is of great importance to have everything in working order before the end of the war, in order to be able to try with might and main, as soon as trade will be free again, to revive the Cotton Market which formerly existed at Rotterdam.

The industries of Twenthe and Brabant, served in normal years principally by Bremen, can be served better by Rotterdam. Owing to the more favourable geographical position of the latter town a great part of West Germany, South Germany, Austria, Switzerland and Belgium can be provided with raw material at lower freights. On these grounds it may be expected with confidence that a considerable part of the cotton trade will be transferred to Rotterdam.—I have, etc.

HAMEL,  
Consul-General.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

Hongkong, 2nd August, 1916.

Sir,—I have to acknowledge the receipt of your letter of 27th June, 1916, with reference to the establishment of a Cotton Trade Society at Rotterdam.

My Committee have read your letter with much interest and desire me to convey to you their best thanks for your courtesy in placing the information before them.—I am, etc.

E. A. M. WILLIAMS,  
Secretary.

The Consul General for the Netherlands,  
Hongkong.

THE CHINA COAST OFFICERS' GUILD.

The China Coast Officers' Guild,  
Hongkong, 27th June, 1916.

Dear Sir,—I have been advised by two or three gentlemen in the Local Steamship Companies to apply to your good self for information regarding the placing of this Guild in an official position with the Local Steamship Companies; as until this is done my advisers are of opinion that I should not, on behalf of the Guild, be entitled to replies to queries which I may desire, from time to time, to address to the Companies.

Thanking you in advance for your assistance in this matter.—I beg to remain, etc.

CHAS. A. MUTTON,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

The China Coast Officers' Guild,  
Hongkong, 18th July, 1916.

Dear Sir,—I last had the honour of addressing you, on June 27th, regarding the status of the above organization with the Local Steamship Companies. No acknowledgment of my letter is, as yet, forthcoming—it may have gone astray.

As representative of the officers' Guild in Hongkong I am at present in a somewhat paradoxical position through no fault of my own, being unable to either ask or answer questions on matters pertaining to Employers and/or Employees.

Thanking you in advance for an early reply.—Yours, etc.,

CHAS. A. MUTTON,  
Secretary.

H.K. Agency,  
C.C.O. Guild.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

Hongkong, 20th July, 1916.

Dear Sir,—I am in receipt of your letter of the 27th June, 1916, asking this Chamber's assistance in placing your Guild in an official position with the Local Steamship Companies.

My Committee have given this matter their consideration but do not see in what way they can help you as the subject does not appear to be one which comes within the purview of the Chamber of Commerce.

My Committee are aware that The Guild is established at Shanghai and has relations with the shipping Companies there but it is believed that those Companies have not heard anything of the institution of a Hongkong Agency of the Guild from your Society in Shanghai, and it would seemingly be the correct course for the Society there to move in the matter.—Yours, etc.

E. A. M. WILLIAMS,  
Secretary.

Chas. A. Mutton, Esq.,  
Secretary,  
Hongkong Agency,  
The China Coast Officer's Guild,  
Hongkong.



DISPOSAL OF LAUNCHES OWNED BY ALIEN ENEMY FIRMS.

Hongkong, 1st August, 1916.

Sir,—I am directed to state that it would be a matter of interest to my Committee to learn the reasons which have actuated the Government in issuing the instructions to the Liquidators of Alien Enemy firms not to dispose of their launches. It appears to my Committee that these form part of the assets of the firms equally with the stock in trade and should be liquidated accordingly.

If it is the Government's intention to confiscate the launches because it has been ascertained that British owned launches in Enemy ports have been seized, or if such confiscation is justified by giving them the status of ships, the instructions to Liquidators have a meaning with which my Committee is in entire sympathy.—I am, etc.

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

Colonial Secretary's Office,  
Hongkong, 9th August, 1916

Sir,—In reply to your letter of the 1st August, relating to the launches belonging to the German and Austrian firms now in course of liquidation, I am directed to say that the Government contemplate the taking of Prize Court proceedings in the case of at least some of the launches in question and that they hope to be able before long to direct the sale of those launches, if any, which are not liable to such proceedings.

The subject has been under the consideration of the Government for some time, but the status of these launches has been, and still is, a matter of considerable doubt, and instructions for the sale of some of these launches would have been given before now but for the fact that it is doubtful whether they are exempt from liability to Prize Court proceedings.—I am, etc.

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.



BANK HOLIDAY, 1ST JULY, 1916.

Chartered Bank of India, Australia & China,  
Hongkong, 9th June, 1916.

Dear Sir,—As on former occasions the local Banks are desirous of making Saturday the 1st July a Bank holiday and we have accordingly applied to the Government for their sanction. We shall feel obliged if the Chamber will give its support to our application.—Yours, etc.

T. C. DOWNING,  
Manager.

The Secretary,  
Hongkong General Chamber of Commerce



Hongkong, 15th June, 1916.

Sir,—With reference to the application to the Government by the local Banks that Saturday the 1st July be made a Bank Holiday, I am directed by my Committee to state that this application has their support.—I am, etc.

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

Colonial Secretary's Office,  
Hongkong, 17th June, 1916.

Sir,—In reply to your letter of the 15th June, I am directed to inform you that His Excellency the Governor with the advice of his Executive Council has appointed Saturday the 1st July to be a General Holiday.—I am, etc.

E. BULLOCK,  
for Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

### Y

#### PAYMENT OF COMMISSIONS TO BROKERS.

Hongkong, 16th August, 1916.

Dear Sir,—We should be glad if you could give us an opinion as to the custom prevailing in Hongkong in connection with the payment of commissions to brokers who introduce buyers to sellers of goods. If the arrangement entered into is merely a verbal arrangement to pay the broker a commission at a particular rate with no other stipulations of any sort, is it usual to pay him his commission if the sale goes off through the buyers default? Furthermore if bargain money is paid by the buyer, is the broker entitled to his commission on it immediately the bargain money is paid, or is it usual for him to wait until completion of the contract?—Yours, etc.

DEACON, LOOKER, DEACON & HARSTON.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 28th August, 1916.

Dear Sirs,—I am directed to acknowledge receipt of your letter of the 16th August, 1916, with reference to the custom prevailing in Hongkong in connection with the payment of commissions to brokers who introduce buyers to sellers of goods, which has been laid before my Committee, who now instruct me to reply that they regret they are not in a position to express an opinion on such questions.—Yours, etc.

E. A. M. WILLIAMS,  
Secretary.

Messrs. Deacon, Looker, Deacon & Harston,  
Hongkong.

### Z

#### DOUBLE INCOME TAX WITHIN THE EMPIRE.

This Memorandum has been prepared and is presented jointly by a Special Committee appointed to deal with this subject by The London Chamber of Commerce and The Association to protest against the Duplication of Income Tax within the Empire.

##### MEMBERS OF THE LONDON CHAMBER OF COMMERCE COMMITTEE:—

Sir Westby B. Perceval, K.C.M.G., Chairman.  
Frederick Anderson, Esq., Far Eastern Section.  
F. Faithfull Begg, Esq., Financial Section.  
J. G. Colmer, Esq., C.M.G., Canadian Section.  
Sir John A. Cockburn, K.C.M.G., British Empire League.  
Frederick Dutton, Esq., Royal Colonial Institute.  
Charles Dyer, Esq., South African Section.  
Honourable J. G. Jenkins, Australasian Section.  
Stanley Machin, Esq., British Imperial Council of Commerce.  
James Martin, Esq., Commercial Law and Parliamentary Committee.  
C. C. McLeod, Esq., East Indian Section.  
William Soper, Esq., South African Section.  
A. H. Sytner, Esq., South African Section.  
Charles E. Musgrave, Esq., Secretary.

MEMBERS OF THE EXECUTIVE COMMITTEE OF THE ASSOCIATION TO PROTEST  
AGAINST THE DUPLICATION OF INCOME TAX WITHIN THE EMPIRE :—

Frederick Dutton, Esq., Chairman, Royal Colonial Institute.  
Henry Bull, Esq., Honorary Treasurer, Australian Merchant.  
Honourable J. G. Jenkins, Secretary, Australasian Chamber  
of Commerce.

Gilbert Anderson Esq., Colonial Merchant.  
Percy Arnold, Esq., Bank of Adelaide.  
Neville D. Cohen, Esq., Australian Merchant.  
Frederick Dyer, Esq., South African Merchant.  
Leslie Harris, Esq., New Zealand Merchant.  
W. E. Hearson, Esq., South African Merchant.  
W. E. Lane, Esq., Melbourne and Adelaide Electric Supply  
Companies.

P. D. Leake, Esq., Chartered Accountant.  
Ernest Makower, Esq., Colonial Merchant.  
C. C. McLeod, Esq., Indian Merchant.  
Honourable M. L. Moss, Late Attorney-General, West  
Australia.

Sir Cornthwaite H. Rason, Bovril Australian Estates.  
Robert Reid, Esq., Australian Merchant.  
George Scales, Esq., Australasian Merchant.  
George Slade, Esq., London Bank of Australia.  
Andrew Williamson, Esq., Vice-President, British Australian  
Society.

EXPLANATORY MEMORANDUM.

THE PRINCIPLES INVOLVED.

The object of this memorandum is to state the facts which justify the claim of those who are at present liable for the payment of Double Income Tax to press upon the Imperial and the several Dominion Governments the need for such co-operation as will remove and prevent the levying within the Empire of two, and as regards Australia, three Income Taxes on the same income, and also to state some of the reasons in support of such objects.

The cause of such duplication arises chiefly from the difference in the principle on which Income Tax is chargeable under the Imperial Statutes as distinguished from the Dominions Statutes and the Laws of India.

Under the Imperial Statutes Income Tax is chargeable as against companies, firms, and persons, resident in the United Kingdom, in respect of all their income derived from property or business, no matter where such property is situate, or where such business is carried on.

Under the Dominion States and in India, 'per contra,' Income Tax is charged irrespective of residence, but only on income derived from property in, or from business transacted within the jurisdiction of the Taxing Dominions.

It follows, therefore, that if the same principle or basis of taxation existed in the United Kingdom as in the Dominions and India, only one Income Tax would be imposed. The principle appears to be sound, that the claim to tax income as between two independent fiscal systems within the Empire is much higher on the part of the State where the property is situate from which the income is derived, or the business is carried on, than it is on the part of the State within whose borders the owner of such income happens for the time being to live.

The duplication of taxation did not arise until about the year 1893 when the Dominion Parliaments first began to impose a tax on income for revenue purposes. Since then the duplication has continued, although, owing to the fact that until recently the rates of taxation both in the United Kingdom and such Dominions as imposed on Income Tax were of only moderate amount, such duplication, although in principle wrong, did not in its practical application raise factors seriously disadvantageous or harmful to Imperial interests or become such a charge upon the companies, firms or persons affected as to give rise to any strong protest or agitation for reform.

Since the passing into law of the Commonwealth of Australia Acts Nos. 34 and 41, respectively, of 1915, imposing and providing for the collection of a tax upon incomes and based upon the same principle as the Australian State Parliament Acts, the Double Tax has now become a Treble Tax as regards companies, firms or persons liable thereto.

PREVIOUS PROTESTS.

Recognising the objection from an Imperial point of view of the same income being taxed twice within the Empire, and the serious results to which in course of time such duplication would lead, the Royal Colonial Institute made a representation on this subject to the then Chancellor of the Exchequer by a memorial dated the 15th April, 1896, and have followed this up with the further communications on the

same subject:—(1) 28th June, 1896, letter to the Chancellor of the Exchequer; (2) 11th April, 1905, letter to the Secretary of State for the Colonies; (3) 1st November, 1915, letter to the Chancellor of the Exchequer.

The following further representations on the subject have also been made:—(4) 25th April, 1905, letter from the High Commissioner for Canada, and the Agents-General for the various Dominions, to the Secretary of State for the Colonies; (5) a recent extensively signed memorial "from persons within the United Kingdom called upon to pay Income Tax on income derived from property previously taxed within the Empire" addressed to the Chancellor of the Exchequer; (6) a letter to the Chancellor of the Exchequer dated 8th November, 1915, from the Committee representing leading Australian merchants and shippers.

The following is a summary of active steps also taken by the London and other Chambers of Commerce:—

(a) Resolutions adopted by the Congress of Chambers of Commerce of the British Empire in 1900, 1909, 1912, copies of which resolutions were forwarded to the Home and Dominion Governments.

(b) Representations by the Bengal and Madras Chambers of Commerce respectively to the Government of India, that the double impost levied under the existing system on Moneys invested in India by persons domiciled in Great Britain was a hindrance to development in India.

(c) Resolutions passed at a General Meeting of Chambers of Commerce held at Adelaide, South Australia, to the effect that Income Tax should not be charged either in British Colonies or Dominions or the United Kingdom on income earned or produced in other parts of the Empire outside their own borders, and that representations be made to the Federal Government of Australia to urge the repeal of enactments imposing Double Income Tax on British subjects by the laws of the separate States and of Great Britain.

(d) In 1912 the Association of Chambers of Commerce of the United Kingdom adopted a resolution thereon, which was also communicated to the Authorities.

(e) In 1913 the Australasian section of the London Chamber passed a resolution in favour of the principle of the difference only being paid in the United Kingdom. This also was communicated to the Authorities.

(f) In 1914 the British Imperial Council of Commerce passed a resolution protesting against Clause 5 of the Finance Act of that year, whilst a deputation from the East India section (London Chamber of Commerce) interviewed Lord Crewe, Secretary of State for India, but without any real result.

(g) In 1915 a deputation from the South African section of the Chamber waited upon the High Commissioner of South Africa, and once more protested against the present situation in regard to Double Income Tax.

Double Income Tax was also discussed at the Imperial Conference held in the year 1911. At that conference a resolution to abolish Double Income Tax was moved on behalf of the Colonial Premiers. In a statement made by the then Chancellor of the Exchequer, Mr. Lloyd George, he referred to the fact that British investments in the Colonies were growing very rapidly, that it was an advantage to the Mother Country, and helped trade, and especially trade with the Colonies, that it was also an advantage to the Dominions because it assisted them to develop the enormous resources of their various countries, but that he could not afford to give up the revenue involved. On his representations as to the amount which he estimated would be lost to the Imperial Exchequer, the Colonial Premiers did not then further press the resolution, but it is interesting to note that a suggestion was made on that occasion by General Botha as the representative of South Africa that the tax payer should only be called upon to pay the difference (if any) between the Colonial and the British Tax, and that Mr. Lloyd George, although impressed with the importance of the suggestion, declined without further consideration to act upon it.

Double Income Tax was also the subject of a Paper read by F. W. Young, Esq., the Agent-General for South Australia, at a meeting of the Royal Colonial Institute held at the Whitehall Rooms on the 25th January, 1916.

#### MATERIAL CHANGE OF CIRCUMSTANCES.

Although from these many different quarters the question has from time to time been brought before the Imperial Government, it was felt that further action was not possible until either material change of circumstances, or the expression of public opinion justified it. Such material change of circumstances began with the passing into law of the Imperial Finance Act of 1914, whereby the liability of any company.

firm or person resident in the United Kingdom to pay Income Tax, was extended so as to affect, not only income received in the United Kingdom, but all income, whether received in the United Kingdom or not. A further and very material circumstance arises from the great increases in rates of Income Tax both in the United Kingdom and the Dominions which the huge war expenditures have necessitated and will undoubtedly necessitate for many years to come.

The active and increasing expression of public opinion is evidenced not only by the further written representations recently presented and previously referred to, but also by the organisation of such opinion through the medium of a Committee specially appointed by the London Chamber of Commerce and by the fact that an Association has recently been formed expressly for the purpose of pressing for this much needed reform.

#### RATES OF TAXATION.

It is intended to supplement this Memorandum with a Schedule, the first part of which will contain short details as to the rates of taxation which have been collated from the various Statutes. In the second part of the Schedule it is proposed to give a series of illustrations at different scales of income, and at the rates stated of the aggregate charge for Income Tax which falls upon the owners, resident in this country, of incomes derived from different Dominions. From these it will be found that such aggregates range, taking Australia as an example, from 6s. in the £ on an income of £2,000 to 9s. in the £ on an income of £15,000 and higher rates on larger incomes. [Note.—These aggregates do not include other local and land taxes in Australia which, if added, would bring the total taxation in some cases to as much as 14s. in the £.]

#### TREASURY ARGUMENTS AND REPLIES.

The Memorial presented by the Council of the Royal Colonial Institute in April, 1896, was answered in detail, but the other representations made to the Imperial Treasury have not been answered otherwise than to indicate that in their view the subject is one in regard to which consultation with representatives of the Dominion Governments would be necessary before the nature or extent of the relief (if any) which might be possible could be decided upon. It may here be desirable to state shortly the principal arguments which have been urged by the Treasury against any concession being granted and some answers to such arguments:—

#### *The Treasury Arguments.*

1. That the proposals were inconsistent with the principal of the Income Tax legislation in this country which was to tax only the income when received in the United Kingdom, so that it should then be taxed on the same basis as all other income earned in or derived from property within the United Kingdom, and great stress was laid on the fact that unless such income was received in the Kingdom it was not taxed.

2. That it was not inequitable that a person possessing property in one country, and spending income in another, should be taxed in both, as he required the protection of two Governments.

#### *Replies thereto.*

1. The fundamental difference of principal has already been stated at the commencement of this Memorandum as the real cause of there being any duplication. But by the Finance Act of 1914 this limitation of the taxation was abandoned, and income is now taxed whether received in the Kingdom or not. This in itself involves a serious aggravation of the burden, calculated to prejudice the development of the resources of the Dominions and India upon the importance of which Mr. Lloyd George laid such stress before the Imperial Conference in 1911. Income derived from original investment is frequently and often in large amounts left in the Dominions and India for furthering that very development instead of the same being remitted to the United Kingdom.

2. It is not necessary to question this argument if it were applied as between the British Empire as one country and a foreign country as the other. But it is contended that it does not justify double taxation of the same property within the Empire.

The suggested protection of two Governments was dealt with by Mr. F. W. Young, the Agent-General for South Australia, in his recent address on Double Income Tax to the Royal Colonial Institute, in the following words:—

“The various Governments throughout the Empire are, after all, the Governments of His Majesty the King; they are but departments of one vast Government, symbolised by the Union Jack.”

3. Any concession would favour those investing in Colonies where an Income Tax was in operation, inasmuch as it must be assumed that investors in other Colonies contribute to the local revenue under other forms of taxation.

4. That the question cannot be settled without conference between the Imperial and Dominion Governments.

5. That the concession asked for, if granted, would cause considerable loss of revenue to the Imperial Treasury.

3. This argument is difficult to follow. If the principle were conceded that income produced or earned within the Empire should pay one Income Tax only, there could be no advantage to an investor residing in the United Kingdom in investing in one Dominion preferably to another.

It is doubtful if, in the near future, there will be any Dominions in which an Income Tax for revenue purposes will not exist, but it may be observed that the present system does undoubtedly favour the investment by a resident in the United Kingdom of his capital in a Dominion where no Income Tax exists, as compared with another where it does exist, as in the former case he pays only one Income Tax on the resulting income, viz., to the Imperial Government, whereas in the latter he has to pay two, and if his investment is in Australia three Income Taxes.

4. It is a matter of observation that this point was raised in 1896 in the Treasury reply to the Memorial of the Royal Colonial Institute, and is still being raised in regard to the recent representations made to the Treasury and the fact that hitherto no progress has been made justifies the claim that steps should be taken to secure co-operation between the different Governments, so far as the same may be necessary, without further delay.

5. To this it may be replied that every abatement of taxation necessarily, in the first instance, involves a loss of revenue so far as that particular source is concerned, but it does not necessarily follow that the revenue, as a whole, will be diminished. An instance of this is to be found in reduction of Postal rates, where a reduction often leads to such an increase in the volume of business transacted as

to produce at the lower rate a larger revenue than was obtained from the higher. In the case of Income Tax it can be stated with confidence that the Treasury in this country can form no calculation of the amount of revenue they already lose, and will, under the present system of taxation, lose much more extensively unless relief is given, through persons ceasing to reside, or avoiding residence, in the United Kingdom, or through businesses being transferred to, or being established preferably in, places other than the United Kingdom.

Quite apart from this, however, it is contended that a form of taxation which presses unduly upon a limited portion of the community is contrary to sound principles. Taxation should be so framed as to spread the burden, as far as possible, evenly over the whole community. Where it is shown to be so heavy, and burdensome, as to partake more of the nature of a confiscation than of reasonable and equitable taxation, the State loses all moral right to retain revenue so obtained. While, therefore, allowing relief to that portion of the community so affected, endeavour should be made to find some fairer method of making good the loss, if any, in another direction. There is no desire on the part of those who suffer from the present aggregation of Income Taxes to avoid paying their contribution towards whatever taxation the present or any future state of circumstances of the Empire may necessitate so long as they are called upon to do so on an equitable basis in common with the whole community.

6. That Double Income Tax is only one of the many points connected with the In-

6. The relegation of this question to the consideration of a body which it is not proposed to create until after the war, and which when created, from the complex character of

come Tax upon which its enquiry, will take months before any report representations have can be made, and a further lapse of time before been made to the legislative action follows, is postponing for a Treasury, and should long and indefinite period relief from an impost not be dealt with until which is daily causing serious injury to British the whole question trade, and imposing a burden of taxation upon has been considered. individuals so crushing in its character, as to The Government has render a continuance of its collection im- promised to set up, possible. after the war, a com- mittee to enquire into the working of the In- come Tax Acts, and the question of Double Income Tax should be considered by that body.

That a continuance of the present system is calculated to be detrimental to the highest interests of the Empire regarded as a whole is, it is submitted, sufficiently demonstrated by the following amongst other.

## REASONS.

1. That the Dominions were founded and have since been developed by the free migration of people and capital from the Mother Country, and that it is of equally great importance in the future that the flow of persons and capital within the Empire should continue to be free and not be affected or diverted by any excessive form of taxation operating in one part of the Empire more than another.

2. That there is now no considerable variation between the value of money invested in the United Kingdom and in the Dominions. As a consequence the liability to Double Income Tax where it now exists would be an influence which would deter an investor residing in the United Kingdom from investing in the Dominions even when the amount of resulting income was not sufficient to involve the higher scale of taxation. In cases of large amounts carrying the higher rates of taxation this liability would become prohibitive. Thus the tendency must be as regards investors residing in the United Kingdom to withdraw capital invested in the Dominions and to avoid fresh investments there. The

Dominions will thus be shut off from this source of obtaining the capital so much needed for their development which best promotes the unity and welfare of the Empire.

3. That the same causes will result in the transference wherever possible of undertakings hitherto carried on in the United Kingdom to other places with resulting loss to the Imperial revenue. The natural tendency is to place orders for manufactured goods in the country where the seat of a business is located. The removal of a business from the United Kingdom therefore involves almost of necessity a reduction in demand for the manufactures of the United Kingdom with consequent loss not only to the manufacturer but also to the Imperial revenue in many ways. Trade which would otherwise be retained within the Empire will thus be transferred to other countries.

4. That British capital will then be driven to find outlets for investment in foreign countries, notably in America, and the Dominions will be driven to obtain capital from foreign countries with the resulting development of trade and political influences which may be in the future, as they have been in the past as regards Germany, turned to purposes seriously inimical to the future welfare and unity of the Empire.

5. That the economic interests of the United Kingdom will be more affected in the future than even in the past by the necessity of maintaining and expanding trade within the Empire and by the development of the agricultural, pastoral, mineral and other resources of the Dominions as a source of supply of food products and of raw materials for her industries, and every means should be taken to encourage, rather than to impede, the investment of British capital in the Dominions for such purposes.

6. That the free flow of population from the United Kingdom to the Dominions and vice versa is essential to the retention and development of a true Imperial spirit and of Imperial strength, and that this liability to Double Taxation involved in residence in the United Kingdom must under the present law seriously impede such flow from the Dominions. This will cause considerable loss to the Imperial revenue by reason of the absence of the large monetary expenditure which residence involves, because such expenditure in itself adds largely to the revenue of this country from Income Tax. The money so spent goes towards creating the incomes of those who supply the living requirements of persons so residing and upon which incomes the Imperial Exchequer derives revenue from Income Tax.

7. That the present high rates of Income Tax are caused by the war equally in the Dominions as in the United Kingdom because of the great and patriotic share which the Dominions have voluntarily assumed in providing and maintaining large contributions to the fighting forces in defence of the Empire. These rates will almost certainly become higher still during the war, and a high rate as compared with ante-war conditions will almost certainly be found necessary long after the war comes to an end. Those residing in the United Kingdom who have under the present system to pay a Double and Treble Income Tax, and who, compared with the whole community, are comparatively few in number, are thus making two contributions towards the war expenditure while the bulk of the community are making one only, and to maintain a system which involves such an injustice must be detrimental to the repute of a people or Government which fails to remove it.

#### CONCLUSION.

The foregoing statements and reasons are necessary to show how oppressively the present system of aggregation of Income Taxes charged on the same income bears upon the companies, firms and persons affected thereby, but the Imperial interests involved as resulting from this system and affecting as they do the whole people within the Empire are of greater importance still. The aim and object of the Imperial Government, as well as of the Governments of the Self-Governing Dominions, should surely be so to co-ordinate their respective Legislative Enactments as to do everything that is possible to maintain unity, to avoid the clashing of interests within the Empire, and to secure the development of the resources and industries of all its parts with British capital, rather than that such capital or those who own it should be forced, by reason of excessive taxation, to find employment for their capital, or themselves to reside, in foreign countries.

It is contended that the altered conditions arising from the war, and the urgent need for co-ordinating the economic forces of the whole Empire, demand that immediate steps be taken to relieve British industrial and commercial undertakings and persons from payment of double taxation within the Empire, in order that they may be able successfully to resist foreign competition in British markets after the war.

The question is one of urgency, demanding immediate settlement, and any effort to postpone dealing with it, until the existing systems of taxation imposed throughout the Empire can be considered by a Committee after the war, must, if persisted in, cause irreparable injury to British commerce and trade, and seriously retard the development of the resources of the Dominions.

It is claimed that the closer relationship between all parts of the Empire which must follow the war, and the mutual effort and sacrifice demanded to conserve the resources of the component parts of the Empire for the benefit of the whole, demand that the adjustment of common burdens should be so arranged as not to press unduly on any portion, and that property in whatever part of the Empire it may be situate, should not be subjected to dual taxation for the same purposes.

The plea put forward that property or profits situated or created within the Empire should be only taxed once where the property is situate or the profits created, is the logical sequence to the closer consolidation and mutual support of the various portions of the Empire, but the full application of the principle may necessitate a studied revision of the different methods of taxation now in force and require time and consultation with the Dominions to carry out. The serious results to the trade and development of the Empire and the unequal distribution of the burden of carrying on the war, demand an immediate measure of relief, and it is therefore contended that the principle of one Income Tax within the Empire so far as the Imperial Government is concerned could be largely carried into effect by adopting the suggestion originally made by General Botha at the Imperial Conference in 1911 subsequently reiterated in many of the representations previously referred to that the analogy of the reciprocal provision contained in Section 20 of the Finance Act, 1894, whereby Double Probate Duties within the Empire on personal estates can be avoided should be followed. If income derived from any part of the Empire elsewhere than in the United Kingdom, cannot immediately be exempted altogether from the payment of Income Tax in the United Kingdom, then in all cases in which it can be shown that such income has already been taxed in another part of the Empire whence such income has been derived, the amount so paid should be allowed as a deduction from any tax in respect of the same income payable in this country.

## ENEMY TRADE MARKS.

Hongkong, 9th August, 1916.

Dear Sir,—I am directed by my Committee to forward you a copy of a resolution moved by the Chamber's Representative on the Legislative Council, Hon. Mr. P. H. Holyoak, on the question of enemy owned Trade Marks. I also send you the report of the debate which followed from which you will see that although the resolution was supported by all the unofficial members, it was defeated by the official majority. My Committee have been informed by the Government that copies of the correspondence in relation to this subject have been forwarded to the Secretary of State for the Colonies.

The Committee trust there may be found some practicable way of inducing the authorities at Home to give the matter the serious consideration it deserves, and they have written to the London Chamber of Commerce asking for their support to this end.

I am also directed to forward for your confidential information a copy of a letter dated 5th July addressed to this Chamber by the Hongkong Government upon Mr. Holyoak giving notice of his intention to move the Resolution referred to together with a copy of this Chamber's reply thereto.

As an instance of what the Germans are doing to keep alive their trade marks, I enclose copy of a Pilsener Beer Label used by Messrs. Jebsen & Co., Canton. The Labels were actually printed in Canton, and Japanese Beer is imported and sold under their trade mark as "Brewed in Bremen Germany."—I am, etc.

E. A. M. WILLIAMS,

Secretary.

C. H. Ross, Esq.,  
Messrs. Matheson Co., Ltd.,  
3, Lombard Street,  
London E.C.

Hongkong, 9th August, 1916.

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The Committee trust there may be found some practicable way of inducing the Authorities at home to give the matter the serious consideration it deserves, and my Committee hope your Chamber will be able to lend their support in this direction.

As an instance of what the Germans are doing to keep alive their trade marks, I enclose copy of a Pilsener Beer Label used by Messrs. Jebsen & Co., Canton. The labels were actually printed in Canton, and Japanese Beer is imported and sold under their trade mark as "Brewed in Bremen Germany."

My Committee will be much obliged if you would keep this Chamber posted up with regard to matters affecting trade relation with enemy countries, and with any other decisions or contemplated action at Home based on Imperial Policy in reference to the Empire Trade, such for instance as matters of Trade Marks, Financing of British Trade, etc.—Yours, etc.

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
London Chamber of Commerce,  
London.

ENEMY TRADE MARKS.

HON. MR. P. H. HOLYOAK, in accordance with notice of motion, moved the following Resolution: "That it is expedient that all trade marks belonging to alien enemies and now on the Register here should be expunged, and it is therefore resolved that they be struck off the Register forthwith, and that subsequently to such trade marks being



struck off the Register, that Section 19 of the 'Trade Marks Ordinance of 1909' be amended by providing that no trade mark shall be registered, at any future period, which is identical with, or so closely resembles, as to be calculated to deceive, one which has been so struck off, and that Section 3 of the 'Merchandise Marks Ordinance of 1890' be amended so as to make it an offence under that Ordinance to imitate or apply to goods any trade mark identical with, or so nearly resembling as to be calculated to deceive, a trade mark which has been so struck off."

In moving his resolution, the hon. member said—I confess that I was somewhat amazed when I heard the statement in the Council Chamber that no less than 133 alien enemy trade marks had been renewed in Hongkong since the outbreak of war, and more so when it was known that amongst these are a large number belonging to the Aniline Badische Soda Fabrik. Now, if there is one thing Great Britain has suffered more vitally from than another in her trade it has been the unfair competition of Germany in the dye trade, in which the Germans have largely controlled the world, and I imagine that this answer will be viewed with some astonishment and some alarm when it becomes known in England that this is the case. At the outbreak of war it was known that Great Britain was absolutely dependent for her dyes for the Army and Navy upon Germany, and if it had not been for the enterprise and sagacity of a small Manchester firm at that time, the circumstances would have proved dangerous in the extreme. We set to work and we were able to experiment and to evolve dyes hitherto made in Germany, and in a few months we were able to supply not only Great Britain for her Army and Navy, but also the Allies. I do not blame the Government for renewing these registrations, it is a part of the policy persistently and consistently carried out, I believe throughout the Empire, but I am here to protest against it. The purpose and object of my resolution, if it is carried, is briefly this: That it will make it a criminal offence to use or to imitate any alien enemy trade mark on the register at the present time. I do not ask for the confiscation of these trade marks or to utilise them for our own benefit, I ask for the absolute destruction of them, and nothing short of that. I do not even ask that they should be torn out of the register, but that they might remain permanently on it and be so endorsed that they will never afterwards be copied with a view to obtaining trade on those marks or to trade under the protection of them. I am quite prepared to be told that this is contrary to the Hague Convention, and that it is revolutionary legislation, which this Government can-

not support. If it were admitted that they were private marks, I am well aware that it is a sacred duty to protect, in a state of war under the Hague Convention, trade marks belonging to enemy firms. But, Sir, I contend that these marks are no more private than the property which has recently been sold belonging to liquidated enemy firms in this Colony, or even the German Bank which has recently been advertised for sale and will be sold next month. And if this were not so I would remind you that this same "Power" upon whose behalf the Hague Convention may now be invoked has treacherously trampled upon every treaty and agreement to which she has put her name—and that by her infamous and monstrous conduct of this War, her wilful murder of innocent and defenceless women and infants in arms on land and sea, to say nothing of the ruthless sinking of hospital ships and the barbarous treatment of her prisoners of war, she has deliberately sacrificed every right and claim which any International treaty, obligation or Convention could possibly have given her, and for years to come she must expect to reap the whirlwind of dishonour she has sown. Such a country is surely not deserving of the least consideration from us. And the resolution is not so revolutionary as perhaps some might be led to believe at first sight, because the Commonwealth of Australia has already introduced legislation prohibiting the possibility of any enemy trade marks entering her shores, and has suspended for the duration of the war all enemy trade marks on the register; something like 500, I believe. I am told that the present is an inopportune time for such legislation. I may remind you that at the outbreak of war we were quite unprepared for it; we only had the navy mobilised, and I say it would be little short of a crime if we were to wait until the conclusion of the war to introduce our economical and fiscal reforms; and I say also that it is with the memory of previous mistakes ringing in our ears that we must prepare for legislation which will prevent the Germans from trading, and their trade marks from being used within the confines of the British Empire for ever afterwards. I am equally prepared to be told that it is not for this Colony to dictate to the Imperial Government on measures of this sort. I contend we have every right to pass such a resolution, and then to pass the Ordinance which will be a natural corollary of it, and, if necessary, it should go Home, even to the extent of being refused the Royal consent. But I cannot believe that the Royal consent will ever be refused to such an Ordinance if it were passed. I would remind you that the blood of the Colonies has freely flown, and

much wealth has been given and is being offered for the purpose of carrying the war on in our favour, and I am perfectly certain that the claims of the Colonies will be fully recognised; indeed that they cannot be ignored when the time comes for the settlement of peace. Another argument which might be advanced against this resolution is that suggested in the Government answers to my previous questions, that inasmuch as registration in this Colony is not effective in China, it would be useless to destroy them. It is admitted that registration in this Colony carries at the present moment, owing to the absence of any treaty with China upon trade marks, no weight beyond Hongkong. I claim that that is an additional reason why we should destroy the enemy trade marks, and I claim this, further, that we should be able to control the markets in China by so doing, because I cannot conceive that a British manufacturer would be likely to use upon goods entering this Colony, or for re-exporting to Canton, or the Hinterland, or the coast ports, a trade mark which it is a criminal offence to use within the borders of Hongkong. I am certain that that would be the attitude of the British manufacturer. It has been suggested that such legislation as that suggested by this resolution does not exist in any other place, not even in Germany, and that it is not usual for such a thing to be done. Knowing what we do of Germany, and all that she has done in this war, I find it impossible to believe that she will allow any British trade mark to remain on her register if it were not to her advantage to do so. I am prepared to be told that this is another nail in the coffin of the trade of Hongkong, and that this will mean driving trade away from Hongkong to the coast ports. I am one of those who believe that the presence of the Germans in Hongkong was never necessary and will not be in the future. I maintain that their trade in the Colony in the past has been obtained at the expense of the British merchant by a system which was largely immoral, immoral in the sense that the German trader created the obnoxious system of long credits, the aftermath of which has been that the liquidation of the German firms in Hongkong is not even now wholly completed. I conceive it possible, and I hope it may come to pass, that as a result of this war and the economic conferences which have already taken place, and which must take place in the future before peace is declared, that an agreement will be come to between Great Britain, France and Italy that no German ships shall use the Allied ports for the purposes of trade unless it be upon such terms as shall be decided upon in relation to curtailing German competition.

HIS EXCELLENCY—The hon. member is carrying his argument a long way from enemy trade marks.

HON. MR. HOLYOAK—With all deference, Sir, it is a part of the whole question.

HIS EXCELLENCY—I cannot see that it is very desirable to refer to a large question of Imperial policy.

HON. MR. HOLYOAK—It is all wrapped up in the Imperial policy, and I submit I am not going astray. Even be that so, I should like it be noted that I speak on behalf of the merchants of Hongkong who have formed this very opinion. It is the united opinion of the Chamber of Commerce, representing the heads of the great mercantile houses here, the banks, and the shipping firms, and beyond that it is very largely, if not unanimously, the opinion of the British community at large, and I can only say that if the official majority is used to crush the resolution, as I have reason to believe it will be, it will only be another instance of the defiance of public opinion by the official majority.

HON. MR. SHELLIM—In seconding the Resolution, I desire to say that there is no intention on our part to embarrass the Government but we consider the time opportune for the views held by the business men of this Colony to be fully and freely expressed and represented to H.M.'s Government.

HON. MR. POLLOCK—I would like to say a few words in support of this resolution. I think that as a matter of fact the hon. member who represents the Chamber of Commerce has really exaggerated the case against this resolution when he mentions trade marks as coming within the scope of the Hague Convention. That, I believe, is not so. There is no mention of the subject of trade marks in the Hague Convention. Even though they might come under the Hague Convention under the heading of "Private Property," I should say that this is the sort of thing which must depend upon the legislation of any particular place as to how much or how little protection is accorded to trade marks. This is a matter of domestic legislation purely, and, as the hon. member on my left has pointed out, the views he has expressed on this matter are not merely his own views, but they are also the views of the Chamber of Commerce of this Colony, a body of gentlemen, who, I think, can be trusted not to advance any measure likely to be hostile to British trade interests. With reference to the very interesting question which has been raised as to treaties, I read a report in the Weekly Times of the reply given to Professor Hewins by Mr. Runciman on the very subject

of co-operation between the Allies for trade purposes, and certain remarks were made with reference to treaties, with special reference to their relation to trade marks. Mr. Runciman said:—"So far as the treaties with Austria and Germany are concerned, they are non-existent. When the war broke out they came to an end, and history cannot go on when the war is over exactly at the same point." At another part of his reply Mr. Runciman said:—"Our own national and commercial interests must in all these matters be the first, and, so far as we are concerned, our only guide. . . . I am not prepared, however, to wait until peace is declared for that process to begin." With reference to the question whether this Colony should take the lead or not, I also read a very interesting statement in the Weekly Times which showed how, under the auspices of the learned Attorney-General, this Colony took the lead in certain legislation, and how much it was appreciated. I will read an extract. This says:—"It is particularly interesting to turn the leaves of the Journal of the Society of Comparative Legislation and to find how, in more than one instance, the Dominions and Colonies have proved to be more alert than the Mother Country in coping, by means of legislation, with dangers to the common weal, and how they have done their work with greater dispatch, vigour and sagacity. Attention has been drawn already in The Times to the rapidity with which the Australian Commonwealth dealt with companies influenced or controlled by enemy subjects. This Journal gives many similar instances of the thoroughness which has marked the conduct of the Dominions and Colonies since the outbreak of war. To take another example from these pages, Hongkong in November, 1914, passed an Ordinance which made the term "alien enemy" include "every firm which has, or which at any time since the outbreak of war has had, a partner or an office in the territory of any Sovereign of State that is at war with his Majesty." We have there striking testimony of the fact that the self-Governing Dominions have led the way in legislation, and that this Colony has also taken a lead where it was thought to be required. In this present case we have a strong body of experts to guide us with their opinions as to what is desirable, and we should not hesitate to again take the lead. The representatives of the Hongkong Chamber of Commerce may be accepted as absolutely competent to judge as to what is required in the interests of the trade of this Colony.

THE ATTORNEY-GENERAL—It is impossible to accept the motion as it stands, because it proposes to do by a mere resolution of

this Council what can only be done by formal legislation. It is impossible to deal with rights of property in this arbitrary and summary way. That, of course, is a defect which might easily be amended by altering the terms of the resolution. I refer to it because it seems to me to be significant as indicating the mental attitude, if I may say so with all respect, of the framers of the motion. I do not think that they quite realise the importance of the rights of property which they propose to deal with, or the far-reaching issues of the action they suggest. As to the second part of the motion, I should like it to be understood that the position which the resolution aims at creating already exists in this Colony. The second part of the resolution asks that legislation should be introduced to make it an offence to apply to any goods any trade mark identical with or resembling an enemy trade mark. Well, that is the position here to-day. At present nobody can use an enemy mark, and there was a prosecution on the point only the other day against a person who was using an imitation of one of these enemy marks. Enemy marks are for all practical purposes suspended here, just as they are in Australia. Coming to the more substantial part of the question, I would like to mention two considerations which seem to me to show that the motion, even in the amended form in which I suggest it might be framed, would be ill-conceived. I think that before I go further I ought to explain that though I am speaking at the moment on behalf of the Government of this Colony as at present advised I have no authority to make any statement on behalf of His Majesty's Government, and any views I may express must not be taken as necessarily those of the Imperial authorities. The first consideration is that this is an international question, and being one of that nature it naturally is one with which this Government cannot attempt to deal. The other consideration is that it is an Imperial question. The legislation advocated in the resolution has not been adopted in any part of the British Empire. It has not been adopted in the United Kingdom, or in Australia, or even in Germany. No doubt the reason why the German authorities have not attacked this particular form of property is that it is not to their interest to do so. And I would ask the hon. member who proposes this resolution to consider very carefully whether it might not be against our interests to attack German trade marks here. The hon. member referred to the case of Australia. It is quite true that legislation has been introduced and passed in Australia which has the effect of suspending the use of enemy trade marks in the Commonwealth. Suspension, how-

ever, is a very different thing from confiscation. I think the effect of the Australian legislation is to suspend the use of enemy trade marks for the duration of the war, and, as I have said before, that is the position here at the present moment. Not only has this policy of confiscation of private property not been adopted in the United Kingdom, but His Majesty's Government in November, 1914, and again in December, 1915, issued a general licence for the payment of fees on behalf of enemies for the purpose of obtaining the registration of trade marks and for the purpose of renewing the registration of trade marks. I would also like to point out what seems to be more or less lost sight of, and that is, the very wide distinction between trade measures which help us in the war and trade measures which are advocated as a means of avoiding German competition after the war, and the policy to be adopted for avoiding undesirable German dominance. There is a distinction between those things which help us in the war and those which give us no help at all in that direction. The measures adopted in the United Kingdom and elsewhere with regard to enemy trade are all based on the idea of endeavouring to weaken the enemy's resources during the war. The policy aimed at in this resolution will not help us in the slightest in the war and is entirely a post-war measure, and the Imperial Government have so far refused to bind themselves as to their post-war trade policy. That being so, I think it would be very unwise for this Colony to endeavour to force their hands. In view of these Imperial and international considerations, I think, Sir, that the Government cannot accept the motion. The question will no doubt be considered in due course by minds with a far wider and deeper knowledge of the facts and issues involved than any of us here can pretend to possess, and I think it would be presumptuous on our part to dictate to His Majesty's Government on this subject.

HON. MR. HOLYOAK—In reply to what has fallen from my learned friend the Attorney-General, I may say that my resolution was proposed in the anticipation that if it were passed by the Council the inevitable corollary would be an Ordinance. The resolution is merely a means to an end. The Attorney-General says that means have already been found for preventing the use of German trade marks in this Colony or any imitation of them. I am well aware of that. A prosecution is now going on, but surely it is a rather farfetched method of protecting British interests when we have to prosecute in the name of a German for the illegal use of an enemy trade mark, and my resolution if carried would prevent that. The Attorney-General said that this was a matter

which should be left to the future, and that is precisely the reply I expected this Government to make, that this question cannot be settled until after the war and must be left to future consideration, and I have no hesitation in saying that the future will find us in the same state of unpreparedness as we were at the commencement of the war, in regard to our trade policy. The Government wants to leave all questions of economic and fiscal reform until peace is declared. I contend that this is a thing which should be brought up at the present moment and be fully considered, and, if thought fit, legislated upon by the Imperial Government. My resolution was really proposed in the hope that we should be able to force upon the Imperial authorities at Home a question which we in Hongkong consider to be absolutely vital to British trade.

HIS EXCELLENCY—If it is, as the hon. member who moved the resolution stated, that he did so with the idea of helping the Home Government, then I trust he will quite sympathise with the Government when they say that they cannot accept the resolution. Very hard words have been used regarding the action which the Government has indicated it will have to take in this matter, namely, to refuse the resolution, and I do not think that those hard words are justified when we learn what the intention of the hon. member who moved the resolution is. What we are asked to do is to fly in the face of His Majesty's Government. The question of trade marks has been brought up by the Chamber of Commerce and the views of the Chamber of Commerce have been submitted to His Majesty's Government and the consideration of His Majesty's Government has been invited on the subject. This case is not analogous to the legislation which the hon. member who spoke third on the subject referred to, and which, by the way, this Government got very little credit for at the time from unofficial members in Hongkong or the unofficial public generally. That legislation was passed with and by the consent of His Majesty's Government. The legislation entailed by the resolution proposed is legislation which His Majesty's Government have most carefully considered and to which they cannot give their consent. I would appeal to hon. members that if this Council, in spite of the opinion given to it by the Attorney-General, passes this resolution and thereafter devotes much time to legislation which would inevitably be vetoed, it would be, at a very serious time, embarrassing His Majesty's Government. I understand we are at war, and I understand that it is the duty of all the Colonies in all the corners of the Empire to rally to the flag, and to assist His Majesty's Government in every way in

its power. It may be that the discussion on this resolution may possibly be of some use, but it will be just as useful if the motion is withdrawn or a division is not pressed for. I therefore ask the hon. member not to press this resolution, which, I think, after what the Attorney-General has said, it will be realised is not convenient.

HON. MR. HOLYOAK—With all due deference, I regret that I am bound to ask for a division on the subject. I think that I may confidently say that the opinion of the Colony is not with the Government on the subject.

A vote was then taken. All the unofficial members voted for the resolution, and all the official members voted against it. The resolution was thus declared defeated.

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## B 1

### AUSTRALIAN SHIPMENTS TO SHANGHAI AND JAPAN.

Hongkong, 26th June, 1916.

Sir,—I am directed by my Committee to bring before His Excellency the Governor the question of the prohibition by the Australian Government of the exportation of certain commodities, butter for instance, to Hongkong.

It seems that while this embargo is placed on Hongkong, shipments are freely made to Shanghai and Japan and, if as it appears to be the case, the reason for the prohibition is to prevent shipments getting into the hands of enemy subjects, my Committee submit this object is not attained especially in the case of Shanghai which is a foreign settlement.

My Committee believe that the reason for the prohibition against Hongkong may possibly be found in the misapprehension of the status of this Colony which is considered by some people in Australia as a part of China. This is borne out by the fact that letters are frequently received in Hongkong addressed to the "British Consul." If this surmise be correct, my Committee think this misapprehension should be immediately corrected, and emphasis laid on the point that Hongkong is a Crown Colony with British authorities, who are in the best position to efficiently control from this point the distribution of Australian products exported to the Far East.

My Committee trust His Excellency the Governor will see his way to communicate with the Commonwealth Government with the view to ascertaining the reasons for the discrimination against this Colony and obtaining its removal at an early date.—I have, etc.

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

Hongkong, 27th June, 1916.

Dear Sir,—I am directed by my Committee to enclose for your information copy of a letter dated 26th June, 1916, addressed by this Chamber to the Hongkong Government on the subject of the prohibition by the Australian Government of the exportation of certain commodities to Hongkong.

My Committee, knowing the active interest you have always taken in matters relating to Trade between Australia and the Far East in your capacity as Commercial Agent for the Government of New South Wales, have asked me to address you on this subject, and they believe that the first-hand knowledge that you possess of conditions prevailing in Hongkong will carry much weight in any statement you may be disposed to make with the view to dispelling any misapprehension which may exist on the subject.

My Committee trust that they may count on your valuable assistance in this matter.—I am, etc.

E. A. M. WILLIAMS,  
Secretary.

J. B. Suttor, Esq.,  
Sydney.

Colonial Secretary's Office,  
Hongkong, 19th July, 1916.

Sir,—With reference to your letter of the 26th June, I am directed to inform you that the Governor-General of Australia has informed this Government that the position with regard to supplies of Butter is unaltered but it is expected that supplies will increase sufficiently by the end of August to permit resumption of normal shipments.

The Governor-General also states that no exception is being made in respect of Shanghai or Japan.—I am, etc.

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

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Commercial Commissioner in The East,  
Government of the State of New South Wales,  
Kobe, 18th September, 1916.

Sir,—I have the honor to acknowledge the receipt of your letter of the 27th of June last, and which has only just reached my hands, having reference to the prohibition by the Australian Government of the exportation of certain commodities to Hongkong.

In reply I beg to inform you that I am taking the matter up with my Government with a view to having urgent action taken in the matter, and feel confident that satisfactory results will follow.—I have, etc.

J. B. SUTTON.

E. A. M. Williams, Esq.,  
Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

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Hongkong, 12th October, 1916.

Sir,—I beg to acknowledge receipt of your letter of the 18th September, 1916 with reference to the prohibition by the Australian Government of the exportation of certain commodities to Hongkong. The Hongkong Government was also approached by this Chamber on the subject in June last, and information was received in July from the Governor General of Australia to the effect that the position with regard to supplies of butter was unaltered, but it was accepted that supplies would increase sufficiently by the end of August to permit resumption of normal shipment. It will thus be seen that the situation has to some extent been relieved.

I am directed by my committee to express to you their best thanks for the willingness which you have so readily shown to use your efforts on behalf of the trade of this Colony.—I am, etc.

E. A. M. WILLIAMS,  
Secretary.

J. B. Sutton, Esq.,  
Commercial Commissioner in the East,  
Government of the State of New South Wales,  
Kobe, Japan.

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**D 1**

TRADE OF HAIPHONG AND TONKIN.

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Colonial Secretary's Office,  
Hongkong, 26th September, 1916.

Sir,—I am directed to transmit for the perusal of your Chamber and return the enclosed precis of a report on the trade of Haiphong and Tonkin for the years 1914-1915 which has been received from His Majesty's Consul-General at Yunnanfu.—I am, etc.,

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 12th October, 1916.

Sir,—I am directed by my Committee to acknowledge with many thanks, the receipt of your letter of 26th September, 1916, transmitting for their perusal a precis of a report on the trade of Haiphong and Tonkin for the years 1914-1915.

I beg to return herewith the enclosure to your letter under acknowledgment.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

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**E 1**

THE BRITISH LEAGUE OF BRITONS ABROAD.

Colonial Secretary's Office,  
Hongkong, 18th November, 1916.

Sir,—I am directed to forward for your information a copy of a letter received from the British League of Britons Abroad which may interest your Chamber.—I am, etc.,

E. BULLOCK,  
for Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

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The British League of Britons Abroad,  
18 West Street,  
Paddington,  
Sydney, Australia.

Dear Sir,—I herewith enclose, for your perusal, copies of letters published in the "Sydney Morning Herald" (Australia) on April 22nd and June 10th, 1916, respectively, advocating the organization of British Communities in Foreign Countries, for the purpose of combating and counteracting pernicious German misrepresentations and lying propaganda, directed against the British Empire and against British Trade.

The Acting Prime Minister of the Commonwealth of Australia, the Premiers of Victoria and New South Wales, and other public men, have already expressed their appreciation of the proposed organization, and I shall esteem it a favour if you will kindly let me know if you are also in sympathy therewith.

Awaiting the pleasure of your reply.—Believe me, etc.,

FRED. L. LOWTHER,

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ORGANISATION OF BRITISH COMMUNITIES.

To The Editor of The Herald.

Sir,—As this war has clearly shown, the German communities throughout the world were, and had long been, carefully organised for practically the following objects:—

1. To prevent Germany losing as few subjects as possible.
2. To create a sphere of influence in every foreign country for the purpose of spreading German propaganda and their now notorious "Kultur."
3. To foster German trade (and in this these German communities in foreign lands have been conspicuously successful).
4. Espionage.
5. In the event of war to disseminate reports favouring Germany and damaging the enemy; and where these German communities are actually established in the countries at war with Germany, to disseminate lying reports, create dissensions among the people, and do whatever damage they possibly can to ships, buildings, bridges, etc. This has been well exemplified in Canada.

In short, these German colonies in foreign countries are, and have been for a long time past, a menace and a danger to the countries concerned, as well as a distinct help to German trade. After the war it may be taken for granted that these collections of Germans all over the world will be specially active, and will direct their energies particularly against the British Empire, which has spoilt their little game in the present war, and which they consequently hate with such a bitter and murderous hatred.

It behoves us, then, to take measures accordingly. Now, no country in the world possesses larger numbers of subjects abroad in foreign countries than the British Empire, and no one will deny of what priceless advantage these communities of British subjects would have been to us in the United States, Holland, and other foreign countries, had they been properly organised, to counteract German influence and propaganda. It is, therefore, a great pity that they have not been properly nurtured and fostered, as they should have been. However, better late than never. What should be done is the formation of a central organisation, whose exclusive function would be to organise these British communities in foreign countries with, broadly speaking, the following objects:—

1. To keep British subjects and their descendants in close touch with the rest of the Empire.
2. To disseminate propaganda dealing with the British ideals of freedom, equality of opportunity, religious toleration, and, in fact, to represent Great Britain and the British Empire as she should be represented, in all the majesty of her noble tolerant individuality, and her high-minded conception of her duties to herself and the other nations of the world.
3. To foster trade with the British Empire.
4. To counteract German propaganda with all their vicious lies and misrepresentations.

These British communities in foreign lands would not foster sedition in the very countries where they were earning their subsistence. They would stand for good citizenship, and this would be in direct opposition to the German doctrine, which preaches treachery, espionage, and low cunning, even while it pretends to extend the hand of friendship to the nation, which it contemplates murdering and annihilating. The British communities would conduce to the peace of the world, and would be a direct blessing to mankind generally, standing, as they would, for broad-mindedness, toleration, good-fellowship, and, above all, freedom, and I accordingly commend my proposition not only to merchants and British subjects generally, but to all lovers of the human race and the peace of the world.

I shall be happy to receive through the medium and by the courtesy of the "Herald," communications from readers interested.—I am, etc.,

F. LOWTHER,

To The Editor of The Herald.

Sir.—In reply to my letter of April 22, published in your columns, proposing the organisation of British communities in foreign countries, for the purpose of combating German misrepresentation and lying propaganda, I have received so many encouraging letters from prominent public men that the matter of the organisation in question is already assured of success. Much work remains to be done of course, but as the idea has appealed to all classes of the community alike—Liberal and Labour members of Parliament, business and professional men, and others—the organisation will start on its way with the weight of public opinion behind it, and that is the great thing.

Copies of the letter are being despatched to the prominent statesmen and people of note in the different walks of life in the British Isles, Canada, South Africa, and New Zealand, and later on support will be asked for from India and the smaller dependencies of the Empire.

The work of the organisation will merely be to organise material that actually exists. British communities already exist in every foreign country, and they only await the hand of the organiser. In very many cases these communities are very large, and could easily be made, with a little organisation, very influential communities indeed. They will, of course, be non-political and non-sectarian—they will simply be British citizens banded together as brothers, to protect their interests and the interests of the British Empire, against a crafty, insidious, unscrupulous, and dangerous enemy.

By taking the work of organisation in hand at once, the British communities throughout the world will be in a position, immediately on the declaration of peace, to closely watch the tactics that Germany intends to adopt in its merciless crusade against British trade.

Moreover, the organisation will enable us to trace under-currents of German intrigue and influence, at present unsuspected and therefore undetected, within the British Empire itself. For instance, facts may be elicited, say, by the organisations in Buenos Ayres or New York, which may shed an illuminating light on transactions in Sydney or London.—I am, etc.,

FRED. L. LOWTHER.

The war has taught the British Empire one fact of outstanding importance, and that is that Germany is our bitterest and most relentless enemy. Having realised this fact, it behoves us not to forget it in the future, nor to allow ourselves to be lulled into the false and suicidal security that characterised the British nation before the war. We must learn to view the danger of this hostility in its world aspect, for we know that it is world wide. As events have abundantly proved, it has dogged our footsteps and calumniated our good name in every nook and corner of the world, both before and during the war, and it will continue to dog our footsteps, and plot and scheme against us long after the war has become an event of the past. It is a very real danger, and must be faced in all its aspects.

The better to study the question of the German world-menace, in so far as it concerns the British Empire, and the better to appreciate the importance of maintaining, consolidating, and extending, wherever possible, whatever influence and friendship we possess abroad, I would first invite my readers to take a bird's eye view of the territories possessed by us throughout the world.

In the course of this survey we will observe the *important part German communities in foreign countries* have played in the great drama now being enacted on the world's stage. We will see in Germany the instance of a country, which, possessing no territory abroad, except tropical colonies peopled principally by uncivilised blacks, has obtained a more predominating influence in foreign countries than the British Empire, which has enormous territory in whatever direction we look, and has, besides, countless millions of capital invested in countries, where she has no territory.

Starting, then, with the North American continent, we find that the British Empire possesses in Canada and Newfoundland two colonies, which are at least as large in actual area as the United States themselves, and which, in the estimation of many competent observers, are destined to become a greater nation than even the United States. Certainly, within the last few years Canada has gone ahead with such leaps and bounds, as to justify all the high expectations regarding its immense wealth and possibilities, and future development. For the sake, therefore, of Canada and Newfoundland alone, it is essential that we should maintain our influence and prestige with our great neighbour, the United

States, by every means in our power, and see to it that no nation is allowed, unfettered, to inflame the American mind against us. Measures must be taken to conserve our interests, and to thwart Germany here, as elsewhere, in her efforts to create mischief and secure world domination of trade.

The United States offers us a striking example of what was stated above, viz., that although Germany does not possess one square yard of North America, yet she has been able, *by organising the German element*, to exert an influence on the United States, which it may safely be said, has kept that nation neutral, although she would probably have liked to enter the war on the side of the Allies and Great Britain, whose neighbour she is through Canada.

Proceeding to Central America, we find that the Empire is again a landowner, possessing "British Honduras," a colony on the mainland, together with the important island of Jamaica, and the numerous groups of islands comprising the West Indies, &c. There is also much British money invested in Mexico and the other Central American Republics, and in Mexico, again, we have the second striking instance of the weight of the German influence. It is generally believed that all the recent trouble between Mexico and the United States has been fostered by Germany, so as indirectly to injure Great Britain and her allies, and to pander to the dislike which the Central and South American States frankly entertain for the United States. In spite of the fact that the United States is a neighbour of Mexico, and the British Empire has large monetary interests and is also a considerable land proprietor in Central America, whereas Germany does not possess one square yard, yet here again she has been able, *by carefully fostering and organising her German citizens*, to prove herself more influential with Mexico than the United States and Great Britain combined—not to mention the other allied nations. This is really an extraordinary state of affairs. It clearly shows how absolutely necessary it is for the British Empire to keep itself minutely conversant with what is going on in every part of the world, and *to organise and make the most of her citizens* and her resources in every part of it.

In South America the British Empire is represented by "British Guiana" and the unimportant Falkland Islands in the extreme south, while she has hundreds of millions of pounds sterling invested in the various South American Republics—in the Argentine alone the amount of British investments is, I believe, something like four hundred million

pounds. So that here, again, it is of the most vital importance to the British Empire that it should be "in the know" concerning everything taking place throughout South America, and that she has even more claim to consideration on that continent than the United States, let alone Germany, seeing that neither the United States nor Germany own one square yard of territory throughout the whole continent. Yet it is safe to say that here, again, *Germany has more influence and prestige to-day* than the British Empire, which is actually a land-owner and an investor as well. In fact, in Brazil the German element has become a positive menace, the sons of the Fatherland having settled there in such large numbers, that by conserving their own nationality, language and customs, they have succeeded in creating a miniature Germany within Brazil. *This community of Germans has made its influence felt* to such an extent, that it has excited the just apprehension of the Brazilian Government.

While on the subject of South America, it might be as well to point out that there is every likelihood of a very considerable migration of Germans to that continent after the war. Everything points that way. We know that the German officers, who are prisoners in England, are diligently learning Spanish, with a view of going to South America, and the writer knows, from conversations with Germans and others in a position to know, that many of the Germans, throughout the British Empire at any rate, are making exhaustive enquiries as to conditions in the South American Republics. As we have seen, the German element is very strong there now, as it is, and if it receives a further considerable addition after the war, we are bound to see British interests in the South American Republics suffer, knowing the inveterate hatred of the Germans for everything British.

Coming to Europe, it is sufficient to state that the British Isles, the centre of the British Empire, occupies the position of one of the foremost first-class powers of the world. Neither Germany nor the British Empire possess in this Continent, outside their immediate boundaries, any territory, other than, in the case of Germany, Heligoland, and in the case of England, the fortress of Gibraltar and sundry islands in the Mediterranean. Consequently, we may roughly claim that on the continent of Europe, the interests of the two nations are fairly matched. Yet we know from the Allied Conference, just held at Paris, that German influence is so deeply rooted in some of the allied countries, that the Governments concerned almost viewed with despair the possibility of

ever being able to root out the cancer. We may be certain that after the war, Germany will exert herself to the utmost of her power, by all the infamous means in which she is such an adept, to create discord in those countries particularly, which are allied against her to-day. Her agents will be instructed to seize on every bone of contention and exploit it to the uttermost, with a view of breaking the solidarity of the Allies. *Consequently, Great Britain should take in hand the task of organising the British communities* resident on the continent at once, so that they may be in a position to watch and counteract the Germanic campaign.

Africa is the next continent to be considered. Before the war Germany certainly had a vast amount of territory, chiefly in the south-west and in the east, but the way things are going she will probably end by possessing nothing on the African continent. What, on the other hand, does the British Empire possess? She owns that magnificent stretch of country from Capetown to the Zambesi, with the exception of coast strips possessed by other Powers. In addition to this, the Empire has Egypt, the East African Protectorate, Nyassaland, the Gold Coast and other minor possessions scattered all over the continent. In fact, she possesses the very heart and essence of that huge continent. Who will deny, then, that it is of supremest importance to the British Empire that her interests should not be undermined by a scheming and mendacious power.

Proceeding to Asia, the British Empire finds itself the sovereign of India, Burmah, the Straits Settlements, Singapore, and so on—truly a magnificent array of priceless possessions. Germany does not now possess a square mile of territory in all Asia. Yet Germany, as it now transpires, has been plotting for years to raise the natives against the British Empire, not because she had any territory herself to speak of, but in her jealousy and spite, and in her calumniating methods and unscrupulous and unblushing habits of trade.

Taking Australasia and Polynesia as a whole, the British Empire finds itself practically sole proprietor, the two jewels of Australia and New Zealand comprising the greater part, the remainder being islands divided among Great Britain, France, Holland, &c. Germany here, again, now possesses nothing. Yet she has attempted to sow the seeds of discord, undermine our trade, and advance her own, by every means in her power, and principally through her German communities, who have been allowed to settle and grow rich within our midst.

I have taken the reader over this survey of the world to bring out the fact that if any nation is justified in taking a minute interest in every portion of the globe, that nation is the British nation. In fact, she must do it, if she wishes to exist in these days of strenuous competition. Wherever we look we find that the British Empire has enormous interests and investments, and we must learn the habit of viewing the whole world comprehensively, and realising that every portion of it is of consequence to the British nation.

What has been the reason of Germany's success in attaining so much influence, even in countries where British interests far outweighed hers? The answer is simple. Germany has simply kept her communities in foreign lands well in hand, and educated up to the fact that everyone of her citizens could further the trade of the Fatherland wherever he might be. She organised and paid that attention to detail which the British Empire has so long neglected. The very virtue, which has made Britain a great colonising power, has been her undoing in the matter of conserving her influence and fostering her citizens and resources in foreign countries. Great Britain's colonies grew up and developed healthily because she left them alone, and allowed that development to proceed naturally just as a child proceeds through the stages of boyhood and youth to manhood. But this policy of indifference and *laissez faire*, applied to our interests in foreign countries, has been a terrible failure. Possessing more concrete interests abroad, it is safe to say, than any other nation, we have allowed Germany to secure a more dominating position than ourselves. How has Germany done this?

In the first place, as insisted on above, she has carefully preserved cohesion among her subjects abroad. The German in the "Outland" has never been allowed to forget that he is still a German, and part and parcel of the German Empire. Clubs have been founded in every country, where Germans and their friends could meet, and schools have been set up, wherever possible, to encourage and foster the teaching of the German language. Periodically high German officials and prominent men have visited these communities, bringing them the message that their country did not forget them, that their doings and progress were closely followed and keenly appreciated by their countrymen at home, and exhorting them to continue their allegiance to the Fatherland, even when they had become naturalised subjects of other nations. The importance of such a policy has been amply demonstrated in the present war. The German communities throughout the world have worked

like a well-oiled machine, and have been instrumental in the United States alone in causing damage to the Allies amounting to millions—not to speak of their doings in Canada and other portions of the Empire, these acts of barbarism being perpetrated, be it remembered, by German communities fostered by ourselves. On the other hand, British influence in the United States has scarcely been felt, although the British were the first to practically colonise that country, and their descendants to-day must number far more than the very considerable German element of the population.

What has the British Empire neglected to do, then, and what ought she to do, to remedy this state of affairs? As stated above, Great Britain in the management of her interests abroad has been singularly remiss. In the first place, her consular system is notoriously incompetent and inadequate—in fact, to use a popular expression, it is "rotten." In Buenos Aires, the capital of such an important and rising country like the Argentine Republic, the British Consulate is a dingy-looking couple of offices (at least it was when the writer was over there some years ago), more like a common "dosshouse" than the headquarters of a first-class Power like the British Empire possessing such gigantic interests in that country. The "British" consul in very many cases has been a German. In fact, in Germany itself some of our consuls at the outbreak of war were Germans. Fancy these men in times of peace sending reliable reports to the British Government as to what steps should be taken in trade and other matters. Knowing the German as we do now, could anything be more ludicrous. As the matter of the appointment of consuls rests with the Imperial Government, the only thing to be done in this direction is for the various Chambers of Commerce throughout the Empire to force the hand of the Government, and compel it to appoint men absolutely and fully competent to deal with the gigantic interests involved. Nothing short of an absolute revolution in our consular methods will avail, and the sooner and more insistently the Chambers of Commerce put their shoulders to this task, and accomplish that revolution, the quicker will be the beneficent results on the Empire's trade.

Great Britain, again, has been content to see Britishers who have settled abroad, not only become denaturalised, but actively drift away from their own country, while their children have been allowed to imbibe sentiments in active hostility to British interests. Surely this has been criminal neglect. Knowing what the British Empire stands for in the matter of justice and good government, the Pacifist Party throughout

the Empire has been singularly neglectful in not trying to keep British communities in foreign countries together, if only for the sake of spreading the British ideals of religious toleration, good citizenship, and all the manifold blessings of liberty, freedom of speech, of the press, and of the individual.

What is advocated then, in this connection, is the immediate organisation of British communities in foreign countries. Not, it should be borne in mind, for the purpose of spreading the doctrine of Militarism and Kultur as preached by the Prussian caste, but simply in the interests of our people, and of our legitimate trade and investments, and because we should be known in the right light by the peoples with whom we trade, and among whom so many of our people have settled. This is only fair to them and to us. Great Britain has too long allowed these damaging and insidious calumnies to be spread throughout the world, and by no one more assiduously and systematically than the German. The average Briton, no matter what part of the Empire he may be born in, is as fairminded and straight-dealing an individual as one would wish to meet, and it is not right that he should be handicapped in making his way abroad by the cunning and calumniating methods which the German knows so well how to use. The Hun is the greatest past-master in sly cunning and lying misrepresentation in the world to-day, and pitting the average fair-minded Britisher against him is like pitting a child against the devil. As the Australian Prime Minister in England expressed it "the difference between England and Germany is the difference between Heaven and Hell."

With the British communities in foreign countries properly organised, these campaigns of lies and calumnies, so systematically conducted, could be combatted and nailed to the counter; and seeing that the British Empire has communities in practically every foreign country, it only requires careful organisation to enable them to carry out this object successfully and decisively.

We should be particularly careful to see that the organisation is most thoroughly carried out in all the allied countries, as, knowing Germany's usual diabolical and snakish tactics, we can rest perfectly assured that it will be in those countries that she will most strenuously vilify and calumniate, by all the means in which she is such an adept, the British people, and it behoves us, therefore, to foil her vile, contemptible efforts by all the means in our power. The simplest and most effective way of doing this is the *organisation of our British communities*

*in foreign countries.* The measure of the success of the German overseas communities in peace may be gauged from what they have achieved during the war. There can be no doubt as to the important factor they have been in the gigantic progress which German trade has made in foreign countries of late years. Consequently, how blind and foolish we will be if we do not immediately take steps to remedy this state of affairs by organising, as emphasised again and again in this article, our British communities in foreign countries. We must not be satisfied with making them as effective as the German—we must go one better and make them more effective; the beneficial result on our trade will be felt at once. And I am sure that the British race will see to it that this is done. We have been easy going and blind too long. Let us awake! The solemn hour is striking.

FRED L. LOWTHER.

Hongkong, 5th December, 1916.

Sir,—I have the honour to acknowledge receipt of your letter No. 2795/16 of 18th ultimo, covering copy of a letter received from the British League of Britons Abroad which has been laid before my Committee.

While thanking you for your courtesy in submitting the enclosures to the Chamber, my Committee is of opinion that the activities of the British War propaganda at present directed from Shanghai, and our own organisations, amply fills the needs of Eastern British Merchants for the present.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

## F 1

### PURCHASE OF EMPIRE MADE GOODS.

Royal Colonial Institute,  
London, W.C., 21st July, 1916.

Sir,—I am desired by the Trade and Industry Committee of the Royal Colonial Institute to submit for the consideration of your Organisation a proposal made by this Committee embodied in the following Resolution:—

"That with a view to encouraging the establishment of new industries in the British Empire and giving a measure of confidence and security to capital to be embarked therein, as well as assisting the expansion of existing industries, the Governments of the Empire be urged to make it obligatory on all Government Departments, Municipalities, Railways, Dock and Harbour Boards, Gas, Water and Electric Light Corporations, and all such bodies spending public monies, or enjoying charters from Government or other public authorities, to purchase Empire-made goods and to place all contracts with British firms, exceptions to be made, by special permission of proper authority, only in cases where such a course is considered to be at variance with public interests."

It is not necessary to emphasise that if it is made compulsory in each part of the Empire that Government Departments and Municipal and other Public Bodies place contracts only with British firms (using that term in its widest Imperial sense), it would prove a very strong factor in stimulating the establishment of new, and the growth of existing industries as well as consolidating Inter-Empire trade.

The Imperial Government and each of the Dominion and Colonial Governments having powers to legislate are being approached on this matter by the Council of the Institute, and in the opinion of this Committee it would be in our mutual interests if your Organisation would co-operate in bringing before your Government the necessity of passing the necessary legislation to give effect to the principle embodied in the Resolution.—I have, etc.,

JAMES R. BOOSE,  
Acting Secretary,  
Trade & Industry Committee.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 5th December, 1916.

Sir,—I am directed to acknowledge receipt of your letter of 21st July, setting out the resolution passed by your Committee seeking to obtain legislation throughout the Empire whereby it will become obligatory on all Government Departments and all other bodies spending public monies, to purchase Empire-made Goods and to contract only with British firms, when such procedure is practicable.

My Committee heartily support the resolution and will take the earliest opportunity of approaching the Hongkong Government on the subject.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
Trade and Industry Committee,  
Royal Colonial Institute,  
London.

Hongkong, 5th December, 1916.

Sir,—I have the honour to submit for the information and consideration of His Excellency the Governor copy of a letter received by this Chamber from the Trade and Industry Committee of the Royal Colonial Institute with copy of the Chamber's reply which correspondence speaks for itself.

The resolution set out in the enclosure has the entire support of my Committee who in the interests of British Merchants of this Colony, and in the interests of the British Empire would gladly welcome local legislation of the nature desired.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

Colonial Secretary's Office,  
Hongkong, 19th December, 1916.

Sir,—I am directed to acknowledge the receipt of your letter of the 5th December relative to a proposal that legislative powers should be taken to compel Government and other public departments and undertakings as far as possible to purchase Empire-made goods and to place all contracts with British firms.

2. It is a rule of the Colonial Service that all requisitions from a Colony for stores required from the United Kingdom or from countries not being adjacent to the Colony concerned are to be sent to the Crown Agents for the Colonies in London; and it has been the invariable practice of the Crown Agents to place orders, as far as possible, with British firms. This Government concurs that the Crown Agents should



be asked to make it a hard and fast rule that its orders are to be placed with British firms within the Empire, unless such a course is considered to be at variance with public interests.

3. As regards the many orders and contracts placed locally by this Government the matter assumes a different aspect. It is the rule that all orders in an amount exceeding \$150 are to be placed by public tender; and, as your Chamber is aware, the successful tenderers are in the majority of cases Chinese firms, who may or may not contain British subjects and may or may not employ British materials. It would be possible in many cases to make it a condition that materials and stores supplied are to be of an origin within the Empire, but it would seem to be against the public interest that a fixed rule should be made in the matter. I may quote, for example, cement purchased from the Green Island Cement Company, which is made from material derived from Chinese or French territory, or coal, which is purchased from Japan.

4. Apart from the Government there are in this Colony no Municipal or other bodies spending public moneys; and in the case of Companies performing public services, such as Gas, Electric Light, Telephone, and Tramway Companies, no present means exist of exercising any control in respect of matters unconnected with the efficiency of the service rendered.

5. I am to request that the Chamber will be so good as to acquaint this Government of the form which in their opinion legislation should take, in view of the circumstances set out in paragraphs 3 and 4 of this letter.—I am, etc.,

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 10th January, 1917.

Sir,—I have the honour to acknowledge receipt of your reply No. 3310/1916 to this Chamber's letter of 5th December regarding the purchase of Empire-made goods and the placing of all contracts with British firms.

2. This Chamber would be glad to see the system of requisitioning through the Crown Agents in London entirely abolished and opportunity given to all British Merchants in the Colony to tender for Government requirements.

3. My Committee is of opinion that only British firms should be allowed to tender for local contracts, but should this be found impracticable then the Chinese should be required to guarantee that the material supplied is of British manufacture (unless not produced in the Empire) and failing such guarantee a higher tender from a British firm should be accepted.

4. In the case of the Green Island Cement Co. no real argument exists against the adoption of the general principle, for the finished product is a British product, produced in the Empire. In any discussion of protective measures my Committee hold the view that raw materials are generally excepted and this exception would embrace both the case of the Green Island Cement, and the consumption of Chinese or Japanese Coal.

A Company with British Capital manufacturing in a foreign country on the other hand, should be penalised as against competitors operating in the Empire, for the former are probably doing so partly to evade charges within the Empire.

5. Public utility Companies such as Gas, Electric Light, Telephone and Tramway Companies would probably be largely influenced by the example of a Government practising principles of "British for the British." The fear of Government absorption might prove sufficient, and in any case legislation obliging such companies to use British Machinery, Stores, etc. where practicable, would not be unjust, for the public is their stay and support.—I have, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary,

Colonial Secretary's Office,  
Hongkong, 10th February, 1917.

Sir,—I am directed to acknowledge the receipt of your letter of the 10th January regarding the purchase of Empire made goods and in reply to inform you that the Colonial Government cannot agree with you on all the points raised especially with regard to the Crown Agents' system. After long experience the Colonial Government are completely satisfied with this system.

I am to add that the correspondence will be forwarded to the Secretary of State for the Colonies for his consideration.—I am, etc.,

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

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**G 1**

DEPOSIT WITH GOVERNMENT BY FIRE AND  
MARINE INSURANCE COMPANIES.

Hongkong, 29th June, 1916.

Sir,—I am directed to lay before you the opinion of my Committee that the time is now ripe to consider an amendment in the Ordinance regulating the conduct of Fire and Marine Insurance Companies in the Colony.

In this connection you will perhaps have noted the remarks which fell from the Chairman of the Chamber at the Annual Meeting held on 28th March, 1916, and the new Act Revising and Regulating the Insurance Laws of the Philippine Islands.

There is good reason to doubt whether many locally registered Companies could in the event of a serious outbreak of fire, retain any financial stability. The public have no proper protection, the payment of dividends out of capital is believed to be general, notwithstanding the fact that this is quite illegal, and a temporary flutter in the form of a new Insurance Company is regarded as an excellent form of gambling by its Chinese promoters.

I am informed that out of 48 Companies registered in Hongkong 20 have already been wound up or struck out, and if this be a fact, it speaks for itself.

It seems to my Committee that a substantial Cash Deposit of say \$100,000, or securities to that value, should be required to be made with the Government by Fire and Marine Insurance Companies before they are allowed to operate in the Colony, but that in the case of those Companies which have already made a deposit in Great Britain, or elsewhere in the British Empire, exemption from this requirement should certainly be granted.

The institution of such a requirement has sufficient precedent in other parts of the Empire such as Canada. As regards the Canadian Law a memorandum supplied me reads as follows:—

“The Insurance Act of 1910 provides that every Company, whether Domestic or Foreign carrying on the Business of Life Insurance or Fire Insurance, shall deposit with the Minister in such securities as are hereinafter specified the sum of not less than G\$50,000 nor more than G\$200,000 as decided by the Treasury Board.”

My Committee trust that His Excellency will give this matter his sympathetic consideration as being a highly desirable reform in the interests of the insuring public.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

Hongkong, 31st July, 1916.

Sir,—I am directed to ask you when the Chamber may expect a reply to its letter of 29th June, 1916, with reference to the advisability of a deposit being demanded from Fire and Marine Insurance Companies doing business in the Colony.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

Colonial Secretary's Office,  
Hongkong, 5th August, 1916.

Sir,—Referring to your letter of the 31st July, I am directed to state that this Government is in communication with the Registrar of Companies at Shanghai on the question of requiring a deposit from Fire and Marine Insurance Companies.—I am, etc.,

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 13th September, 1916.

Sir,—With reference to my letter to you of the 29th June, 1916, regarding a suggested amendment in the Ordinance regulating the conduct of Fire and Marine Insurance Companies in the Colony, my Com-

mittee will be pleased to learn what steps are being taken by the Government in the matter. As the subject is one that closely affects the interests of the insuring public at the present time, the Committee attach great importance to the suggested legislation being passed at the earliest possible moment.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

Colonial Secretary's Office,  
Hongkong, 20th September, 1916.

Sir,—Referring to your letter of the 13th September, I am directed to state that this Government is awaiting a communication from the Registrar of Companies at Shanghai regarding the suggested regulation of Fire and Marine Insurance Companies.

A further letter has been sent.—I am, etc.,

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Colonial Secretary's Office,  
Hongkong, 12th October, 1916.

Sir,—Referring to your letter of the 29th June and subsequent correspondence, I am directed to state that this Government proposes to introduce at an early date legislation for the better control of Fire and Marine insurance companies.—I am, etc.,

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 3rd January, 1917.

Sir,—I have the honour to again approach you with reference to correspondence exchanged between this Chamber and Government on the subject of Deposit with Government by Fire and Marine Insurance Companies.

Your letter of 12th October last states that Government proposes to introduce at an early date legislation for the better control of such Companies and as this is a matter of much interest and importance to my Committee I am desired to enquire when this Chamber may expect the question to be dealt with.—I have, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

## H 1

### COMMERCIAL TREATY BETWEEN THE UNITED KINGDOM AND HONDURAS.

Colonial Secretary's Office,  
Hongkong, 29th September, 1916.

Sir,—I am directed to inform you that Notification of the accession of Hongkong to the Commercial Treaty between the United Kingdom and Honduras of the 5th May, 1910, was made to the Government of the Republic on the 27th April, and acknowledged on the 11th May, 1916, from which date the accession is regarded as having effect.—I am, etc.,

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 12th October, 1916.

Sir,—I have the honour to acknowledge the receipt of your letter of the 29th September, 1916, informing this Chamber that Notification of the accession of Hongkong to the Commercial Treaty between the United Kingdom and Honduras of the 5th May, 1910, was made to the Government of the Republic on the 27th April, and acknowledged on the 11th May, 1916, from which date the accession is regarded as having effect.

I am directed by my Committee to express their thanks to you for the foregoing information.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

## ECONOMIC CONFERENCE OF THE ALLIES.

Colonial Secretary's Office,  
Hongkong, 27th September, 1916.

Sir,—I am directed to forward for the information of the Chamber a copy of a Circular Despatch received from the Secretary of State for the Colonies transmitting a copy of a Parliamentary Paper containing the Recommendations of the Economic Conference of the Allies held at Paris in June last.—I am, etc.,

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Downing Street,  
London, 14th August, 1916.

Sir,—I have the honour to transmit to you, for your information, the accompanying copy of a Parliamentary Paper containing the Recommendations of the Economic Conference of the Allies held at Paris in June last.—I have, etc.,

## A. BONAR LAW.

The Officer Administering  
the Government of  
Hongkong.

## ECONOMIC CONFERENCE OF THE ALLIES.

## I.

The representatives of the Allied Governments have met at Paris under the presidency of M. Clementel, Minister of Commerce, on June 14, 15, 16 and 17, 1916, for the purpose of fulfilling the mandate given to them by the Paris Conference of March 28, 1916, of giving practical expression to their solidarity of views and interests, and of proposing to their respective Governments the appropriate measures for realising this solidarity.

## II.

They declare that after forcing upon them the military contest in spite of all their efforts to avoid the conflict, the Empires of Central Europe are to-day preparing, in concert with their Allies, for a contest on the economic plane, which will not only survive the re-establishment of peace, but will at that moment attain its full scope and intensity.

They cannot therefore conceal from themselves that the agreements which are being prepared for this purpose between their enemies have the obvious object of establishing the domination of the latter over the production and the markets of the whole world and of imposing on other countries an intolerable yoke.

In face of so grave a peril the Representatives of the Allied Governments consider that it has become their duty, on grounds of necessary and legitimate defence, to adopt and realise from now onward all the measures requisite on the one hand to secure for themselves and for the whole of the markets of neutral countries full economic independence and respect for sound commercial practice, and on the other hand to facilitate the organisation on a permanent basis of their economic alliance.

For this purpose the Representatives of the Allied Governments have decided to submit for the approval of those Governments the following resolutions:—

## A.

## MEASURES FOR THE WAR PERIOD.

## I.

The laws and regulations prohibiting trading with the enemy shall be brought into accord.

For this purpose:

A.—The Allies will prohibit their own subjects and citizens and all persons residing in their territories from carrying on any trade with:—

1. The inhabitants of enemy countries whatever their nationality.
2. Enemy subjects wherever resident.
3. Persons, firms and companies whose business is controlled wholly or partially by enemy subjects or is subject to enemy influence and whose names are included in a special list.

B.—They will prohibit the importation into their territories of all goods originating in or coming from enemy countries.

C.—They will devise means of establishing a system enabling contracts entered into with enemy subjects and injurious to national interests to be cancelled unconditionally.

## II.

Business undertakings owned or operated by enemy subjects in the territories of the Allies will all be sequestrated or placed under control; measures will be taken for the purpose of winding up some of these undertakings and of realising their assets, the proceeds of such realisation remaining sequestrated or under control.

## III.

In addition to the export prohibitions which are necessitated by the internal situation of each of the Allied countries, the Allies will complete the measures already taken for the restriction of enemy supplies, both in the mother countries and in the Dominions, Colonies and Protectorates:—

1. By unifying the lists of contraband and of export prohibition, and particularly by prohibiting the export of all commodities declared absolute or conditional contraband;
2. By making the grant of licences for export to neutral countries from which export to enemy territories might take place conditional upon the existence in such countries of control organisations approved by the Allies; or, in the absence of such organisations, upon special guarantees such as the limitation of the quantities exported, supervision by Allied consular officers, etc.

## B.

TRANSITORY MEASURES FOR THE PERIOD OF COMMERCIAL,  
INDUSTRIAL, AGRICULTURAL AND MARITIME  
RECONSTRUCTION OF THE ALLIED COUNTRIES.

## I.

The Allies declare their common determination to ensure the re-establishment of the countries suffering from acts of destruction, spoliation and unjust requisition, and decide to join in devising means to secure the restoration to those countries, as a prior claim, of their raw materials, industrial and agricultural plant, stock and mercantile fleet, or to assist them to re-equip themselves in these respects.

## II.

Whereas the war has put an end to all the treaties of commerce between the Allies and the Enemy Powers, and whereas it is of essential importance that, during the period of economic reconstruction which will follow the cessation of hostilities, the liberty of none of the Allies should be hampered by any claim put forward by the Enemy Powers to most-favoured-nation treatment, the Allies agree that the benefit of this treatment shall not be granted to those Powers during a number of years to be fixed by mutual agreement among themselves.

During this number of years the Allies undertake to assure to each other so far as possible compensatory outlets for trade in case consequences detrimental to their commerce result from the application of the undertaking referred to in the preceding paragraph.

## III.

The Allies declare themselves agreed to conserve for the Allied countries, before all others, their natural resources during the whole period of commercial, industrial, agricultural and maritime reconstruction, and for this purpose they undertake to establish special arrangements to facilitate the interchange of these resources.

## IV.

In order to defend their commerce, their industry, their agriculture and their navigation against economic aggression resulting from dumping or any other mode of unfair competition the Allies decide to fix by agreement a period of time during which the commerce of the enemy powers shall be submitted to special treatment and the goods originating in their countries shall be subjected either to prohibitions or to a special regime of an effective character.

The Allies will determine by agreement through diplomatic channels the special conditions to be imposed during the above-mentioned period on the ships of the enemy powers.

## V.

The Allies will devise the measures to be taken jointly or severally for preventing enemy subjects from exercising, in their territories, certain industries or professions which concern national defence or economic independence.

## C.

PERMANENT MEASURES OF MUTUAL ASSISTANCE AND  
COLLABORATION AMONG THE ALLIES.

## I.

The Allies decide to take the necessary steps without delay to render themselves independent of the enemy countries in so far as regards the raw materials and manufactured articles essential to the normal development of their economic activities.

These steps should be directed to assuring the independence of the Allies not only so far as concerns their sources of supply, but also as regards their financial, commercial and maritime organisation.

The Allies will adopt the methods which seem to them most suitable for the carrying out of this resolution, according to the nature of the commodities and having regard to the principles which govern their economic policy.

They may, for example, have recourse either to enterprises subsidised, directed or controlled by the Governments themselves, or to the grant of financial assistance for the encouragement of scientific and technical research and the development of national industries and resources; to customs duties or prohibitions of a temporary or permanent character; or to a combination of these different methods.

Whatever may be the methods adopted, the object aimed at by the Allies is to increase production within their territories as a whole to a sufficient extent to enable them to maintain and develop their economic position and independence in relation to enemy countries.

## II.

In order to permit the interchange of their products, the Allies undertake to adopt measures for facilitating their mutual trade relations both by the establishment of direct and rapid land and sea transport services at low rates, and by the extension and improvement of postal, telegraphic and other communications.

## III.

The Allies undertake to convene a meeting of technical delegates to draw up measures for the assimilation, so far as may be possible, of their laws governing patents, indications of origin and trade marks.

In regard to patents, trade marks and literary and artistic copyright which have come into existence during the war in enemy countries, the Allies will adopt, so far as possible, an identical procedure, to be applied as soon as hostilities cease.

This procedure will be elaborated by the technical delegates of the Allies.

## D.

Whereas for the purposes of their common defence against the enemy the Allied Powers have agreed to adopt a common economic policy, on the lines laid down in the Resolutions which have been passed, and whereas it is recognised that the effectiveness of this policy depends absolutely upon these Resolutions being put into operation forthwith, the Representatives of the Allied Governments undertake to recommend their respective Governments to take without delay all the measures, whether temporary or permanent, requisite for giving full and complete effect to this policy forthwith, and to communicate to each other the decisions arrived at to attain that object.

BOARD OF TRADE.

21st June, 1916

Hongkong, 12th October, 1916.

Sir,—I am directed by my Committee to acknowledge the receipt of, and thank you for your letter of the 27th September, 1916, transmitting for the information of the Chamber a copy of a Circular Despatch received from the Secretary of State for the Colonies transmitting a copy of a Parliamentary Paper containing the Recommendations of the Economic Conference of the Allies held at Paris in June last.—I am, etc.,

E. A. M. WILLIAMS,

Secretary.

The Honourable, The Colonial Secretary.

AN APPEAL TO ALL BRITONS OVERSEAS.

London, W., 10th August, 1916.

Dear Sir,—I enclose you copy of a leaflet which is being circulated, under the highest auspices, to Britons all over the world, with the approval of the Treasury, the Colonial Office, etc.

In the case of Hongkong, we believe that, not only the Britons, but a large number of the Chinese community, would gladly help in the Empire's war finance, if the matter were laid before them in the right way. I am sending you, under separate cover, 500 of these leaflets, and I am going to ask you and your Chamber to be so very kind as to give these as personal a distribution as possible into the right hands, and, should you think fit, that a number shall reach the Chinese. I feel sure you will do this work for us, which is of a patriotic nature, and, thanking you in advance.—I am, etc.,

F. HERBERT CURLE,  
Organising Director.

The Secretary,  
Hongkong General Chamber of Commerce.

AN APPEAL TO ALL BRITONS OVERSEAS.

Issued by the United Workers, London,  
With the approval of  
The Right Hon. A. Bonar Law, Secretary of State  
for the Colonies,  
And endorsed by

EARL OF CROMER, G.C.B., O.M. (late British Agent in Egypt).  
EARL GREY, G.C.B. (late Governor-General of Canada).  
VISCOUNT MILNER, G.C.B. (late High Commissioner in South Africa).  
LORD SYDENHAM, G.C.S.I. (late Governor of Victoria and Bombay, Chairman British Empire League).  
LORD ALDENHAM (Treasurer Patriotic League of Britons Overseas).  
DOWAGER COUNTESS OF JERSEY (President Victoria League).  
Right Hon. SIR G. REID, G.C.M.G. (late Prime Minister of Australia).  
Right Hon. SIR G. TAUBMAN GOLDIE, K.C.M.G. (Founder of Nigeria).  
Right Hon. WILL CROOKS, M.P.  
SIR JOHN HEWETT, G.C.S.I. (late Lieut.-Gov. North-West Provinces).  
R. M. KINDERSLEY (Chairman National War Savings Committee, Governor of Hudson's Bay Company).

Hon. R. H. BRAND, C.M.G.  
SIR HARRY WILSON, K.C.M.G. (Secretary Royal Colonial Institute).  
EVELYN WRENCH (Honorary Organizer Overseas Club).

## TO BRITONS OVERSEAS.

After two years of the War we see most clearly emerging a struggle of Economic Endurance to be waged by the non-combatants; and that side whose non-combatants can finance it longest will win. Upon the issue depends the liberty of our Empire.

The whole German nation is supporting its armies. The utmost frugality is in force, and the nation's resources are being conserved in a remarkable way. To the recent War Loan, which realised 535 millions, there were 5,279,645 subscribers. *Germany is not exhausted.*

Britain, who must buy her food and raw material abroad, and lend her allies more than a million pounds a day, has at last realised that every single citizen is called upon for his or her maximum effort. Through her Cabinet Ministers she has called upon the people for self-denial, for the utmost conservation of resources, and for the loan of every spare penny.

And the people, now that they understand this to be an economic struggle, are responding more and more. They are awakening fast. The national conscience is stirring. We intend to produce more, to consume less, and to adjust our whole economic outlook to the War.

Meanwhile, it is of the utmost importance that every Briton overseas, man and woman, shall understand the position. We address all of British blood. We address Canadians, Australians, South Africans, Britons in the Crown Colonies and Protectorates, Britons in India and Burmah, Britons in the United States, in Latin America, in China, Britons wherever they may be on the face of the Earth; and we tell them this:—

- (1) Time is on our side if our Empire can outlast Germany in money and resources; and it is beyond dispute that we can outlast her if we choose.
- (2) Our power so to do, depends entirely upon the individual conserving his resources, and making them available for the war.
- (3) This he can only do by producing more, consuming less, and lending every penny he can either to his own Government's War Loans or to those of the British Government.

## HOW TO LEND.

Canadians, }  
Australians, }  
New Zealanders. }   Subscribe to the War Loans which your own Governments will issue.

South Africans, Straits Settlements Newfoundlanders	}	If your own Governments do not issue War Loans, apply in London for 5% Exchequer Bonds, issued free of income tax.
Britons in the Straits Settlements and Malay States.	}	Subscribe to the local War Loan. If closed, apply in London for 5% Exchequer Bonds, issued free of Income Tax.
Britons in other Crown Colonies and Protectorates.	}	Subscribe to any local War loan. Where there is none, apply in London for 5% Exchequer Bonds, issued free of income tax.
Britons in India and Burmah.	}	Subscribe to any local loan. If there is none, apply in London for 5% Exchequer Bonds, issued free of income tax.
Britons in United States of America.	}	Buy the Anglo-French loan on the open market. Or you can apply in London for 5% Exchequer Bonds, issued free of income tax.
Britons in other Foreign Countries.	}	Apply in London for 5% Exchequer Bonds, issued free of income tax. Take the advice of some local British banker as to how you can best help the exchange in our favour.

Hongkong, 12th October, 1916.

Dear Sir,—I thank you for your letter of 10th August, 1916, forwarding copy of a leaflet which is being circulated to Britons all over the world.

The necessary publicity has been given to this Appeal as you desire by insertion in four of the daily newspapers in Hongkong.—I am, etc.,

E. A. M. WILLIAMS,

Secretary.

The Organising Director,  
United Workers,  
175, Piccadilly,  
London.

**K 1**

## IRON SHIPMENTS.

Hongkong, 24th October, 1916.

Dear Sir,—We are acting in a matter in which we are desirous of knowing whether or not there is a custom of the port in the shipping line to the following effect:—

That iron shipments are always accepted on the understanding that the absence of port marks shall free the Steamship Company from claims re shortage or wrong delivery if the Shippers' marks are deleted or rendered indistinct during the transit.

And if there is no such custom, we shall be glad also to know whether there is any custom approximating thereto.

We shall be glad if you could favour us with an early reply, and thanking you in anticipation.—We remain, etc.,

EWENS &amp; NEEDHAM.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 1st November, 1916.

Dear Sirs,—I am directed to acknowledge receipt of your letter of the 24th October, 1916, enquiring whether or not a custom of the port prevails in the shipping line with regard to iron shipments.

Your letter has been duly laid before my Committee who now instruct me to reply that they regret they are not in a position to express an opinion on such questions.—Yours, etc.,

E. A. M. WILLIAMS,  
Secretary.

Messrs. Ewens & Needham,  
Hongkong.

**L 1**

## EXPORT OF RAW OX AND BUFFALO HIDES FROM YUNNAN.

Colonial Secretary's Office,  
Hongkong, 25th October, 1916.

Sir,—I am directed to forward for the information of your Chamber a report received from H.B.M. Consul-General, Yunnanfu, on the export of raw ox and buffalo hides from Yunnan.

**L 1**

I am to request that the letter, which is in original, may be returned to this office when perused.—I am, etc.,

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Colonial Secretary's Office,  
Hongkong, 21st November, 1916.

Sir,—I am directed to enquire whether the report from H. B. M. Consul-General, Yunnanfu, on the export of raw ox and buffalo hides from Yunnan, which was forwarded to you for the information of your Chamber with my letter No. 3942/1913 of the 25th October, 1916, can now be returned.—I am, etc.,

E. BULLOCK,  
for Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 21st November, 1916.

Sir,—I have the honour to acknowledge the receipt of your letter of date, and beg to return herewith as requested the enclosures to your letter of 25th October.

I am directed to thank you for the opportunity afforded my Committee of perusing the Report.—I have, etc.,

E. A. M. WILLIAMS,  
Secretary,

The Honourable, The Colonial Secretary.

**M 1**

## TRANSHIPMENT OF BUTTER AT HONGKONG.

British Chamber of Commerce,  
Shanghai, 25th October, 1916.

Dear Sir,—I beg to hand you herewith copy of a letter received from Messrs. Geddes & Co., Ltd., regarding the transshipment of butter at Hongkong. I shall be greatly obliged if you could give me any information on the subject, from the Hongkong point of view, that would assist my Committee in dealing with it.—I am, etc.,

H. B. STEWART,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.



5, Peking Road,  
Shanghai, 23rd October, 1916.

Dear Sir,—We beg to draw your attention to the following circumstances in connection with the import of fresh butter into Shanghai:—

We have for many years imported fresh butter from Australia in refrigerator but as the Eastern and Australian S.S. Company's boats do not now come to Shanghai it has become necessary for us to arrange with our Agents, The Dairy Farm Co., Ltd., Hongkong, to take delivery on our behalf and cold-store the butter awaiting a suitable steamer with refrigerator accommodation to Shanghai.

We understand that for some months past the export of first grade butter from Australia has been prohibited and our Agents have therefore purchased first quality New Zealand Butter and shipped same under bond from Sydney.

On or about the 30th ult. our Agents shipped per s.s. "St. Albans" for our account 225 cases of first grade New Zealand butter to the Dairy Farm Co., Ltd., Hongkong, for transhipment to Shanghai. We received advice from the Dairy Farm Co., Ltd., that as the butter was not shipped on a through Bill of Lading to Shanghai, the Hongkong Government have refused permission to tranship without permission from the Australian Government.

The butter therefore is now lying at Hongkong at our expense and risk.

We have taken the matter up with the British Consular Authorities here and enclose for your information copy of Statutory Declaration which we have sworn. We have also cabled to our Agents in Sydney asking them to request the Australian Government to cable the necessary permission to Hongkong. We have also informed them that future shipments should be under through Bill of Lading.

Although we have asked for through Bill of Lading for future shipments we anticipate there is likelihood of trouble in securing this as the goods cannot be shipped forward and transhipped at Hongkong like ordinary cargo. They have to be taken delivery of in Hongkong by our Agents and cold-stored for a period of perhaps two or three weeks awaiting a steamer to Shanghai with refrigerator accommodation.

We wish to emphasize that the difficulty raised as regards transhipment from Hongkong is a serious matter to foreign residents in Shanghai, Hankow, Tientsin and other Northern Outports which places all look to us to maintain stocks. We are now out of stock of this butter and as there is a great shortage here at the present time there is every likelihood that very shortly no butter at all will be available.

We shall be obliged if your Committee can use their influence to facilitate matters both as regards the present and also future shipments of this commodity, which is a necessity for the foreign residents in China.

We are prepared for future shipments to instruct our Agents to adopt any necessary requirements such as marking the cases for transhipment to Shanghai but we would repeat that this cargo, owing to its nature, cannot be shipped on a through Bill of Lading but must be stored in a refrigerator in Hongkong pending transhipment.

By far the largest proportion of the consumers are British and any assistance you are able to give us in this matter will not only be on behalf of British trade but will also be directly in the interests of all British, Allied and Neutral residents in China.—We are, etc.,

For Geddes & Co., Ltd.,  
ALEX. SAMSON,  
Director.

The Secretary,  
British Chamber of Commerce,  
Shanghai.

I, Alexander Samson, Director of Geddes & Co., Ltd., Shanghai, a British Co., hereby solemnly and sincerely declare as follows:—

(1) That Geddes & Co., Ltd., have for many years imported Australian Fresh butter for the use of foreign residents of Shanghai, Hankow, Tientsin and North China generally.

(2) That on or about September 30th, Messrs. Prescott Limited of Sydney shipped to our order 225 boxes of "Daisy" brand fresh butter per s.s. "St. Albans" to our Agents in Hongkong, the Dairy Farm Co., Ltd., for transhipment to Shanghai.

(3) To the best of our knowledge and belief this butter is all New Zealand butter, shipped under bond.

(4) We have received advice from our Agents, the Dairy Farm Co., Ltd., Hongkong, that permission to export this butter from Hongkong is refused pending permission from the Australian Government.

(5) This butter is urgently required in Shanghai, Hankow, Tientsin and other Outports for the use of foreign residents, principally, British and American. Geddes & Co., Ltd., are by far the largest importers of this product and if delivery cannot be quickly taken there is every likelihood that there will be no butter whatever in the aforesaid outports for the use of foreign residents and moreover British trade will suffer.

(6) Geddes & Co., Ltd., have their own cold storage and have specially adapted their business for the import of butter and the foreign population in North China rely very largely upon them for their supplies.

Refusal to allow export from Hongkong is placing us to considerable expense and loss and we therefore request that permission be granted for the butter to come forward either in one or more shipments as would be arranged by our Agents.

And I made this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declaration Acts, 1835.

Dated, Shanghai, October 23rd, 1916.

Hongkong, 23rd November, 1916.

Dear Sir,—I beg to acknowledge the receipt of your letter of the 25th October, 1916, enclosing copy of a letter received from Messrs. Geddes & Co., Ltd., regarding the transhipment of butter at Hongkong.

I communicated with the Superintendent of Imports and Exports, and am informed that reference was made to Australia in connection with the shipment of butter referred to in Messrs. Geddes & Co.'s letter, and that the same is now going forward to Shanghai.

As regards future shipments of butter to be transhipped in Hongkong for Shanghai, the Superintendent states that, if it is impracticable to obtain through Bills of Lading, shipments should be accompanied by some document showing that the butter is intended for Shanghai.

Butter comes to Hongkong "as a British Possession" and formalities in Australia are different in case of foreign ports.

Trusting you will experience no further difficulty in the matter.—I remain, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
British Chamber of Commerce,  
Shanghai.

British Chamber of Commerce,  
Shanghai, 4th December, 1916.

Dear Sir,—I beg to acknowledge, with many thanks, the receipt of your letter of the 23rd ultimo, in reply to mine of the 25th October, regarding the transhipment of butter at Hongkong.—I am, etc.,

H. B. STEWART,  
Secretary

The Secretary,  
Chamber of Commerce,  
Hongkong.

## SHORTLANDED CARGO.

Hongkong, 10th November, 1916

Dear Sir,—We beg leave to ask your advice and good offices in the following matter:

The s.s. "Glenstrae" (Agents, Shewan, Tomes & Co.) which arrived from Genoa on February 23rd, 1916, shortlanded two cases of piecegoods of our property. Shortlanded entry was duly made on the B/L, and we sent in our claim to the Agents, who advised us that they were communicating with the Agents of the Glen Line at the various ports of call and at Genoa. Nine months have passed, and the only answer we can obtain from Messrs. Shewan Tomes & Co., is that they are awaiting instructions from their London principals, who are looking into the matter.

We also have looked into the matter, have written to Genoa, and have long since received duly stamped copies of B/L showing that the two cases were loaded at Genoa, and not left behind at that port. Since we cannot get any refund from the Hongkong Agents, we wish to ask your advice as to whether we are utterly helpless, and must await the good pleasure of Messrs. Shewan Tomes & Co., or whether there might be some means of enforcing our rights. The matter is very clear and well-established: the goods were loaded at Genoa and short landed at Hongkong. Nine months have passed, and the goods have not been traced. We think that it is not fair to keep us waiting so long, considering that other S.S. Companies always adjust such matters very promptly.

Please accept our thanks for giving this matter your kind attention.—Yours, etc.,

per pro. G. Martini Ltd.,  
M. J. FORTIE,

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 23rd November, 1916.

Dear Sirs,—I beg to acknowledge the receipt of your letter of the 10th instant with reference to certain Shortlanded Cargo.

N 1

Your letter has been circulated amongst my Committee who instruct me to state that whilst sympathising with you in the inconvenience you appear to have suffered, the Chamber cannot very well interfere in a matter in which the remedy lies in your own hands.—  
Yours, etc.,

E. A. M. WILLIAMS,  
Secretary.

Messrs. G. Martini, Ltd.,  
Hongkong.

O 1

## BILLS OF LADING FORMS.

Association of Exporters and Dealers of Hongkong,  
Hongkong, 13th November, 1916.

Dear Sir,—I am directed by the Committee of this Association to bring to the notice of your Chamber the enclosed copies of letters received from the China and Japan Homeward Freight Conference, from which it appears that shippers are in future to be charged for Bills of Lading Forms at the following rates:—

Single copies			.04 cents
12	„	for	.36 „
100	„	„	\$ 2.50 „
1,000	„	„	\$15.00 „

The letter dated 30th October, 1916, substitutes a charge of 6d. (Sixpence) to the freight on each set of Bills of Lading signed, which, as a matter of fact, works out at more than 4 cents per copy.

It is a matter of considerable surprise to exporters that Shipping Companies should, in the flood of their prosperity, consider it necessary to recoup themselves for the extra cost of paper by charging for Bill of Lading Forms. The swollen profits of Shipowners should more than compensate for this increase and go some way towards meeting their office expenses. In these circumstances my Committee cannot but consider the action of the Conference as petty and irritating.

I am directed by my Committee to point out that other Steamship Lines such as those of the Pacific Conference, etc. are not making this charge. As circumstances stand at present, shippers have no alternative but to bow to the decision of the Shipping Companies who should hesitate before abusing the unique advantages possessed by them.

O 1

I am desired by my Committee to ask your Chamber to use its influence in obtaining a rescission of the charge.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

China & Japan Homeward Freight Conference,  
Hongkong, 21st October, 1916.

Dear Sir,—I beg to inform you that on and from the 24th instant it has been arranged for all Lines to charge Shippers for Bills of Lading forms (as it has been always usual to do in London and many other large ports) in view of the present difficulties created by War conditions and the restrictions placed by H. M. Government on the importation of paper and paper making material etc.,—at the following rates:—

Single copies			.04 cents
12	„	for	.36 „
100	„	„	\$ 2.50 „
1,000	„	„	\$15.00 „

Kindly take the necessary steps to inform Shippers that the system will be inaugurated at all ports from the date mentioned.—I am, etc.,

E. V. D. PARR,  
Chairman.

E. A. M. Williams, Esq.,  
Secretary,  
Association of Exporters & Dealers of Hongkong,  
Hongkong.

China & Japan Homeward Freight Conference,  
Hongkong, 30th October, 1916.

Dear Sir,—Adverting to my letter of 21st instant, I shall be obliged if you will cancel the rates mentioned therein for Bills of Lading forms.

It has now been agreed to follow the more simple arrangement made by the Shanghai Lines to add a charge of 6d (sixpence) to the freight on each set of Bills of Lading signed, and I shall be obliged if you will be good enough to inform Shippers that this system will be in-

augurated at all ports at once on shipments made to Ports west of Suez.—I am, etc.,

E. V. D. PARR,  
Chairman.

E. A. M. Williams, Esq.,  
Secretary,  
Association of Exporters and Dealers of Hongkong,  
Hongkong.

Hongkong, 5th December, 1916.

Dear Sir,—I am directed by my Committee to approach you with a view to obtaining, if possible, the rescission of the charge of 6d to the freight on each signed set of Bills of Lading imposed on Shippers since the 24th October.

This matter has been brought before the Chamber by the Association of Exporters and Dealers of Hongkong whose members are much irritated at what they consider the petty action of the Conference.

It is pointed out that other Steamship Lines such as those of the Pacific Conference etc., are not making the charge, and generally my Committee think it would improve the relations between shipper and shipowner were your Conference to drop the additional charge, especially as it appears to my Committee wrong in principle to request shippers to pay for the receipt for their cargo and the saving of paper will be in no way affected by it.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

E. V. D. Parr, Esq.,  
Chairman,  
China Homeward Freight Conference,  
Hongkong.

Hongkong, 5th December, 1916.

Dear Sir,—I am directed to acknowledge receipt of your letter of China Homeward Freight Conference of 6d to freight on each set of Bills 13th ultimo, complaining of the additional charge being made by the of Lading signed.

The matter was considered at the last monthly meeting of the Chamber, when it was decided to make representations to the Conference to have the charge rescinded.

I enclose for the information of your Committee copy of the Chamber's letter to the Conference.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
Association of Exporters & Dealers of Hongkong,  
Hongkong.

China & Japan Homeward Freight Conference,  
Hongkong, 8th December, 1916.

Dear Sir,—I am in receipt of your letter of the 5th instant which has been duly considered by the Members of the Conference, and in reply beg to refer to the difficulties created by War conditions particularly in consequence of the measures taken by His Majesty's Government to restrict the importation of paper and paper making material with the result that the cost of all kinds of paper, printing and stationery, is increasing to a serious extent.

It has therefore been considered necessary to introduce at Eastern ports the system which has always obtained in London and other home and foreign ports, namely, to charge the cost of Bill of Lading forms to the shippers.

It is well known that these forms have been misused to a considerable extent both here and at outports, and the decision to discontinue issuing them free was made by Owners as a result of the above facts and in order to prevent a continuance of this waste.

It is submitted the matter is of some importance to Owners of present day large fleets, as it is intended that the system is to become universal at the ports where their steamers call.

I am however forwarding a copy of your letter under advice to the Secretary of the Conference in London for the information of the Owners, and will refer to the matter again on receipt of a reply.—I am, etc.,

E. V. D. PARR,  
Chairman.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hongkong.

Hongkong, 16th December, 1916.

Dear Sir,—I beg to enclose for your information copy of reply received from the Chairman of the China and Japan Homeward Freight Conference to this Chamber's letter of the 5th instant.—Yours, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
Association of Exporters & Dealers of Hongkong.

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**P 1**

SUBMARINE OUTRAGES.

TELEGRAM FROM SHANGHAI BRITISH CHAMBER OF COMMERCE.

"In view submarine outrages Shanghai chamber proposes cable Government in name China chambers urging Adoption of ton for ton policy as condition of peace will you join wire reply."

STEWART.

TELEGRAM TO SHANGHAI BRITISH CHAMBER OF COMMERCE.

British Chamber of Commerce.

"Support your proposal please supply copy telegram and we will telegraph in sympathy therewith."

WILLIAMS.

TELEGRAM FROM SHANGHAI BRITISH CHAMBER OF COMMERCE.

"Wired Government following as reparation submarine outrages merchant vessels affiliated British Chambers Commerce Canton, Chefoo, Changsha, Foochow, Hankow, Newchwang, Swatow, Shanghai, Tientsin unanimously urge inclusion by Government of ton for ton policy conditions peace."

STEWART.

British Chamber of Commerce,  
Shanghai, 2nd December, 1916.

Dear Sir,—To-day I wired to you a copy of a message sent to London in the name of the affiliated British Chambers of Commerce of China, and now enclose for your information a copy of a letter addressed to H. M. Consul-General.

The Committee cordially welcome your promised co-operation in the matter of the ton for ton policy.—Yours, etc.,

H. B. STEWART,  
Secretary.

The Secretary,  
Chamber of Commerce,  
Hongkong.

Shanghai, 1st December, 1916.

Sir,—I have the honour to inform you that in connection with the movement having for its object the restitution in kind of all merchant vessels destroyed by enemy submarines, the Affiliated British Chambers of Commerce in China have unanimously combined with the object of addressing His Majesty's Government urging the adoption of the "ton for ton" policy as one of the conditions of peace. It is desired to send a cable message to the Foreign Office to the following effect:—

"As reparation for submarine outrages on merchant vessels affiliated British Chambers Commerce at Canton, Chefoo, Changsha, Foochow, Hankow, Newchwang, Swatow, Shanghai, Tientsin, unanimously urge definite inclusion by Government of ton for ton policy in conditions peace. Chairman, British Chamber, Shanghai."

My Committee would be grateful if you would be good enough to despatch the above message, charging the cost of it to the Chamber.—I have, etc.,

J. JOHNSTONE,  
Chairman.

Sir Everard Fraser, K.C.M.G.,  
H.M. Consul-General,  
Shanghai.

Hongkong, 5th December, 1916.

Sir,—I have the honour to advise you that this Chamber having been in consultation with the Shanghai British Chamber of Commerce, regarding reparation for Submarine Outrages, are in receipt of the following telegram dispatched by that Chamber and affiliated China Chambers to the Home Government:

"Wired Government following as reparation Submarine Outrages merchant vessels affiliated British Chambers Commerce Canton, Chefoo, Changsha, Foochow, Newchwang, Swatow, Shanghai, Tientsin unanimously urge inclusion by Government of ton for ton policy conditions peace—Stewart."

My Committee being in sympathy with the spirit of the foregoing

have directed me to approach the Government to despatch the following wire to the Secretary of State so that the feeling of the Mercantile Community of the Colony may be conveyed to the Imperial Government:

"Hongkong Chamber of Commerce unite with China Chambers supporting their telegram advocating ton for ton policy as part reparation submarine outrages mercantile vessels in conditions peace."—I have, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary,

Hongkong, 7th December, 1916.

Dear Sir,—I am in receipt of your letter of 2nd instant, covering copy of the Shanghai British Chamber's letter to H. B. M's. Consul-General at Shanghai embodying the text of a telegram which the Affiliated British Chambers of Commerce in China desire should be despatched to the Home Government.

As stated in my telegram of 28th ult., my Committee is in sympathy with the movement to secure reparation for Submarine Outrages by the adoption of the "ton for ton" policy, and upon receipt of your message of 2nd instant, this Chamber addressed the Colonial Secretary on the subject requesting that a wire be despatched in support to the Secretary of State for the Colonies.

I enclose for your information copy of this Chamber's letter to the Government.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
British Chamber of Commerce,  
Shanghai.

British Chamber of Commerce,  
Shanghai, 16th December, 1916.

Dear Sir,—I am in receipt of your letter of the 7th instant, indicating the course adopted by your Chamber in support of the action of the China Chambers regarding the "ton for ton" policy.

My Committee desire me to express their thanks for the support your Chamber has given in the matter.—Yours, etc.,

H. B. STEWART,  
Secretary.

The Secretary,  
Chamber of Commerce,  
Hongkong.

Colonial Secretary's Office,  
Hongkong, 30th December, 1916.

Sir,—Referring to your letter of the 5th December I am directed to inform you that the following telegram has been sent to the Secretary of State for the Colonies:—

"Chamber of Commerce ask for following to be transmitted to Secretary of State for Foreign Affairs:—

Hongkong Chamber of Commerce unite with China Chambers supporting their telegram advocating ton for ton policy as part reparation submarine outrages mercantile marine in conditions peace."

I enclose herewith a debit note for the cost of the telegram (\$36.80), and I shall be obliged if you will remit the amount to me at your convenience.—I am, etc.,

E. BULLOCK,  
for Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

1

MILITARY SERVICE.

Hongkong, 6th December, 1916.

Sir,—I am directed by my Committee to request that you will be good enough to bring to the notice of his Excellency the Governor the fact that great dissatisfaction and resentment exists among young men of military age in the Colony, against certain articles recently appearing in the local press regarding the military requirements of the Colony as against the claims of the Home service.

There is in fact the case of the entire European Staff of one of the largest Hongs in the Colony threatening to resign in a body and proceed to Europe rather than be continually referred to as "slackers" etc.

My Committee therefore beg respectfully to suggest that some such declaration as issued by the President of the Board of Trade to the Mercantile Marine Service, copy of which I enclose, be again published and that a certificate of Imperial service of a kind to be determined by His Excellency, be issued to men of military age in the Colony who are rendering as good service to their country by continuing their commercial careers combined with local military service, as by joining the Army at Home.

Q 1

My Committee would much appreciate whatever steps His Excellency might take to put an end to the persistent attempts being made to upset the temperament of the men and thereby endanger the Commerce of the Colony and its position as a financial and shipping base directly serving in the prosecution of the War.—I have, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

17th November, 1915.

MAINTENANCE OF BRITISH SHIPPING.

At the present time the efficient maintenance of our Mercantile Marine is of vital national interest, and captains, officers, engineers and their crews will be doing as good service for their country by continuing to man British ships as by joining the Army.

WALTER RUNCIMAN,  
President of the Board of Trade.

Colonial Secretary's Office,  
Hongkong, 7th December, 1916.

The Colonial Secretary begs to acknowledge the receipt of the Secretary, Chamber of Commerce's letter of 6th inst. which is receiving consideration.

Subject:—Military Service.

Colonial Secretary's Office,  
Hongkong 27th December, 1916.

Sir,—With reference to your letter of the 6th December, I am directed to inform you that His Excellency the Governor trusts that the recent remarks which he made in the Legislative Council will have the effect of stopping objectionable criticisms in the public press of the members of the local Volunteer Forces and the Police Reserve.—I am, etc.,

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

R 1

UNSATISFIED CLAIMS AGAINST ENEMY FIRMS.

Hongkong, 13th December, 1916.

Dear Sir,—We enclose you copy of a letter which our clients, the Hongkong Central Estate Ltd., have addressed to the Colonial Secretary on the subject of unsatisfied claims against enemy firms in the Colony.

Our clients desire to ask that their submission as contained in paragraph 4 of the letter be given the consideration of your Committee with a view to their supporting such submission and addressing the Government accordingly.—Yours, etc.,

DEACON, LOOKER, DEACON & HARSTON.  
E. A. M. Williams, Esq.,  
Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 13th December, 1916.

UNSATISFIED CLAIMS AGAINST ENEMY FIRMS.

Sir,—We are instructed by the Hongkong Central Estate Ltd. to address you on the above subject.

2. It is understood that the liquidation of enemy firms in the Colony is near its close and that, in many cases, the liquidations have resulted in a substantial surplus being realised which is to be handed over to the Custodian of Enemy Property to await the conclusion of hostilities.

3. It is further understood that the Imperial Government contemplates the possibility of making such surplus funds in its hands, both here and elsewhere, available for satisfying the claims of British creditors against German debtors which otherwise would remain undischarged.

4. Should this prove to be the case our clients submit that local surpluses should in the first place be made available to satisfy local debts and we shall be glad if you will represent their view to the Imperial Authorities.—We have, etc.,

DEACON, LOOKER, DEACON & HARSTON.  
The Hon. Mr. Claud Severn,  
Colonial Secretary.

Hongkong, 28th December, 1916.

Sir,—This Chamber has been advised by the Hongkong Central Estate Ltd. of the letter of the 13th instant addressed to you by them through their Solicitors, Messrs. Deacon, Looker, Deacon and Harston on the subject of claims against enemy firms or subjects.

2. It would be of great interest to my Committee to know whether the principle of making general surplus enemy funds in the hands of the Imperial Government available for the satisfaction of claims of British Creditors in different parts of the Empire has been or is likely to be adopted by the Imperial Authorities.

3. If the principle be admitted it appears only equity that local claims should be a first charge on local surpluses remitted to the Crown Agents.

4. My Committee understand that the prior right to consideration of local creditors was admitted in the Singapore Alien Enemy Winding-up Ordinance where local claims were satisfied in full before non-resident British Creditors took any part of the Estate.—I have, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary,

Hongkong, 28th December, 1916.

Dear Sirs,—I have for acknowledgment your letter of the 13th instant, covering a copy of a letter which your clients, the Hongkong Central Estate Ltd., have addressed to the Colonial Secretary on the subject of unsatisfied claims against enemy firms in the Colony.

My Committee decided to support the submission of your clients, and I take pleasure in enclosing a copy of a letter which has been addressed by the Chamber to the Colonial Secretary on the subject.—Yours, etc.,

E. A. M. WILLIAMS,  
Secretary.

Messrs. Deacon, Looker, Deacon & Harston,  
Hongkong.

Colonial Secretary's Office,  
Hongkong, 5th January, 1917.

Sir,—I am directed to state that His Excellency the Governor is forwarding to the Secretary of State for the Colonies a copy of your letter of the 28th December, together with a copy of that received from

Messrs. Deacon, Looker, Deacon and Harston under date the 13th December, regarding the setting off of enemy surplus funds against enemy indebtedness.—I am, etc.,

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

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LLOYD'S REGISTER OF SHIPPING.

71, Fenchurch Street,  
London, E.C., 6th November, 1916.

Dear Sir,—I beg to enclose herewith a copy of the Report of this Society's Operations for the year ended 30th June, 1916, which it is thought may not be without interest to you.—I am, etc.,

A. SCOTT,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 30th December, 1916.

Dear Sir,—I am directed to acknowledge and to thank you for your letter of 6th November, covering copy of the Report of the Society's Operations during the year 1915-1916.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
Lloyd's Register of Shipping,  
71, Fenchurch Street,  
London, E.C.



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THE EMPIRE'S COMMERCIAL AND INDUSTRIAL  
POLICY AFTER THE WAR.

Colonial Secretary's Office,  
Hongkong, 20th November, 1916.

Sir,—I am directed to forward for the consideration of the British Members of your Chamber a copy of a despatch received from the Secretary of State for the Colonies regarding the commercial and industrial policy to be adopted throughout the Empire after the war.

2. This Government will be glad to receive a statement of the views of the Chamber upon the subject.—I am, etc.,

A. G. M. FLETCHER,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Downing Street,  
London, 25th September, 1916.

Sir,—You are aware that His Majesty's Government have under consideration the commercial and industrial policy to be adopted after the War, and the measures to be taken to avoid any recurrence of the dangers to which the Empire has been exposed by the growth of German trade and influence within it.

2. The measures to be taken during the period of reconstruction and afterwards have recently been discussed by the Allied Governments, and I invite your attention to the "Recommendations of the Economic Conference of the Allies," of which you have already received a copy. A further copy is enclosed herewith for convenience of reference.

3. A Committee has been appointed to consider the commercial and industrial policy of the United Kingdom after the War, with special reference to the conclusions of the Conference. I enclose a copy of the terms of reference and a list of the members.

4. This Committee will consider the questions before them primarily from the point of view of the United Kingdom, and, as stated by the Prime Minister in the House of Commons on the 24th July last, its appointment is a step preliminary to the convening of a Conference representative of the United Kingdom, the Dominions, and India. At such Conference it will devolve on the Secretary of State for the Colonies to secure consideration of any special circumstances affecting the interests of any particular Colony or Protectorate. I should therefore be

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glad to receive from you a considered statement of the views of your Government on the Recommendations of the Conference and on the questions submitted to the Committee, so far as the circumstances of the Colony or Protectorate under your Government appear to you to call for special attention in connexion with them.

5. You will no doubt wish to consult representative persons and bodies before replying to this despatch, which you are at liberty to make public.—I have, etc.,

A. BONAR LAW.

COMMERCIAL AND INDUSTRIAL POLICY COMMITTEE.

The Prime Minister has appointed a Committee "to consider the commercial and industrial policy to be adopted after the War, with special reference to the conclusions reached at the Economic Conference of the Allies, and to the following questions:—

(a) What industries are essential to the future safety of the nation; and what steps should be taken to maintain or establish them.

(b) What steps should be taken to recover home and foreign trade lost during the War, and to secure new markets.

(c) To what extent and by what means the resources of the Empire should, and can, be developed.

(d) To what extent and by what means the sources of supply within the Empire can be prevented from falling under foreign control."

The Committee is composed as follows:—

The Right Hon. Lord Balfour of Burleigh, K.T., G.C.M.G.  
(Chairman).

Mr. Arthur Balfour,

Mr. H. Gosling,

Mr. W. A. S. Hewins, M.P.,

Mr. A. H. Illingworth, M.P.,

Sir J. P. Maclay, Bart.,

The Right Hon. Sir A. Mond, Bart., M.P.,

Mr. Arthur Pease,

Mr. R. E. Portlero, M.V.O., M.P.,

Sir Frederick H. Smith, Bart.,

Mr. G. J. Wardle, M.P.;

together with the following gentlemen, who are presiding over the Board of Trade Committees on the position of important industries after the war:—

Sir H. Birchenough, K.C.M.G.,  
 Sir A. A. Booth, Bart.,  
 Lord Faringdon,  
 Sir C. G. Hyde,  
 The Hon. Sir C. A. Parsons, K.C.B., F.R.S.,  
 Lord Rhondda,  
 Mr. G. Seoby-Smith.

Mr. Percy Ashley, of the Board of Trade, and Mr. G. C. Upcott, of the Treasury, have been appointed Secretaries to the Committee.

RECOMMENDATIONS OF THE ECONOMIC CONFERENCE OF THE ALLIES.

I.

The representatives of the Allied Governments have met at Paris under the presidency of M. Clementel, Minister of Commerce, on June 14, 15, 16 and 17, 1916, for the purpose of fulfilling the mandate given to them by the Paris Conference of March 28, 1916, of giving practical expression to their solidarity of views and interests, and of proposing to their respective Governments the appropriate measures for realising this solidarity.

II.

They declare that after forcing upon them the military contest in spite of all their efforts to avoid the conflict, the Empires of Central Europe are to-day preparing, in concert with their Allies, for a contest on the economic plane, which will not only survive the re-establishment of peace, but will at that moment attain its full scope and intensity.

III.

They cannot therefore conceal from themselves that the agreements which are being prepared for this purpose between their enemies have the obvious object of establishing the domination of the latter over the production and the markets of the whole world and of imposing on other countries an intolerable yoke.

In face of so grave a peril the Representatives of the Allied Governments consider that it has become their duty, on grounds of necessary and legitimate defence, to adopt and realise from now onward all the measures requisite on the one hand to secure for themselves and for the whole of the markets of neutral countries full economic independence and respect for sound commercial practice, and on the other hand to facilitate the organisation on a permanent basis of their economic alliance.

For this purpose the Representatives of the Allied Governments have decided to submit for the approval of those Governments the following resolutions:—

A.

MEASURES FOR THE WAR PERIOD.

I.

The laws and regulations prohibiting trading with the enemy shall be brought into accord.

For this purpose:

A.—The Allies will prohibit their own subjects and citizens and all persons residing in their territories from carrying on any trade with:—

1. The inhabitants of enemy countries whatever their nationality.
2. Enemy subjects wherever resident.
3. Persons, firms and companies whose business is controlled wholly or partially by enemy subjects or is subject to enemy influence and whose names are included in a special list.

B.—They will prohibit the importation into their territories of all goods originating in or coming from enemy countries.

C.—They will devise means of establishing a system enabling contracts entered into with enemy subjects and injurious to national interests to be cancelled unconditionally.

II.

Business undertakings owned or operated by enemy subjects in the territories of the Allies will all be sequestrated or placed under control; measures will be taken for the purpose of winding up some of these undertakings and of realising their assets, the proceeds of such realisation remaining sequestrated or under control.

III.

In addition to the export prohibitions which are necessitated by the internal situation of each of the Allied countries, the Allies will complete the measures already taken for the restriction of enemy supplies, both in the mother countries and in the Dominions, Colonies and Protectorates:—

1. By unifying the lists of contraband and of export prohibition, and particularly by prohibiting the export of all commodities declared absolute or conditional contraband;
2. By making the grant of licences for export to neutral countries from which export to enemy territories might take place conditional upon the existence in such countries of control organisations approved by the Allies; or, in the absence of such organisations, upon special guarantees such as the limitation of the quantities exported, supervision by Allied consular officers, etc.

TRANSITORY MEASURES FOR THE PERIOD OF COMMERCIAL,  
INDUSTRIAL, AGRICULTURAL AND MARITIME  
RECONSTRUCTION OF THE  
ALLIED COUNTRIES.

## I.

The Allies declare their common determination to ensure the re-establishment of the countries suffering from acts of destruction, spoliation and unjust requisition, and decide to join in devising means to secure the restoration to those countries, as a prior claim, of their raw materials, industrial and agricultural plant, stock and mercantile fleet, or to assist them to re-equip themselves in these respects.

## II.

Whereas the war has put an end to all the treaties of commerce between the Allies and the Enemy Powers, and whereas it is of essential importance that, during the period of economic reconstruction which will follow the cessation of hostilities, the liberty of none of the Allies should be hampered by any claim put forward by the Enemy Powers to most-favoured-nation treatment, the Allies agree that the benefit of this treatment shall not be granted to those Powers during a number of years to be fixed by mutual agreement among themselves.

During this number of years the Allies undertake to assure to each other so far as possible compensatory outlets for trade in case consequences detrimental to their commerce result from the application of the undertaking referred to in the preceding paragraph.

## III.

The Allies declare themselves agreed to conserve for the Allied countries, before all others, their natural resources during the whole period of commercial, industrial, agricultural and maritime reconstruction, and for this purpose they undertake to establish special arrangements to facilitate the interchange of these resources.

## IV.

In order to defend their commerce, their industry, their agriculture and their navigation against economic aggression resulting from dumping or any other mode of unfair competition the Allies decide to fix by agreement a period of time during which the commerce of the enemy powers shall be submitted to special treatment and the goods originating in their countries shall be subjected either to prohibitions or to a special regime of an effective character.

The Allies will determine by agreement through diplomatic channels the special conditions to be imposed during the above-mentioned period on the ships of the enemy powers.

The Allies will devise the measures to be taken jointly or severally for preventing enemy subjects from exercising, in their territories, certain industries or professions which concern national defence or economic independence.

## C.

PERMANENT MEASURES OF MUTUAL ASSISTANCE AND  
COLLABORATION AMONG THE ALLIES.

## I.

The Allies decide to take the necessary steps without delay to render themselves independent of the enemy countries in so far as regards the raw materials and manufactured articles essential to the normal development of their economic activities.

These steps should be directed to assuring the independence of the Allies not only so far as concerns their sources of supply, but also as regards their financial, commercial and maritime organisation.

The Allies will adopt the methods which seem to them most suitable for the carrying out of this resolution, according to the nature of the commodities and having regard to the principles which govern their economic policy.

They may, for example, have recourse either to enterprises subsidised, directed or controlled by the Governments themselves, or to the grant of financial assistance for the encouragement of scientific and technical research and the development of national industries and resources; to customs duties or prohibitions of a temporary or permanent character; or to a combination of these different methods.

Whatever may be the methods adopted, the object aimed at by the Allies is to increase production within their territories as a whole to a sufficient extent to enable them to maintain and develop their economic position and independence in relation to enemy countries.

## II.

In order to permit the interchange of their products, the Allies undertake to adopt measures for facilitating their mutual trade relations both by the establishment of direct and rapid land and sea transport services at low rates, and by the extension and improvement of postal, telegraphic and other communications.

## III.

The Allies undertake to convene a meeting of technical delegates to draw up measures for the assimilation, so far as may be possible, of their laws governing patents, indications of origin and trade marks.

In regard to patents, trade marks and literary and artistic copyright which have come into existence during the war in enemy countries, the Allies will adopt, so far as possible, an identical procedure, to be applied as soon as hostilities cease.

This procedure will be elaborated by the technical delegates of the Allies.

## D.

Whereas for the purposes of their common defence against the enemy the Allied Powers have agreed to adopt a common economic policy, on the lines laid down in the Resolutions which have been passed, and whereas it is recognised that the effectiveness of this policy depends absolutely upon these Resolutions being put into operation forthwith, the Representatives of the Allied Governments undertake to recommend their respective Governments to take without delay all the measures, whether temporary or permanent, requisite for giving full and complete effect to this policy forthwith, and to communicate to each other the decisions arrived at to attain that object.

## BOARD OF TRADE.

21st June, 1916.

Hongkong, 8th January, 1917.

Sir,—I am directed to acknowledge your letter of 30th November last covering copy of a despatch received from the Secretary of State for the Colonies regarding the Commercial and Industrial Policy to be adopted throughout the Empire after the War, and asking for a statement of this Chamber's views thereon.

The subject is so wide and the interest of different parts of the Empire so varied that in this, their reply, my Committee can only venture to deal with the subject on broad lines and with the interests of this Colony principally in their minds.

In the first place it seems desirable to state that in giving consideration to any policy relating to the progress of Commerce and Industry after the War, due regard must also be given to the maintenance as far as practicable of Trade and Industry already established in this far Eastern field as the result of many years effort: that is as far as is compatible with the prosecution of the War, steps should not be taken to weaken the Empire's present hold on Eastern Commerce, Finance and Industry, and for this reason it is essential, in the interests of the Empire, to maintain to and from and in the East a due proportion of Shipping to maintain supplies between the different points of the Empire and the East; also such supply of material as may be required for British industries; and to reserve on the spot the necessary number of men of experience in Eastern trade and peoples.

As you are aware there was a Conference under the auspices of the British Imperial Council of Commerce in London in June of last year, and at that Conference Mr. C. H. Ross, a former Member of the Legislative Council of this Colony, represented the Hongkong Chamber of Commerce. The leading subject of the Conference was Trade during and after the War, and in part reply to your enquiries I enclose copy of a letter addressed to Mr. Ross outlining the views of the Chamber at that time.

I am directed to supplement this with the following points of importance to this Colony which have occurred to my Committee.

## IMPORTS, EXPORTS AND INDUSTRIES.

Hongkong is essentially a great shipping port and Trade emporium and as such cannot be dissociated from the neighbouring state of China which indeed provides the most important commercial field for Hongkong enterprise. Whatever Imperial policy is adopted for the future, in the interest of Hongkong provision must be made for its peculiar relationship with China, and no measures should be taken which would be likely to be detrimental to the further expansion of the import and export trade with China; any Tariff Regulation should provide for these circumstances. As a shipping port it is essential to foster and stimulate the important Ship and Engine repairing and Dry Docking facilities, also the Ship and Engine building establishments which at present exist. The shipbuilding plants which are actively employed in replacing depleted tonnage are now an important Imperial asset of recognised service to the Empire.

The considerable Sugar Refining industry should also be protected in any measures which may affect them as also such industries as the Cement and Rope works.

The export trade in Chinese produce is open to further development, which would be stimulated by the scientific absorption by Great Britain of produce previously largely exported to the Central Powers, where various products such as Essential Oils, Cantharides, Hides, Human Hair, Woodoil, Cocanutoil, Peanutoil, Star Aniseed, Gallnuts, Tobacco, Tea oil, Patridge-canes, Ginger, Turmeric, Galangal, Nux Vomica, Kwongsi Cassia, Bristles, and Soy were subjected to scientific treatment and re-exported to the allied countries in manufactured form. This is a matter which will no doubt form a question for research and studied attention on the part of the technical bodies now being formed at Home for the purpose.

With regard to Trade Marks belonging to Enemy firms these should be expunged from the register and their re-issue prohibited. The Hon. Mr. Holyoak has already voiced the opinion of the Committee in the matter and nothing more can usefully be added to the remarks of the Chamber's representative on the Legislative Council.

RETURN OF ENEMY SUBJECTS.

It would seem impracticable in these days of Trade and interwoven interests to permanently bar the return of present enemies, although this would tend towards sounder commercial conditions; but a strong advocacy exists for deferring their return for a minimum period of ten years after the Declaration of Peace, and when allowed to return to the Colony it is urged that it should be only under Licence, in similar manner to which British Merchants submit in Russia.

With regard to residence and trading by friendly aliens in the Colony, since the Chinese form so large a proportion of the community it is difficult to suggest any particular form of control, but it might be practicable to institute a form of Registration, and it is urged that more effective control of all alien and native firms should be aimed at—especially should alien and Chinese Corporations trading as Hongkong registered Companies be better controlled. It is a matter of common knowledge that the requirements of the local Ordinance are frequently ignored—that there is in fact no real control notwithstanding the elaborate paper machinery.

The books of all Companies seeking the protection of the Hongkong Companies Ordinance should be kept in English as previously contended by my Committee and properly qualified auditors should be insisted upon.

My Committee believe that the present system of ascertaining the qualification of an Auditor of Chinese Companies is derided by the Chinese themselves.

INSURANCE.

As to restrictions and control to be placed upon Insurance Companies, it seems desirable that Legislation should provide that British Traders or Insurance Companies shall insure and reinsure only with British Companies and that British Insurance Companies doing business through Agents shall employ only British Agents on Empire Territory.

A special tax on all premia secured by Foreign Companies doing business on Empire Territory should be imposed.

It would be well to provide further that the books of all Foreign Insurance Companies shall be open to inspection by properly appointed Auditors and that such books shall be kept in English.

SHIPPING.

The Ton, for Ton policy as part reparation for Submarine outrages which it is hoped will be adopted should provide an effective check on the enemies shipping expansion.

Dotted lines Censored.

Censored.

COMMERCIAL AND INDUSTRIAL POLICY.

It is strongly urged that the most effective way to meet competition and to handle the Empire's vast resources in and for the Empire's interests is by practical knowledge and business organizations assisted and supported by legislation which should at least know the real commercial outlook and not merely the Political one.

In view of the fact that a Conference of representatives of the United Kingdom, the Dominions and India—as foreshadowed by the Prime Minister recently—may at some future date be convened, it appears desirable to my Committee that application should be made by the Colonies to have their nominees present on that occasion. If this cannot be arranged the Colonies should at least have the right to send their representatives, elected by the Chambers of Commerce, home to advise the Secretary of State, who in the scheme outlined by the Prime Minister will represent the Colonies at the Conference.

My Committee also consider that the Colony should elect its own Member of the Imperial Parliament, and that the services of a Commercial Attache to South China should be procured at an early date. This latter suggestion is one that has received great consideration from my Committee, who are satisfied of the necessity of having a Commercial Expert to assist in the future commercial development of the Colony and the Empire Trade generally.—I have, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

Colonial Secretary's Office,  
Hongkong, 9th January, 1917.

The Colonial Secretary begs to acknowledge the receipt of The Secretary, Hongkong General Chamber of Commerce's letter of yesterday's date, which is receiving consideration.

Subject:—Commercial and Industrial Policy to be adopted throughout the Empire after the War.

## CHAMBER OF COMMERCE JOURNAL.

Hongkong, 25th October, 1916.

Dear Sir,—The Chamber has under consideration the institution if practicable, of a Journal on similar lines to that issued by your Chamber, and the purport of this letter is to ask if you would be good enough to favour me with the fullest possible information as to arrangements made for editing and publishing the Journal, cost, etc.

I take this opportunity of forwarding to you several copies of a letter addressed to Members of this Chamber, together with the Rules and Regulations governing the Chinese Language School which comes into existence on the 1st November next, and which I have no doubt will be of interest to your Committee.—Yours, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
British Chamber of Commerce,  
Shanghai.

British Chamber of Commerce,  
Shanghai, 24th November, 1916.

Dear Sir,—Your letter of October 25th, asking for detailed information regarding the arrangements for the editing and publishing of our English Journal, has been considered by my Committee, and I am now directed to give you the desired information as follows:—

1. CONTROL. The journal is controlled by a Publications Sub-Committee appointed for the purpose by the General Committee.
2. EDITING. Originally it was intended that members of the Publications Sub-Committee should act as Editors in turn. This worked well enough for the first few issues, but eventually it became impossible to work on such lines, and the editing was left entirely to the Secretary of the Chamber. By June of last year the work of the Chamber had increased to such an extent that it became necessary to engage an assistant to the Secretary, and the services of Mr. P. Campbell, then editor of the Shanghai Times, were secured. Since September 1st, Mr. Campbell has done all the editorial work in connection with the English and Chinese Journals. The Chamber was exceptionally fortunate in being able to secure the services of a newspaper man.

3. PUBLISHING. The Chamber acts as its own publisher. The printing of the Journal is done under contract by the North China Daily News.
4. COST. The cost depends on the size of the Journal and the number of copies issued. We now print 750 copies per month, and the cost of these averages about Tls. 100 per month, exclusive of despatching expenses. The size of the journal ranges from sixteen to twenty eight pages. Owing to the high cost of paper our next contract will be at a higher rate. The gross cost is reduced by income from advertisements and subscriptions. The charge to British non-members for the journal is \$5 per year post free, and our income from this source is about \$550. Hitherto no serious attempt has been made to obtain advertisements for the English Journal, but Mr. Campbell is now taking this in hand, and we anticipate that in the course of two or three months the Journal will be self supporting, exclusive of editorial charges. Our present income from advertisements is about \$700 per annum. I have not gone carefully into editorial charges, but perhaps Tls. 100 per month would be a fair proportion to charge to the English Journal account. If (as seems probable) it eventually becomes necessary for Mr. Campbell to devote all or most of his time to editorial work, the charge to English Journal account will be much heavier.

The fact that your Chamber contemplates the issue of a Journal has evoked considerable interest on the part of our Publications Sub-Committee. In a discussion on the matter, it was suggested that the interests of the two Chambers might be more effectively served by combining in the issue of one really strong Journal. Seeing that this Chamber now has a fully competent editor permanently attached to its staff, the suggestion has a good deal to commend it, and if your Committee were inclined to favour the idea, any proposals you might care to make for joint working would, I am sure, receive very favourable consideration at the hands of my Committee. It should not be difficult to make a satisfactory working arrangement on the basis of a definite allotment of space to Hongkong.—Yours, etc.,

H. B. STEWART,  
Secretary.

The Secretary,  
Hongkong General Chamber of Commerce,  
Hengkong.

*CENSORED.*

BRITISH CHAMBER OF COMMERCE FOR ITALY.

The British Chamber of Commerce for Italy,  
Genoa, 17th October, 1916.

Dear Sir,—This is to inform you that a Branch of this Chamber has been founded at Naples (temporary address: 24, Via Guglielmo Sanfelice) where the local Honorary Secretary and Committee will be pleased to deal with enquiries.

Besides the Headquarters at Genoa (with Sample Showrooms for British goods), the Chamber has now 4 Branches at the following addresses:—

MILAN .....12, Via Silvio Pellico;

LEGHORNE (for Tuscany) ..... 3 Soali d'Azeglio;

ROME .....75, Via delle Terme;

NAPLES ..... 24, Via Guglielmo Sanfelice;

from all of which local information may be obtained. The Secretaries will be glad to receive your publications if not already on your free mailing list.

The Head Office at Genoa, as hitherto (and the Branches as above) will be pleased to furnish information regarding Italy, and places its services at your disposal in the interests of Anglo-Italian reciprocal trade.

I may also point out that our Institution (founded in 1904) with a Central Office at Genoa and Branches in all the chief centres, is quite unique in the history of Chambers of Commerce, and offers, especially to firms in the United Kingdom and the British Empire generally, a first-class organization for assistance and advice for all kinds, and for dealing with any question that may interest them and coming within the scope of a Chamber of Commerce. We also afford considerable help to Italian Manufacturers and Shippers wishing to export their goods to the United Kingdom and Colonies; this is a branch of usefulness that is expanding, and which the Chamber encourages, fully realizing that there should be reciprocity to increase commercial exchanges.

The Chamber communicates Trade openings, furnishes, names of Agents, Buyers and Consumers, Importers, Exporters, Status Reports, Customs' classification, etc. and renders generally such services as are performed by similar Institutions elsewhere.—Yours, etc.,

E. B. WEATHERHEAD,  
Secretary General.

THE PRESENT UNPARALLELED OPPORTUNITY FOR  
BRITISH TRADE WITH ITALY.

In 1913, the last year of normal trade, nearly a quarter of Italy's total imports came from Germany and Austria-Hungary, i.e. 877,000,000 lire (£35,080,000) out of a total of 3,646,000,000 lire (£145,840,000), and more than a fifth of Italian exports went to these two countries. A great decrease in trade between Italy and the Central Powers was naturally experienced from the outbreak of war, so that for the 8 months from August 1st 1914 to March 31st 1915, Italian imports from Germany stand at 210 million lire and from Austria-Hungary 81 million lire. Many Italian enterprises drew upon Germany especially for raw material, semi-manufactured goods and goods necessary to manufactures, so that the rupture in commercial intercourse represents for Italy a somewhat serious dislocation. This difficulty can nevertheless be overcome if the Government assists and favors national production, and if Italian manufacturers will produce or prepare goods that have been imported up to the present, and also by finding fresh sources in countries with which Italy has commercial relations.

Germany had so penetrated Italian commercial and industrial enterprises, that she practically dominated and still influences trade and industries in Italy. Thus, for a great number of years, methods of easy credit and elastic terms had prevailed, and British enterprise with its stricter and more rigid habits had lost much of its former attraction. The falling-off of British preference may be attributed, amongst other things, to: (a) generally higher prices, albeit for a better article; (b) the continued use, and the complexity of English weights, measures and currency, instead of the so-simple Continental metric and decimal systems; (c) the want of facilitations and adaptability in according credit, and in coping with local requirements; (d) the lack of either an Anglo-Italian Bank or of established Branches of the more important London Banks; (e) the scarcity of British commercial travellers, and of those few who do travel Italy, their want of knowledge of the language, habits and customs of the Italian people.

Circumstances are leading to a very special opening for all branches of British enterprise in Italy, and it would be especially desirable that the ground should now be strenuously prepared by British firms; otherwise, when the treaty of peace has been signed, the Germans and Austrians will pick up their old connections too easily, and rapidly regain the lost ground. Their successes were due to their tenacity, to their adaptability and devotion to their business, and these qualities the war will not have uprooted.

British firms should therefore NOW, AND NOT AFTER THE WAR, seriously study the whole question, particularly as regards the bigger interests such as Banking, Shipping, Industrial and Engineering enterprises, if efforts are to be successful in any direction, and they should be prepared to meet the requirements of this growing and highly important Continental country, tied to England by traditional sympathy and anxious to develop her commercial relations preferentially with the British Empire. Manufacturers and export firms should begin with the determination to succeed and with an organization complete from every point of view; a good general agent should be procured, be he British or Italian, and be regarded and treated as chief collaborator, remembering also that if the agent realizes good profits, the exporter becomes rich. All customers should be constantly kept in view, and if possible their personal acquaintance should be made. As regards finance, German commerce has been wonderfully aided, not only by the MONEY-capital invested, but especially by the MAN-capital they have been able to place in concerns apparently belonging to the countries in which they are located. It has often been repeated that the manufacturer should take account of the tastes of his customers even when they are not good, and therefore, if necessary, modifications should be made in the style, get-up, quality, and packing of certain goods. In quoting, the cost of freight, carriage, duty, and so forth, should, if requested, be taken into account, as many buyers prefer to receive goods with all charges prepaid, even if they must pay a little more, and in this the British shipping and forwarding companies can be useful. Great care should be exercised in the choice of an agent or representative; and in many branches the establishment of a warehouse stock or deposit is requisite in order to serve customers quickly, but as a general rule this should only be done after a careful study of the market to ascertain what goods can be sold regularly. Personal acquaintance with foreign customers is a great advantage; one of the principals, the manager or a department chief should visit them with the agent about once a year in the case of a country like Italy, the principal centres of which can be reached in a matter of hours from London. Such visits clear away obstacles, dispel misunderstandings and provide a fund of knowledge that can be acquired in no other way.

Other nations with superabundant manufactures are making a bid for Italian trade, and it therefore behoves the manufacturers and traders of Great Britain, which was at one time Italy's chief supplier, to be up and doing, even though at the present moment business may be rendered more difficult by export prohibitions (many of them now relaxed as far as Italy is concerned, or the obtention of permits is merely a matter of form for many articles), financial questions, shortness



of staff, and what not. Now is the time to study the Italian market, not to-morrow when it may be too late to forestall the old-time or other competitors. It is to be hoped that United Kingdom firms will not let the chance go by, perhaps never to return; they should not lose sight of the fact that the Italian people are more than anxious to liberate themselves from German commercial monopoly and that they welcome (of course, if the Italian industry cannot supply them) British-made goods in the place of such from Germany and Austria-Hungary.

Hongkong, 19th January, 1917.

Dear Sir,—I have for acknowledgment your letter of the 17th October last, advising me of the establishment of a branch of the British Chamber of Commerce for Italy at Naples.

My Committee desire me to extend to you their best wishes for the success of your Chamber, and to state that they will be glad to assist British Merchants in Italy in whatever way they can so far as the import and export of this market is concerned.

I am forwarding under separate cover copy of this Chamber's Fortnightly Price Current and Market Report, which will be regularly despatched to you complimentary from this Chamber.—Yours, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Secretary,  
British Chamber of Commerce for Italy,  
7, Via Carlo Felice,  
Genoa.

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**X 1**

FRENCH REPORTS ON THE AGRICULTURAL, MINERAL AND  
INDUSTRIAL RESOURCES OF INDO-CHINA.

Colonial Secretary's Office,  
Hongkong, 27th December, 1916.

Sir,—I am directed to forward for the information of your Chamber the enclosed letter received from H.B.M. Consul-General, Yunnanfu, on the subject of French reports on the agricultural, mineral, and industrial resources of Indo-China.

I am to request that the letter, which is in original, may be returned to this office when perused.—I am, etc.,

CLAUD SEVERN,  
Colonial Secretary.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 26th January, 1917.

Sir,—I have the honour to acknowledge receipt of your letter of the 27th December last covering enclosures received from H. B. M. Consul-General, Yunnanfu, on the subject of French reports on the agricultural, mineral and industrial resources of Indo-China.

The letter and documents, which I return herewith as requested, have been perused with much interest by my Committee, and I am desired to thank you for your courtesy in submitting them to this Chamber.—I have, etc.,

E. A. M. WILLIAMS,  
Secretary.

The Honourable, The Colonial Secretary.

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**Y 1**

CHINESE LANGUAGE SCHOOL.

Hongkong, 9th May, 1916.

Sir,—I am directed to address you with reference to the question of the institution of a School, or other means, whereby the Study of the Chinese language could best be encouraged and supervised by this Chamber.

You will remember that a resolution was put and carried at the Annual General Meeting of the Chamber held on 27th March, which amounted to a mandate to the incoming Committee to prepare a practical Scheme to this end.

At the first meeting of the Committee the subject was discussed, and a Sub-Committee appointed to go fully into the matter, which Sub-Committee consisted of Mr. G. T. Edkins (the Chairman of the Chamber), Mr. Montague Ede (a member of Committee) and Mr. W. H. Bell, the proposer of the resolution mentioned above.

This Sub-Committee held its first Meeting on Friday the 14th April, and, in its deliberations, enjoyed the co-operation and valuable advice of the Vice-Chancellor of the University of Hongkong, Sir Charles Eliot, who attended by invitation.

The preliminary conclusions arrived at, which have since been referred to and have received the approval of the General Committee, were as follows:—

- 1.—A working knowledge of the Chinese language is essential for the future development of business relations with China.
- 2.—A scheme for the successful teaching of the language to European Assistants must be practical, comprehensive and assured of sufficient financial support.
- 3.—So far as regards Hongkong the scheme should be restricted to the teaching of Mandarin, which, it is believed will be the future language of China, and the Cantonese dialect.
- 4.—The Course suggested would be one of two or three years.
- 5.—Each student should have individual tuition by native teachers in addition to his supervised studies and lectures in the proposed School. The native teachers to be approved by the Director of the School.
- 6.—The student should have every encouragement to pursue these studies consistently by grants of increased Salary at different stages of certified proficiency, by having the School fees paid by his employer, if not his private tuition fees as well, and by being allowed to attend lectures and classes arranged by the Director of the School in his employer's time.
- 7.—The students, or the firms contributing to their dues, could elect to take either the Mandarin or Cantonese course.
- 8.—The school should be under the direction of a Foreign Supervisor of the highest qualifications.  
The Committee believe they know of such a man and are tentatively approaching him. His knowledge of Mandarin is recognised by the highest Official circles.  
The minimum period of service which could be offered to secure a good man would probably be 5 years.  
He should be assisted by a lecturer or Supervisor in Cantonese.
- 9.—It is known that the University can make use of the services of such a man as above indicated, and it is considered desirable that the Government should be approached with the idea of the school being administered by the University itself, but in a central position easily accessible to the European business quarter of the city.

To enable my Committee to ascertain whether or not sufficient support is forthcoming to justify further consideration will you be so good as to fill in the perforated attachment and return to me at your earliest convenience.

It is necessary to remember that the information desired should be based upon peace requirements and not judged from the point of view of the present condition of affairs when all employers are working with depleted staffs.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

Circular Letter to the Members of the  
Hongkong General Chamber of Commerce.

HONGKONG GENERAL CHAMBER OF COMMERCE  
SCHOOL FOR CHINESE LANGUAGE.

I/we believe, so far as we can at present ascertain, that in the event of a School for teaching the Chinese language to European Assistants being formed in the manner indicated in your circular letter of May 9th, we can guarantee .....students.

Hongkong ..... , 1916

To the Secretary of the

Hongkong General Chamber of Commerce.

THE HONGKONG GENERAL CHAMBER OF COMMERCE

CHINESE LANGUAGE SCHOOL.

Hongkong, 13th October, 1916.

Gentlemen,—With reference to the resolution proposed and carried at the Annual General Meeting of the Chamber held on the 27th March, and the circular letter dated the 9th May, 1916, addressed to the members, the Committee now take pleasure in announcing that arrangements have been made to open the school on 1st November, 1916, so far as regards the Cantonese Section. The Mandarin Section is held over for the present for further consideration, but should sufficient support be forthcoming, the earliest opportunity will be taken to add this branch of study to the school.

The Committee reserve to themselves the right to alter the general scheme with a view to co-ordination with the school recently opened under the auspices of the British Chamber of Commerce in Canton with which it is desired to collaborate.

The Committee recognise that the times are abnormal and the school cannot hope to obtain the same measure of student attendance which it would receive in time of peace. Notwithstanding the small staffs with which most firms are now working, however, they trust that all members of the Chamber will endeavour to release employees desiring to take the course during the hours arranged for group study. The Committee attach so much importance to the study of the Chinese Language that they hope firms will institute arrangements for paying or refunding under certain conditions the fees of such of their employees as are prepared to take the course, and perhaps also offer in the form of bonus or otherwise a sufficient reward for what is recognised as a laborious undertaking.

The school will be available only for the Employees of Members of the Hongkong General Chamber of Commerce.

The Committee have the power, however, to make exceptions to the above rule provided that they, in their discretion, consider it advisable to do so. In such a case, the Student would have to pay slightly increased fees.

FIRMS ARE ASKED TO SEND IN THE NAMES OF PROSPECTIVE STUDENTS IMMEDIATELY TO THE SECRETARY.

Outlines of Scheme.—(Subject to amendment as stated above).

Name. The Hongkong General Chamber of Commerce Chinese Language School.

Objects. To promote the study of *spoken* Chinese, in the two leading vernaculars, Cantonese and Mandarin; and also the study of *written* Chinese; with a view, in the first instance,

Specifically,

to a knowledge of vernaculars that will enable pupils, at the end of a two years course of study, to conduct business, safely, in the spoken language; and at the end of three years, to acquire such knowledge of the written characters as may prove of practical value in dealing with ordinary Chinese commercial documents; and,

Generally,

to cultivate a taste for Chinese studies in the spoken and written languages, by opening up an outlook that contemplates mutually sympathetic and helpful relations with the Chinese through the medium of their language and literature.

Administration. The Language School shall be under the control of Directors of Studies, who shall:—

(a) Be responsible for the selection of personal teachers engaged to assist pupils in acquiring the language. (*Note.* The fees of Native Teachers will be \$10 per mensem for one hour a day and this fee will be payable by the student.)

(b) Advice concerning the choice and use of text books and other aids to study.

(c) Take cognisance of the progress made by individual pupils and proffer such counsel and assistance as may be deemed needful.

(d) Hold, three times in each week, meeting for Group Study, where pupils shall assemble for instruction in the form of lectures; and with the further object of testing in the presence of each other, progress in study.

(e) Conduct, periodically, test examinations, and, on the basis of the results obtained, advise pupils in the prosecution of their studies.

(f) Arrange for holding the examinations on which, according to the results obtained, the issue of Certificates of Competency are made to depend.

Course of Study. The course of study for pupils, learning the spoken language only, shall be two years; and for those learning in addition the written characters (within the limits and with the objects stated above) a three years course shall be provided.

Certificates. Examinations for Certificates of Competency in the *spoken* language will be held at the close of the two years period; examinations for additional Certificates of Competency in the *written* language will take place at the end of the three years course. The examination will be conducted by the Director of the Section and an external examiner. If desired, the results of occasional progressive tests as outlined in (d) will be communicated to the employers concerned.

If in the opinion of the Director a student is sufficiently advanced in knowledge he may be allowed to sit for his Certificate before the completion of the 2 years in the case of the *spoken* language or 3 years in the case of the *written* language.

Extension of Study. Pupils who, having gained Certificates of Competency, are desirous of pursuing their studies in Chinese, after the close of the three years period, will be afforded facilities for doing this under the supervision of the Directors of Studies.

Director of Studies. The Rev. Mr. Pearce has accepted the direction of the Cantonese Section of the School, and will personally supervise all classes held as well as the general study of the subject.

Fees. The fees, as far as can be at present ascertained, will be as follows:—

For Members of the Chamber and their employees Exclusive of private native teacher .....	\$20.00 p.m.
Inclusive of private native teacher .....	30.00 „
For non-members of the Chamber or their employees (admitted subject to the approval of the Committee) Exclusive of private native teacher. ....	25.00 „
Inclusive of private native teacher .....	35.00 „

Any surplus of income will be used solely for promoting the objects for which the School was formed.

Situation of School. Arrangements have been made for the School to be housed in the rooms lately occupied by the Y.M.C.A. at 4 Des Vœux Road, Central.

Hours. Mondays, Wednesdays, and Fridays—3 to 4 p.m.—I am, etc.,

E. A. M. WILLIAMS,  
Secretary.

Circular Letter to the Members of the  
Hongkong General Chamber of Commerce.

THE HONGKONG GENERAL CHAMBER OF COMMERCE.

CHINESE LANGUAGE SCHOOL.

Syllabus of Studies in spoken Cantonese.  
Two Years Period.

First Six Months.—The attention of students will be directed, specially to:

- (a) The articulation of sounds.
- (b) Tones and Aspirates.
- (c) Structure of Easy Sentences.

Second Six Months.—Conversation, with special reference to:—

- (a) The rhythm of the sentence or logical accent.
- (b) Business terms and their use.
- (c) Polite phraseology and points of approach.

Third Six Months.—Lessons in Interpretation:—

- (a) English into Cantonese.
- (b) Cantonese into English.
- (c) The study of Chinese Reports, Speeches and other Documentary Chinese as an aid to Interpretation.

Fourth Six Months.—Specialised Conversation and Interpretation.

- (a) Adaptation in Conversation.
- (b) Interpretation at Sight.
- (c) Recasting of Sentences in Conversation and Interpretation.

During Group Studies the instruction imparted, whether in the form of Lectures or through the practice of Conversation, will be related closely with the Syllabus in the foregoing divisions and sub-divisions.

#### Studies in Written Chinese.

All students desirous of learning spoken Cantonese or Mandarin, are advised, strongly, by the Directors of Studies to learn also written Chinese of the Documentary type used in Commerce. The acquisition of 2,500 characters, such as are used in business communications, will prove of the largest practical value. The following is the suggested:—

Syllabus.

#### First Six Months.

- (a) The more important Radicals and how to write them.
- (b) Characters in Cantonese and Mandarin that are common also to the business style.

#### Second Six Months.

- (a) Short Phrases in Documentary Chinese.
- (b) Easy Sentences in Documentary Chinese.

#### Third Six Months.

- (a) Sectional Expressions.
- (b) Turning Points (pivots) in Sentences.

#### Fourth Six Months.

- (a) Order of Words in complex sentences.
- (b) Analysis and Synthesis.

#### Fifth Six Months.

- (a) Chinese Drafts.
- (b) Chinese Business Letters.

#### Sixth Six Months.

- (a) English and Chinese idiom. How to modify, mentally, phrases and sentences.
- (b) Translations verbatim, and translations having literary finish.

Throughout the First and Second years the study of written characters, as outlined in the Syllabus, will be pursued as an essential part of the course in vernaculars: the Third year section of the Syllabus is designed to aid students desiring to qualify for Certificates in Documentary Chinese.

## Studies in Cantonese.

Books recommended by the Director of Cantonese Studies for the use of Students.

## Dictionaries.

Two are needed:—

(a.) An English-Cantonese.

The work approved is:—An English and Cantonese Dictionary: for the use of those who wish to learn the spoken language of the Canton Province. By J. Chalmers; revised and enlarged by T. K. Dealy. Paper cover \$6. Half Leather \$9.

(b.) A Cantonese-English.

The best for the student's purpose is:—A Chinese Dictionary of the Cantonese Dialect, with an Introductory Essay on the Study of the language: 2nd Edition, thoroughly revised and very considerably enlarged, by the Revd. I. Genahr. 2 parts and an index: \$35.

It has to be borne in mind that this book serves, admirably, all the object intended by a Dictionary of the Chinese Written Language; and is not merely an aid to the study of a Southern vernacular.

Works designed to instruct in the Grammar of Cantonese.

Those recommended are:—

- |   |         |      |
|---|---------|------|
| * (a.) Inductive Course in Cantonese .....      | Cowles. |      |
| (b.) How to Speak Cantonese .....               | Ball    | \$5. |
| * (c.) Select Phrases in the Canton Dialect ... | Kerr    | 1.   |
| * (d.) Beginning Cantonese .....                | Wisner  | 2.   |
| (e) Yut Yam Chi Nam .....                       | May     | 3.   |

\* These books are considered essential.

## Studies in the Written Language.

Students desirous of learning to read and write the Chinese Documentary Style are advised to use the following books.

- |   |         |      |
|---|---------|------|
| * (a.) How to write Chinese .....                                   | Ball    | \$5. |
| * (b.) Progressive Lessons in the Chinese<br>Written Language ..... | Bullock | 6.   |
| (c.) Notes on the Chinese Documentary<br>Style .....                | Hirth   | 3.   |

\* These books are considered essential.

## THE HONGKONG GENERAL CHAMBER OF COMMERCE.

## CHINESE LANGUAGE SCHOOL.

Hongkong, 25th October, 1916.

Gentlemen,—With reference to the Circular dated 13th October, 1916, there appears to be some difficulty in arranging a time to suit the convenience of the firms nominating pupils.

The time chosen was one dictated by the belief that the lesson should be taken during office hours and with the knowledge that, at least as regards the present and immediate future, the majority of students would have certain military duties to perform after five o'clock.

After making enquiries, it has been arranged to hold duplicate classes so as to enable those who cannot attend the group meeting during the day to do so in the evening. The day classes will be held on Mondays, Wednesdays and Fridays from 1.30 to 2.30 p.m. and the evening classes on Tuesdays Thursdays and Fridays from 6 to 7 p.m. Students may attend either of these classes, or both, so long as space permits.

The School room is available, by arrangement, for a limited number of students at any other time than that set aside for the group meetings for the purpose of meeting their native teachers if students so desire rather than receive tuition at home.

Members are kindly requested to send in immediately the names of intending pupils, and to submit names of teachers, if already chosen, for the approval of the Director. When not chosen the native teacher will be nominated by the Director.—I am, etc.,

E. A. M. WILLIAMS,

Secretary.

Circular Letter to the Members, of the  
Hongkong General Chamber of Commerce.

**Z 1**

## NEW CLAUSE IN CONTRACTS FOR FANCY GOODS.

Circular letter to Members of the Chamber.

Hongkong, 31st October, 1916.

Gentlemen,—At a recent Meeting of the "Piece Goods Subcommittee" appointed by the Chamber, it was decided to recommend to members that the following Clause should be stamped upon all contracts for "Fancy Goods" as from the 1st January, 1917:—

## "HONGKONG GENERAL CHAMBER OF COMMERCE CLAUSE."

"Three months clearance including free godown, insurance, etc., will be allowed from date of arrival or sale from stock. At the discretion of the sellers, an extension of three months may be granted subject to a charge of 1% per month to cover interest, godown, insurance, and all other charges, but no further extension shall be allowed.

"This clause shall not be varied or affected in any way by Chinese or other characters written or chopped on it by any person or by any statements made by any broker or agent acting or purporting to be acting on behalf of either party."

The adoption of such a clause cannot but prove to be of considerable benefit to the trade, and as the success of this clause largely depends upon the co-operation of members, the Committee trust that you will find it possible to signify your adherence on the form below.

It is hoped that the consensus of opinion will be in favour of the clause but in the event of a considerable difference of opinion the matter will be discussed at a Special Meeting called for the purpose.—  
I am, Gentlemen,

E. A. M. WILLIAMS,  
Secretary.

.....  
THIS FORM TO BE RETURNED.

Hongkong, 1916

Dear Sir,—With reference to your letter of the 31st October, 1916, with regard to the suggested "Hongkong General Chamber of Commerce Clause" to be stamped upon all contracts for Fancy Goods, we are in favour of the adoption of this clause.—Yours, etc.,  
we are not  
To the Secretary,  
Hongkong General Chamber of Commerce.

.....  
Circular letter to Members of the Chamber.

Hongkong, 4th December, 1916.

Gentlemen,—With reference to my Circular of 31st October recommending the inclusion of a Hongkong General Chamber of Commerce Clause in all Contracts for "Fancy Goods," I am directed by the Piece Goods Sub-Committee to state that the consensus of opinion being in favour of such a Clause it has been decided to adopt the following to come into force on 1st January, 1917.

## HONGKONG GENERAL CHAMBER OF COMMERCE CLAUSE.

"Three 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 1% per month which shall cover interest, godown, insurance and all charges."

"This clause shall not be varied or affected in any way by Chinese or other characters written or chopped on it by any person or by any statements made by any broker or agent acting or purporting to be acting on behalf of either party."

The discretionary powers contained in the Clause which appeared in my Circular of 31st October, 1916, have been considered to weaken the effect and probably prevent the attainment of the object.

My Committee trust that all importers of "Fancies" will adopt and use the above Clause from 1st January, 1917 which it is considered, is conceived in the best interest of the trade and therefore—at least eventually—of the individual.—I am, Gentlemen,

E. A. M. WILLIAMS,  
Secretary.

.....  
Circular letter to Members of the Chamber.

Hongkong, 9th January, 1917.

Gentlemen,—With reference to my circulars of 31st October and 4th December, 1916, regarding the Hongkong General Chamber of Commerce Clause on Contracts for "Fancy Goods"—in deference to the opinion of several members, my Committee have adopted the following addition to the Clause recommended:—

after "charges"

"but the sellers rights on buyers failure to perform his obligations at due date of clearance shall be wholly unaffected by the provision for payment of the 1% hereinbefore contained."

This wording has been drafted by the Chamber's legal advisers.—  
I am, Gentlemen,

E. A. M. WILLIAMS,  
Secretary.

## COTTON GROWING IN CHINA.

17, The Bund,  
Shanghai, 20th December, 1916.

Dear Sir,—We are reprinting, by request, the series of articles recently appearing the "North-China Daily News" on Cotton Growing in China, in pamphlet form. These articles have aroused considerable interest both in China and abroad, and the issues in which they appear have consequently been exhausted.

A limited edition is being printed, the subscription to which is \$5. Ten copies will be supplied for this amount, which you will no doubt find useful for reference and for distribution to your friends. If you desire to subscribe please fill in and return enclosed postcard.—Yours, etc.,

R. W. DAVIS,  
Secretary and General Manager,  
North-China Daily News & Herald Ltd.

The Secretary,  
Hongkong General Chamber of Commerce.

Hongkong, 25th December, 1916.

Dear Sir,—Please forward me ten copies of "Cotton Growing in China" when ready and collect \$5 for same on delivery.

E. A. M. WILLIAMS,  
Secretary.

To the Publisher,  
North-China Daily News.

**FORTNIGHTLY  
CURRENT EXCHANGE QUOTATIONS  
FOR THE YEAR 1916.**

**FORTNIGHTLY CURRENT AND BULLION OPENING QUOTATIONS DURING THE YEAR 1916.**

1916.	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.	G'many T.T.	Amer. T.T.	S'hai 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.	G'many 4 m/s.	Amer. 4 m/s.					Austra-lia 30 d/s.	
Fortnight ending 14th Jan.....	1/11¼	269		46	74½	144½	91¼	82½	104½	2 -	2.80		48½	2/¼	27	28 % dis.	56.00	58.40	
do. 28th " .....	1/11¼	269		46½	73½	144¼	92	82½	106½	2 -	2.80		48½	2/¼	26 15⁄16	20	"	54.90	57.30
do. 11th Feb. ....	1/11¼	271		46½	73½	144¼	92	82½	108¼	2 -	2.82		48½	2/¼	27	9	"	55.00	57.40
do. 25th " .....	1/11 3⁄8	270		46	73½	143¾	91¼	82½	109¼	1/11 15⁄8	2.81		48½	2/¼	27 1⁄16	15	"	55.20	57.60
do. 10th March ...	1/11¼	271		46½	72¾	144¼	92	82½	109¾	2 -	2.82		48½	2/¼	27	12	"	54.50	56.90
do. 24th " .....	2/¼	286		47¾	72	149½	95½	85½	113¼	2 -	2.97		50¾	2/1½	28½	12	"	54.00	56.40
do. 7th April .....	2/¼	287½		48¼	71¾	150¾	95¾	86	114	2 1	2.98½		50½	2/1¼	29 7⁄16	7	"	52.30	54.70
do. 20th " .....	2/¼	295		49¾	71¾	155½	98¾	88¾	118¾	2 1¾	3.08		51¾	2/2	30¾	9	"	51.10	53.50
do. 5th May .....	2 3⁄8	324		54¾	70½	170½	108	97¾	103¾	2 4½	3.37		56¾	2/4¾	36 1⁄16	12	"	48.50	50.90
do. 19th " .....	2 2⁄8	316½		53¼	70¼	166¼	105½	95	128½	2 3⁄8	3.29½		55½	2/3¾	36¼	12	"	50.60	53.00
do. 2nd June .....	2 1⁄8	299		50¼	71	157¼	99¼	90	121	2 2¼	3.12		52½	2/2¾	32¾	12	"	52.40	54.80
do. 16th " .....	2/½	287½		48½	71¼	152	95¾	86¾	116½	2 1¼	3.00½		50¾	2/1½	30 1⁄16	3	"	53.00	55.40
do. 30th " .....	2 1⁄8	295		49¾	71	156	98½	89¾	120¾	2 1¾	3.08		52	2/2¾	31 7⁄16	4	% p.m.	50.30	52.70
do. 14th July .....	2/½	287½		48½	72	152	96	87	117¾	2 1¼	3.00½		50¾	2/1½	30	10 % dis.	51.00	53.40	
do. 28th " .....	2/¼	290¼		49	72¼	154	97¼	87¾	119¼	2 1 9⁄16	3.03½		51¼	2/1 3⁄8	30¾	10	"	51.10	53.50
do. 11th Aug .....	2 1⁄8	298		50¼	72	157¼	99¼	90¼	122	2 2 3⁄8	3.11		52½	2/2 7⁄16	31¾	6	"	50.80	53.20
do. 25th " .....	2 1½	299½		50½	72	158	99¼	90¾	122¾	2 2 5⁄16	3.12½		52¼	2/2 9⁄16	31¾	5	"	51.20	53.60
do. 8th Sept. ....	2 1⁄8	299		50¾	70½	159	100¼	91¾	123¾	2 2 7⁄16	3.11		53	2/2 11⁄16	32 5⁄16	10 % p.m.	50.70	53.10	
do. 22nd " .....	2 2⁄8	305		52	70	162¾	102¼	93¾	126	2 3 1⁄16	3.17		54¼	2/3 5⁄16	32¾	17	"	50.40	52.80
do. 6th Oct. ....	2 2⁄8	303		51¾	70¼	161¼	101¾	92¾	125¾	2 2 13⁄16	3.15		54	2/3 3⁄16	32¼	18	"	50.30	52.70
do. 20th " .....	2 2⁄8	305½		52¼	70¾	163½	102½	93¾	126¾	2 2 17⁄16	3.17½		54½	2/3 7⁄16	32 5⁄16	15	"	49.60	52.00
do. 3rd Nov .....	2 2⁄8	310		53	70	165½	103¾	95	128¼	2 3 9⁄16	3.22		55¼	2/3 11⁄16	32 7⁄16	40	"	49.00	51.40
do. 17th " .....	2 3	312		53¼	nom.	166¾	104½	95¾	129	2 3 13⁄16	3.24		55½	2/4 1⁄16	34	55	"	49.80	52.20
do. 1st Dec .....	2 3⁄8	322½		55¼	"	172¼	108	99	133¼	2 4 1⁄16	3.24½		57½	2/4 5⁄16	35 1⁄16	87	"	50.00	52.40
do. 15th " .....	2 4⁄8	331½		56¼	"	177¼	111½	101¾	137	2 5 1⁄16	3.43½		59	2/5 1⁄16	?	20	"	49.00	51.40
do. 29th " .....	2 4⁄8	333		57	"	175¼	111½	102	137½	2 5 9⁄16	3.45		59¼	2/5 3⁄16	-	10	"	48.40	50.80



**TABLE SHOWING THE 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 1916.**

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 $\frac{3}{4}$	3 $\frac{9}{2}$	5	2
1878	55 $\frac{1}{4}$	49 $\frac{1}{2}$	3 $\frac{11}{16}$	3 $\frac{5}{8}$	6	2
1879	53 $\frac{1}{8}$	48 $\frac{1}{8}$	4 $\frac{1}{4}$	3 $\frac{5}{8}$	5	2
1880	52 $\frac{1}{2}$	51 $\frac{1}{8}$	4 $\frac{0}{8}$	3 $\frac{7}{4}$	3	2 $\frac{1}{2}$
1881	53	50 $\frac{1}{8}$	3 $\frac{9}{4}$	3 $\frac{7}{8}$	5	2 $\frac{1}{2}$
1882	52 $\frac{1}{2}$	50	3 $\frac{9}{8}$	3 $\frac{6}{8}$	6	3
1883	51 $\frac{1}{4}$	50 $\frac{1}{16}$	3 $\frac{8}{4}$	3 $\frac{7}{8}$	5	3
1884	51 $\frac{1}{8}$	49 $\frac{1}{2}$	3 $\frac{8}{4}$	3 $\frac{6}{4}$	5	2
1885	50	46 $\frac{1}{8}$	3 $\frac{7}{8}$	3 $\frac{3}{4}$	5	2
1886	47	42	3 $\frac{4}{4}$	2 $\frac{11}{2}$	5	2
1887	47 $\frac{1}{8}$	43 $\frac{1}{4}$	3 $\frac{4}{4}$	3 $\frac{0}{2}$	5	2
1888	44 $\frac{9}{16}$	41 $\frac{1}{8}$	3 $\frac{1}{8}$	2 $\frac{11}{8}$	5	2
1889	44 $\frac{3}{8}$	41 $\frac{1}{16}$	3 $\frac{2}{8}$	2 $\frac{11}{2}$	6	2 $\frac{1}{2}$
1890	54 $\frac{1}{8}$	43 $\frac{1}{8}$	3 $\frac{10}{4}$	3 $\frac{0}{8}$	6	3
1891	48 $\frac{1}{4}$	43 $\frac{1}{2}$	3 $\frac{5}{8}$	3 $\frac{0}{8}$	5	2 $\frac{1}{2}$
1892	43 $\frac{1}{4}$	37 $\frac{1}{8}$	3 $\frac{0}{8}$	2 $\frac{8}{8}$	3 $\frac{1}{2}$	2
1893	38 $\frac{3}{8}$	30 $\frac{1}{2}$	2 $\frac{8}{8}$	2 $\frac{2}{8}$	5	2 $\frac{1}{2}$
1894	31 $\frac{7}{8}$	27	2 $\frac{3}{8}$	1 $\frac{11}{8}$	3	2
1895	31 $\frac{5}{16}$	27 $\frac{3}{16}$	2 $\frac{2}{8}$	1 $\frac{11}{4}$	2	2
1896	31 $\frac{1}{16}$	29 $\frac{3}{4}$	2 $\frac{2}{4}$	2 $\frac{1}{8}$	4	2
1897	29 $\frac{3}{16}$	23 $\frac{1}{8}$	2 $\frac{1}{8}$	1 $\frac{9}{8}$	4	2
1898	28 $\frac{1}{8}$	25	1 $\frac{11}{2}$	1 $\frac{9}{8}$	4	2 $\frac{1}{2}$
1899	29	26 $\frac{1}{8}$	1 $\frac{11}{4}$	1 $\frac{10}{4}$	6	3
1900	30 $\frac{1}{8}$	27	2 $\frac{1}{4}$	1 $\frac{11}{4}$	6	3
1901	29 $\frac{3}{16}$	25	2 $\frac{1}{16}$	1 $\frac{9}{4}$	6	3
1902	26	21 $\frac{1}{16}$	1 $\frac{10}{8}$	1 $\frac{6}{8}$	4	3
1903	28 $\frac{1}{2}$	21 $\frac{1}{8}$	1 $\frac{10}{16}$	1 $\frac{6}{8}$	4	2 $\frac{1}{8}$
1904	28 $\frac{9}{16}$	24 $\frac{7}{16}$	1 $\frac{11}{16}$	1 $\frac{8}{8}$	4	3
1905	30 $\frac{5}{16}$	25 $\frac{1}{16}$	2 $\frac{1}{16}$	1 $\frac{9}{16}$	4	2 $\frac{1}{2}$
1906	33 $\frac{1}{8}$	29	2 $\frac{3}{16}$	2 $\frac{0}{8}$	6	3 $\frac{1}{2}$
1907	32 $\frac{1}{16}$	24 $\frac{3}{16}$	2 $\frac{3}{16}$	1 $\frac{9}{2}$	7	4
1908	27 $\frac{1}{16}$	22	1 $\frac{11}{4}$	1 $\frac{8}{8}$	4	2 $\frac{1}{2}$
1909	24 $\frac{1}{8}$	23 $\frac{1}{16}$	1 $\frac{9}{8}$	1 $\frac{8}{8}$	5	2 $\frac{1}{2}$
1910	26 $\frac{1}{4}$	23 $\frac{3}{16}$	1 $\frac{10}{4}$	1 $\frac{8}{16}$	5	3
1911	26 $\frac{1}{8}$	23 $\frac{1}{16}$	1 $\frac{10}{8}$	1 $\frac{9}{16}$	4 $\frac{1}{2}$	3
1912	29 $\frac{1}{16}$	25 $\frac{1}{8}$	2 $\frac{1}{16}$	1 $\frac{10}{16}$	5	3
1913	29 $\frac{1}{8}$	25 $\frac{5}{16}$	2 $\frac{0}{16}$	1 $\frac{11}{16}$	5	4 $\frac{1}{2}$
1914	27 $\frac{1}{4}$	22 $\frac{1}{8}$	1 $\frac{11}{2}$	1 $\frac{8}{4}$	10	3
1915	27 $\frac{1}{4}$	22 $\frac{5}{16}$	1 $\frac{11}{8}$	1 $\frac{9}{8}$	5	5
1916	37 $\frac{1}{4}$	26 $\frac{1}{4}$	2 $\frac{4}{4}$	1 $\frac{11}{16}$	6	5

Exports from Hongkong to Great Britain for 1916.

Silk P. Goods	Waste Silk	Tin	Preserves.	Soy	Canes	Mats and Matting	China-ware, &c.	Galangal	Cassia	Human Hair	Essential Oil	Bristles	Chinese M'chdise	Feathers	Camphor	Hemp	Minerals	Sundries	Tea	Fire Crackers	Gall Nuts	Peanuts
pkgs 83	bales 9,475	slabs 22,473	pkgs 35,684	cases 4,312	pkgs 6,245	rolls 68,180	pkgs 578	boxes 200	boxes 36,271	boxes 2,434	boxes 2,720	bales 2,544	boxes 3,520	pkgs 18,123	boxes 6	bales 27,829	pkgs 5,168	pkgs 102,488	pkgs 5,337	case ..	pkgs 750	cases 46,974

Exports from Hongkong to Continent of Europe for 1916.

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	Rattan-ware	Tobacco	Feathers	China-ware & M'chdise	Crackers	Sundries	Hemp	Tea	Mineral	Coprah	Copper Ingots	Vermillion	Peanuts	
pkgs 137	bales 11,175	pkgs 500	bales 365	pkgs 992	rolls 2,232	boxes 2,069	boxes 2,015	boxes 24,678	boxes ..	bales 2,508	boxes 5,021	slabs 4,800	boxes 32	boxes 2,825	pkgs 6,427	pkgs 235	cases ..	pkgs 33,955	bales 2,320	pkgs 233	..	1,924	..	..	..	cases 2,454

Exports from Hongkong to U.S. and Canada via Pacific for 1916.

Raw Silk	Silk P. Goods	Waste Silk	Human Hair	Essential Oil	Mats and Matting	Preserves	Chinese M'chdise	China-ware, &c.	Rattan and Rattanware	Cassia	Rice	Gunnies	Canes	Sugar	Fans	Fire Crackers	Nut Oil	Hemp	Miscells.	Tea	Bristles	Tin	Peanuts Shelled	Peanuts Unshelled
bales 15,070	pkgs 1,327	bales 10,854	boxes 115	cases 143	rolls 95,731	pkgs 919	pkgs 223,924	pkgs 2,322	b'dles 23,457	cases 41,505	bags 1,044,181	bales 24,810	pkgs 508	bags 19,365	pkgs 9,689	boxes 53,677	b'rels 7,161	pkgs 1,801	pkgs 268,030	pkgs 5,304	cases 1,093	slabs 173,515	bags 14,355	bags 10,270

Exports from Hongkong to U.S. and Canada via Suez for 1916.

Silk P. Goods	Waste Silk	Human Hair	Essential Oil	Mats and Matting	Preserves	Chinese M'chdise	China-ware, &c.	Rattan and Rattanware	Cassia	Cassia Oil	Rice	Gunries	Canes	Sugar	Fans	Fire Crackers	Nut Oil	Kapok	Hemp	Miscells.	Tea	Bristles	Tin.
pkgs ..	bales ..	boxes 1,152	cases 4,970	rolls 11,553	pkgs 2,408	pkgs 50,745	pkgs 566	b'dles 5,362	cases 35,864	cases 400	bags 9,030	bales ..	pkgs 1,120	bags ..	pkgs 6	boxes 7,851	b'rels ..	pkgs ..	pkgs 13,279	pkgs 110	pkgs 611	slabs 1,600	..

REPORT

OF THE

HARBOUR MASTER

FOR THE YEAR.

## I.—Shipping

1. The total of the Shipping entering and clearing at Ports in the Colony during the year 1916 amounted to 642,794 vessels of 36,381,457 tons, which, compared with the figures for 1915, shows an increase of 111,192 vessels, with an increase of 2,496,538 tons.

Of the above, 48,350 vessels of 22,308,311 tons were engaged in Foreign Trade, as compared with 50,148 vessels of 22,515,023 tons in 1915, and were distributed as follows:—

	1915.	1916.	1915.	1916.
	Numbers.	Numbers.	Tonnage.	Tonnage.
British Ocean-going Ships...	7·9 %	7·7 %	32·7 %	30·8 %
Foreign Ocean-going Ships..	7·3	7·8	31·1	30·7
British River Steamers .....	13·3	14·6	17·8	18·5
Foreign River Steamers .....	3·8	4·7	4·1	4·7
Steam-launches (under 60 tons) ... }	13·7	13·3	1·1	1·0
Trading Junks .....	54·0	51·9	13·2	14·3
	100·0	100·0	100·0	100·0

*N.B.*—The movements of Fishing Junks are not included in the above figures.

2. Of vessels of European construction, 3,760 Ocean Steamers, 1 Sailing Ship, 4,669 River Steamers, and 3,206 Steam Launches entered during the year, giving a daily average entry of 31·9 ships, as compared with 31·6 in 1915, and 32·4 in 1914.

3. The average tonnage of individual Ocean vessels entering the Port has decreased from 2,519·9 tons to 2,238·9 tons. That of British Ships has decreased from 2,625 tons to 2,559·7 tons, while that of Foreign Ships has also decreased from 2,441·2 tons to 2,032·2 tons.

During the past 20 years, the average tonnage of Ocean-going vessels has increased from 1,319 tons to 1,826 tons.

The average tonnage of individual River Steamers entering during the year has decreased from 486.9 tons to 453.0 tons.

That of British River Steamers has decreased from 519.3 tons to 511.2 tons, and that of Foreign River Steamers has decreased from 414.4 tons to 364 tons.

4. A comparison between the years 1915 and 1916 is given in the following table:—

Class of Vessels.	1915.		1916.		Increase.		Decrease	
	No.	Reg. Tonnage.	No.	Reg. Tonnage.	No.	Reg. Tonnage.	No.	Reg. Tonnage.
British Ocean-going, .....	3,988	7,358,586	3,721	6,868,743	...	...	267	489,834
Foreign Ocean-going, .....	3,373	7,023,222	3,797	6,859,349	124	...	...	163,873
British River Steamers, .....	6,676	4,022,853	7,047	4,127,051	371	104,198	...	...
Foreign River Steamers, .....	1,892	928,147	2,288	1,039,197	396	111,050	...	...
Steamships under 60 tons (Foreign Trade), .....	6,822	228,510	6,450	212,350	...	...	372	16,160
Junks, Foreign Trade, .....	27,097	2,953,705	25,047	3,201,621	...	247,916	2,050	...
Total, Foreign Trade, .....	50,148	22,515,023	48,350	22,308,311	891	463,164	2,689	669,867
Steam-launches plying in Waters of Colony, .....	446,933	10,022,806	558,988	12,632,776	112,050	2,609,970	...	...
Junks, Local Trade, .....	34,516	*1,347,090	†35,456	†1,440,370	940	93,280	...	...
Grand Total, ..	531,602	33,884,919	642,790	36,381,457	113,881	3,166,414	2,689	669,867
Net, .....					111,192	2,496,538	...	...

\* Including 10,082 Conservancy and Dust Boats of 503,932 tons.

† " 10,066 " " " 505,660 "

5. This table shows a decrease in British Ocean-going Shipping of 267 ships, or 7.4 per cent., and a decrease of 489,834 tons, or 7.1 per cent. This is due to several of the Coasting Steamers having been chartered by the Government, and the withdrawal of the P. & O. Intermediate Steamers.

British River Steamers have increased by 371 ships and 104,198 tons, or 5.2 per cent. in numbers and 2.5 in tonnage which is due to the fact that two steamers were added to the West River Trade.

Foreign Ocean-going Vessels have increased by 124 ships or 3.3 per cent., but have decreased by 163,873 tons or 2.4 per cent. This is explained by the increase in Japanese and Chinese ships of smaller tonnage.

Foreign River Steamers shew an increase of 396 ships and 111,050 tons, or 17.3 per cent. in numbers and 1.7 per cent. in tonnage. This is due to several steamers which were previously on the Canton-West River trade having been placed on the Hongkong-West River trade carrying rice from July to December.

In Steamships not exceeding 60 tons, employed in Foreign Trade, a decrease of 372 ships and 16,160 tons, or 5.7 per cent. in numbers and 7.6 per cent. in tonnage is shewn. The decrease is most noticeable in launches trading to Macao, and may be put down to one of the launches being replaced by a vessel of over 60 tons.

Junks in Foreign Trade shew a large decrease of 2,050 junks or 8.2 per cent., but an increase of 247,916 tons or 7.7 per cent. The decrease appears during the months of July, August and September, in which months there was considerable unrest in the Canton delta.

In Local Trade, increases are shewn in both Steam Launches and Junks.

Steam Launches shew an increase of 112,050 ships and 2,609,970 tons, or 20 per cent. in numbers and 20.6 per cent. in tonnage which is explained by an increase in number of launches plying in the harbour and more trips having been made.

Junks shew an increase of 940 vessels and 93,280 tons or 2.6 per cent. in numbers and 6.4 per cent. in tonnage. This can only be ascribed to the better control of native craft, they having to report themselves at this office in order to obtain a permit to pass outward through the Examination Service.

6. The actual number of individual Ocean-going Vessels of European construction during 1916 was 717 of which 281 were British and 436 were Foreign. In 1915 the corresponding figures were 724,310 British and 414 Foreign.

These 717 ships measured 1,605,248 tons. They entered 3,761 times and gave a collective tonnage of 6,855,164 tons. Thus 7 fewer ships entered 63 fewer times, and gave a collective tonnage reduced by 326,535 tons, an average of 5,183.2 tons per entry.

Thus:—

Flag.	Steamers.		No. of Times entered.		Total Tonnage.	
	1915	1916	1915	1916	1915	1916
	British { Steamers	308	281	1,989	1,858	3,669,800
{ Sailing ...	2	...	2	—	5,419	...
Japanese { Steamers	264	271	972	987	2,253,086	2,104,307
{ Sailing ...	2	1	2	1	328	75
Norwegian .....	28	33	199	164	199,341	168,156
Chinese .....	38	45	236	305	271,183	306,793
Danish .....	4	4	6	4	18,634	13,440
Dutch .....	23	24	132	135	293,002	359,713
French .....	25	19	164	134	230,242	269,437
Portuguese .....	5	5	59	101	34,547	48,151
Russian .....	4	4	15	16	16,571	16,642
Siamese .....	...	1	...	1	...	810
Swedish .....	6	5	9	8	20,342	24,582
U.S.A. Steamers	15	24	39	47	169,204	118,601
Total.....	724	717	3,824	3,761	7,181,699	6,855,164

7. The 281 British ships carried 2,519 British officers and 56 Foreign officers, the latter consisting of 19 Norwegian, 13 Americans, 11 Danes, 5 Swedes, 4 Japanese, 2 Dutch, and 2 Belgian.

Thus, the proportion of Foreign officers in British ships was 2.21 per cent. comprising 7 nationalities, an increase of 1.31 per cent. with a decrease in number of officers and of ships.

8. The 436 Foreign ships carried 3,252 officers, of whom 60 were British as follows:—

	1915.	1916.
In Chinese ships .....	55	49
„ United States ships .....	4	15
„ Japanese ships .....	7	4
„ Russian ships.....	0	1
	66	69

Thus, 2.12 per cent. of the officers serving in Foreign ships were of British nationality, with an increase in number of officers and of ships.

9. The nationality of the Crews in British and in Foreign ships was as follows:—

	VESSELS.		BRITISH CREW.		AMERICANS AND EUROPEANS.		ASIATICS.	
	1915.	1916.	1915.	1916.	1915.	1916.	1915.	1916.
	British ....	310	281	20,253	16,902	901	533	128,160
Foreign ....	414	436	1,155	1,078	10,791	10,640	114,516	110,982
Total .....	724	717	21,408	17,980	11,692	11,173	242,676	237,265

Hence in British ships:—

1915.	1916.	
13.57 %	11.76 %	of the crews were British.
0.60 %	0.37 %	of the crews were other Europeans.
85.83 %	87.87 %	of the crews were Asiatics.

And in Foreign ships:—

1915.	1916.	
0.91 %	0.88 %	of the crews were British.
8.53 %	8.67 %	of the crews were other Europeans.
90.56 %	90.45 %	of the crews were Asiatics.

## 2.—Trade.

10. As pointed out in previous years the figures which are given are meagre, and of little value, being derived from reports of ship masters which are given in round figures and several items of cargo are only entered under the heading "General."

In a few cases, I can however give more accurate figures and these are:—

*Imports.*—These shew a decrease of 26,946 tons as compared with the year 1915.

Increases are shewn under the headings:—Coal, Cotton Yarn and Wool, Hemp, Kerosene Oil in cases, Rattan, Rice, Sandalwood, and Sugar, while decreases are shewn in Beans, Flour, Kerosene Oil in bulk, Liquid Fuel, Timber, and General.

*Beans.*—A decrease of 10,812 tons is shown, due to Japanese competition: close proximity to Tientsin and Dalny with direct steamship lines and lower freight rates than Hongkong can procure.

The trade with America in this Northern product together with that of Peanuts has gone over almost entirely to the Japanese, and what promised to be a large and lucrative business to Hongkong has been lost.

*Coal.*—There is an increase of 62,811 tons over the last year which is due to local and Canton manufacturing concerns laying in stocks as protective measure against advancing prices due to shortage of tonnage. A large part of the surplus coal is from Formosa and Yaeyama.

*Cotton Yarn and Cotton.*—Once again there is a decrease of 2,274 tons, due to most of the cargo being transshipment cargo.

*Flour.*—The decrease of 14,675 tons is due to Chinese flour competition and high prices ruling for American and Canadian product, also shortage of tonnage and high freight.

*Kerosene Oil.*—There is a decrease of 37,593 tons shown in Bulk Oil, which is due to falling off in demand on account of high price brought about by general war conditions, and what would appear to be an increase in Case Oil is really not so, as the demand has also fallen off as in Bulk Oil. Large stocks of Case Oil are carried over to the present year, and if conditions become worse, this apparent increase will be wiped out.

*Liquid Fuel.*—A decrease of 2,943 tons due to the scarcity of tank steamers.

*Rice.*—The increase of 71,144 tons is due to great demand from North and Central American market principally, which was formerly supplied by the European market when freights were low.

*Timber.*—A decrease of 31,477 tons chiefly accounted for by the stoppage of supplies of Oregon Pine through high rates of freight, Philippine Hardwood being used instead.

*General Cargo.*—The large decrease of 255,423 tons is due to shortage of supplies from manufacturers at home, on account of war conditions.

11. The number and tonnage of ships of European type of construction carrying cargo for import and transit, compared with 1915, was as follows:—

	1915.		1916.		Increase.		Decrease.	
	No.	Tonnage	No.	Tonnage	No.	Tonnage	No.	Tonnage
Steamers .....	3,820	7,175,952	3,760	6,855,089	...	...	60	320,863
River Steamers ...	4,283	2,475,916	4,669	2,583,229	386	107,313	...	...
Sailing Vessels ..	4	5,747	1	75	...	...	3	5,672
<b>Total.....</b>	<b>8,107</b>	<b>9,657,615</b>	<b>8,430</b>	<b>9,438,393</b>	<b>386</b>	<b>107,313</b>	<b>63</b>	<b>326,535</b>
<b>Net.....</b>					<b>323</b>	<b>...</b>	<b>...</b>	<b>219,222</b>

12. The corresponding figures relating to ships of European type of construction exporting cargo, and shipping bunker coal, follow:—

	1915.		1916.		Increase.		Decrease.	
	No.	Tonnage	No.	Tonnage	No.	Tonnage	No.	Tonnage
Steamers, .....	3,831	7,192,274	3,758	6,873,003	...	...	73	319,271
River Steamers, .....	4,285	2,475,084	4,666	2,583,019	381	107,935	...	...
Sailing Vessels, .....	6	7,835	1	75	...	...	5	7,760
<b>Total,.....</b>	<b>8,122</b>	<b>9,675,193</b>	<b>8,425</b>	<b>9,456,097</b>	<b>381</b>	<b>107,935</b>	<b>78</b>	<b>327,031</b>
<b>Net,.....</b>					<b>303</b>	<b>...</b>	<b>...</b>	<b>219,096</b>

  

	1915.		1916.		Increase.		Decrease.	
	Strs.	Bunker Coal.	Strs.	Bunker Coal.	Strs.	Bunker Coal.	Strs.	Bunker Coal.
Steamers, .....	3,831	427,401	3,758	457,580	...	30,179	73	...
River Steamers, .....	4,285	76,123	4,666	84,096	381	7,973	...	...
<b>Total,.....</b>	<b>8,116</b>	<b>503,524</b>	<b>8,424</b>	<b>541,676</b>	<b>381</b>	<b>38,152</b>	<b>73</b>	<b>...</b>
<b>Net,.....</b>					<b>308</b>	<b>38,152</b>	<b>...</b>	<b>...</b>

Exported 2,606,264 tons including River Trade as compared with 2,465,395 tons in 1915.

13. The River Trade, compared with 1915, is shown in the following Table:—

Year.	Imports.	Exports.	Passengers.
1915, .....	383,902	365,598	1,961,060
1916, .....	399,937	537,734	2,416,790

14. The following Table shows the Junk Trade of the Colony for the years 1915 and 1916:—

	1916.		1915.	
	Junks.	Tons.	Junks.	Tons.
Foreign Trade .....	12,565	1,518,075	13,445	1,495,944
Local Trade .....	17,320	712,310	17,112	671,275
Total .....	29,885	2,230,385	30,557	2,167,219
Imported 455,629 tons as under:—				
Tea .....				6
Cattle, 1,696 head .....				195
Swine, 14,008 .....				823
Earth and Stones .....				2,882
General .....				451,723
Total .....				455,629

## EXPORT.

	1916.		1915.	
	Junks.	Tons.	Junks.	Tons.
Foreign Trade .....	12,482	1,683,546	13,652	1,457,761
Local Trade .....	18,136	728,060	17,404	675,815
Total .....	30,618	2,411,606	31,056	2,133,576
Exported 1,038,967 tons as under:—				
Kerosine, 1,383,063 cases .....				40,673
Rice and Padi .....				342,278
General .....				656,016
Total .....				1,038,967

15. A Summary to the Shipping and Trade of the Port for the year 1916.

	No. of Ships.	TONS.					Passengers.		Emigrants.	
		Dis-charged.	Shipped.	In Transit.	Bunker Coal.	Total.	Registered Tonnage.	Arrived.		Departed.
British Ocean-going, .....	3,721	2,006,536	1,166,082	1,808,199	261,205	5,242,022	6,868,743	151,369	115,926	86,739
Foreign Ocean-going, .....	3,797	2,250,742	902,448	1,720,438	196,375	5,070,003	6,859,349	78,397	71,322	30,914
British River Steamers, .....	7,047	255,167	303,148	...	59,448	617,763	4,127,051	1,103,537	1,079,634	...
Foreign River Steamers, .....	2,288	224,770	234,586	...	24,648	484,009	1,039,197	123,261	110,358	...
Total, .....	16,853	4,737,215	2,606,264	3,528,637	541,676	11,413,797	18,894,340	1,456,564	1,377,240	117,653
Steam-launches, Foreign } Trade, .....	6,450	7,474	13,065	...	21,318	41,857	212,350	13,803	14,414	...
Junks, Foreign Trade, .....	25,047	347,550	946,366	...	...	1,293,916	3,201,621	62,925	56,436	...
Total Foreign Trade, .....	48,350	5,092,239	3,565,695	3,528,637	562,994	12,749,570	22,308,311	1,533,292	1,448,090	117,653
Steam-launches, Local } Trade, .....	558,988	5,495	4,181	...	45,694	55,370	12,632,776	6,274,583	6,295,888	...
Junks, Local Trade, .....	35,456	108,079	91,601	...	...	199,680	1,440,370	11,916	18,522	...
Total, Local Trade, .....	594,444	113,574	95,782	...	45,694	255,050	14,073,146	6,286,499	6,314,410	...
Grand Total, .....	642,794	5,205,813	3,661,477	3,528,637	608,688	13,004,620	36,381,457	7,819,791	7,762,500	117,653



3.—Revenue and Expenditure.

16. The gross Revenue collected by the Harbour Department during the year was \$649,732.24 as against \$551,237.90 collected in the previous year, showing an increase of \$98,494.34 or 15.1%:—

	1915.	1916.	Increase.	Decrease.
Light Dues, .....	\$ 75,475.75	\$ 75,031.83	—	\$ 443.92
Light Dues, Special Assessment, .....	93,008.43	87,445.72	—	5,562.71
Licences and Internal Revenue, .....	170,267.38	171,634.97	\$ 1,367.59	—
Fees of Court and Office, .....	212,486.34	315,619.72	103,133.38	—
	<hr/>	<hr/>	<hr/>	<hr/>
	\$551,237.90	\$649,732.24	\$104,500.97	\$ 6,006.63

The principal increases are under Boat Licences \$3,811.84; Junk Licences \$2,637.34; Engagement and Discharge of Seamen \$1,122.20; Examination of Masters, etc., \$1,160; Fees for use of Government Buoys \$44,089.27, (this is due to the taking over by the Government of all the hitherto privately owned buoys); Medical Examination of Emigrants \$26,655.50; Official Signature \$3,914 (due to large number of permits issued to native craft to lie inshore for working cargo at night under the war time traffic regulations); and Sunday Cargo Working Permits \$30,750.

The principal decreases are under Light Dues Special Assessment \$5,562.71 (due to lack of tonnage); Marine Court Fines \$5,152.24; Gunpowder Storage \$3,092.55; and Survey of Steamships \$782.29.

17. The Expenditure of the Harbour Department, for 1916 was \$165,295.31 as against \$166,465.04 expended in 1915, showing a decrease of \$1,169.73 which is due to savings in salaries on account of the office being short since August of the Assistant Harbour Master, a Junk Inspector, and the reduction in the Lighthouse Staff by 2 Light House Keepers retiring on pension, and the substitution of unwatched Aga Lights at Cape Colinson and Ma Wan. Also a sum of \$167,561.35 was expended on taking over by the Government of all the hitherto privately owned buoys and moorings, and the sums of \$1,325.39 and \$1,480.89 were expended on installation of unwatched, Aga Lights at Cape Collinson and Ma Wan Lighthouses respectively. A further sum of \$23,250 was expended on repairing and overhauling the Steam Tender "Stanley" and a sum of \$4,000 on purchasing the Motor Launch "H.D. 5."

The Amount of Light Dues collected during the year 1916.

Class of Vessels.	No. of Trips.	Tonnage.	Rate per ton.	Fees Collected.	Special Assessment.		Total Fees Collected
					Rate per ton.	Fees Collected.	
Ocean Vessels, .....	4,689	7,027,723	1 cent.	\$ 70,277.23	1 cent.	\$ 70,277.23	\$ 140,554.46
Steam Launches .....	2,628	96,657	1 "	966.57	1 "	966.57	1,933.14
River Steamers, (Night Boats).....	1,851	1,136,411	1/3 "	3,788.03	1/2 "	5,682.09	9,470.12
" (Day Boats), .....	1,975	1,262,379	Nil.	.....	5 "	10,519.83	10,519.83
Total.....	11,143	9,523,170	...	\$75,031.83	...	\$87,445.72	\$162,477.55

#### 4.—Steam-launches.

18. On the 31st December, 1916, there were 356 steam-launches (including motor boats) employed in the Harbour. Of these, 191 were licensed for the conveyance of passengers, etc., 121 were privately owned, 22 were the property of the Colonial Government, and 22 belonged to the Imperial Government, comprising 4 Military and 18 Naval.

Nine coxswains' certificates were suspended for incompetency or negligence in the performance of their duties; one of which was suspended for 12 months, while 8 were each for 3 months, and 5 of them were required to pass a further examination, an expiration of their suspensions, before their certificates were returned.

Five hundred and sixteen (516) engagements and four hundred and seventy-two (472) discharges of masters and engineers were made during the year.

Nine (9) steam-launches were permitted to carry arms for their protection against pirates.

#### 5.—Emigration and Immigration.

19. One hundred and seventeen thousand six hundred and fifty-three (117,653) emigrants left Hongkong for various places during the year 1916, (68,275 in 1915). Of these, 86,739 were carried in British ships, and 30,914 in foreign ships.

Seventy-two thousand four hundred and five (72,405) returning emigrants were reported to have been brought to Hongkong from the several places to which they had emigrated either from this Colony or from Coast Ports, as against 109,753 in 1915. Of these, 45,623 arrived in British ships and 26,782 in foreign ships.

#### 6.—Registry, etc., of Shipping.

20. During the year, 16 ships were registered under the provisions of the Imperial Merchant Shipping Act, and 6 Certificates of Registry cancelled. 130 Documents, etc., were dealt with in connection with the Act, the fees on which amounted to \$1,278.00 as compared with \$1,763.00 in 1915.

#### 7.—Marine Magistrate's Court.

21. Three hundred and forty-one (341) cases were heard in the Marine Magistrate's Court, (470 in 1915). Being under way during prohibited hours without permits, Making fast to ships whilst under way without permission, Passing through the Yammai Typhoon Shelter at an excessive speed, Boarding ships without permission, Dredging without permit, and Carrying passengers in excess, were the principal offences.

#### 8.—Marine Court.

(Under Section 9 of Ordinance 10 of 1899).

22. During the year 1916 there were five courts held:—

(1) On the 11th day of February, 1916, enquiry was made into the charges of the disobedience of order and misconduct on the part of A. W. Smith, whose certificate of competency was No. 2046 of Victoria, Australia, chief engineer of the British S.S. *Wallowra*, Official No. 104,811 of Hongkong.

The Court found as follows:—

We find that the charges made against you, Warren Smith, chief engineer of S.S. *Wallowra*, Official No. 104,811 of Hongkong, by the master, Mr. B. W. Pritchard, PROVED, and we consider that your conduct has been detrimental to all good order and discipline, and the Court would point out that there is only one master on board a ship and that as chief engineer you are head of a sub-department, and as such it is clearly your duty to promptly obey any lawful orders given by the master. That on two occasions during the voyage, you did wilfully disobey the lawful commands of the master, Mr. B. W. Pritchard, and did treat him with gross disrespect. We therefore order your chief engineer's certificate No. 2046 of Victoria to be suspended for a period of 6 months and that during such time a second engineer's certificate will be granted you, but that before your certificate is returned at the expiration of 6 months, a reference from the master or masters under whom you have served must be produced to this office showing that you have obeyed their lawful commands to their entire satisfaction.

(2) On the 6th day of March, 1916, enquiry was made into the circumstances attending the stranding of the British S.S. *Kolya*, Official No. 95,100 of Hongkong.

The Court found as below:—

We find that the British Steamship *Kolya*, Official No. 95,100, left Hongkong bound for Christmas Island in ballast at 7.30 a.m. on the 20th February, 1916, with James Willox, Master, the number of whose certificate is 036,321 of Aberdeen, and George Carpendale, chief officer, and that all went well until abeam of Gap Rock, distant 3' about 11.45 a.m. when a course was set to pass 60' to the N.W. of North Reef Paracel Island. This course was taken to be S. 56° W. True and was checked by the chief officer while the master was laying it off. The ship was then steered on this course until shortly after 4 p.m. when a deviation of 3° W. having been obtained, the course was altered to S. 60° W. and that course steered without any further check until the ship struck at 5.45 a.m. on 21st February.

We find that these courses were wrongly set and that such courses would take the ship direct to the Point on which she finally struck. The correct course to have steered would have been S. 34° W. True. The Court hold that the stranding was entirely due to the gross carelessness of the master in setting and steering these wrongful courses, but taking into consideration that the master took proper action to get the ship off after grounding, we order the master's certificate—foreign going—to be suspended for 12 months but grant him a river master's certificate or foreign-going mate's certificate during this period.

The Court orders that George Carpendale, chief officer, is to be severely reprimanded for this carelessness in the navigation of this ship and place the same on record.

(3) On the 13th March, 1916, enquiry was held into the stranding of the British S.S. *Australian Transport*, Official No. 132,812 of West Hartlepool.

The Court found as under :—

We find that the British S.S. *Australian Transport*, Official No. 132,812, West Hartlepool, of which Frederick Robert Clarke, the number of whose certificate is 010,140, West Hartlepool, was master, left Batavia on December 23rd, 1915, for Vladivostock, mean draft 24 feet, and proceeded through the Palawan Passage, and along the N.W. Coast of Luzon and was steering to past Eastward of Formosa Island when she stranded at 11.45 p.m. on the 4th January, 1916, on the S.W. point of Sama Sana Island or now called Hoi Sho To Island. We consider that up to the time of such stranding the navigation of the ship had been carried out in a proper and efficient manner, and that the track this ship was taking East of Formosa Island was one generally followed by low powered vessels during the N.E. Monsoon. Taking into consideration the position of the ship as shown by Dead Reckoning on the 4th January, we do not consider that the master would have been justified in steering any courses other than he did, as owing to the great depth of water it would be impossible to obtain soundings. The stranding of this ship was in no way the fault of the master or crew, but was entirely due to an unknown current which could not be allowed for, and which set the ship N. 73° W. 12 hours 11' and also to the heavy rain squalls and general bad weather prevailing. After the ship struck, every thing was done by the master and crew in a seaman-like way to get the ship off, and we appreciate the tremendous amount of labour necessary to jettison so much heavy cargo under the existing conditions. The Court take this opportunity of congratulating the master, officers and crew on their successful efforts.

(4) On the 5th day of April, 1916, a Marine Court sat to re-hear the investigation into the charge of misconduct made against Warren Smith, the number of whose certificate of competency was 2046 of Victoria, chief engineer of the British S.S. *Wolloura*, Official No. 104,811 of Hongkong.

The Court found as follows :—

We are of opinion that the present Court of Inquiry must be regarded as a new Court quite independent of the other Court which gave its decision on the 11th day of February, 1916. We find that the said Warren Smith was guilty of a gross act of misconduct in defying the master at Saigon inasmuch as he told him that he had no control over him and the engineer room staff. We are also of opinion that the said Warren Smith was guilty of a gross act of misconduct by defying the master when he threw on the table the said letter containing his commands. We are of opinion that what occurred in Hongkong did not amount to a gross act of misconduct although the Court is of opinion that his conduct was most reprehensible. We therefore order his chief engineer's certificate No. 2046 of Victoria to be suspended for a period of 4 months, such suspension to take effect from the 11th day of February, 1916, and that during such time a second engineer certificate will be granted him.

(5) On the 20th November, 1916, enquiry was held into the fire on board the S.S. *Polavon*, Official No. 136,811 of London.

The Court found as follows :—

We find that on the 2nd November, 1916, the British S.S. *Polavon*, Official No. 136,811 of London, was lying alongside the wharf of the Hongkong and Whampoa Dock, Kowloon, for repairs.

A fire broke out on board this ship at about 8 a.m. on the 2nd November, 1916.

We are of the opinion that the fire started in the engine room at the fan engine casing and ignited gases given off by the kerosene from the tank at the fore end of the store room.

We find that through the conflicting and unsatisfactory nature of the evidence, it is impossible to form any definite conclusion as to the actual cause of the fire.

The Court, however, is satisfied that the fire was not caused by either spontaneous combustion or an explosion mechanically produced.

We also wish to add that there was no evidence of arson.

#### 9.—Examination of Masters, Mates and Engineers.

(Under Board of Trade Regulations).

23. The following Tables show the number of Candidates examined under Ordinance 10 of 1899 for Certificates of Competency, distinguishing those who passed from those who failed :—

Grade.	Passed.	Failed.
Master, .....	16	3
Master, River Steamer,.....	1	...
First Mate, .....	16	8
Second Mate, .....	19	13
Mate, River Steamer, .....	3	2
Voluntary Examination in steam for Master or Mate,.....	1	...
Total,.....	56	26
First Class Engineer,.....	10	6
Second Class Engineer,.....	41	14
Total,.....	51	20

For Steamships not exceeding 60 tons, under Section 37 of Ordinance 10 of 1809:—

Candidates.	Passed.	Failed.
For Master .....	71	31
„ Engineer .....	82	1
Total.....	153	32

#### 10.—Examination of Pilots.

(Under Ordinance No. 3 of 1904).

24. There were 2 candidates examined during the year. Fourteen licences were renewed.

#### 11.—Sunday Cargo Working.

25. There were 966 permits issued during the year under Ordinance 1 of 1891, as compared with 678 in 1915. Of these 259 were not used as the ships did not arrive up to time, and in some cases it was found unnecessary to work cargo on the Sunday.

The Revenue collected under this head amounted to \$116,000 as against \$85,250 in 1915.

The increase is due to the shortage of tonnage and the anxiety of ship owners to get their ships away from port as soon as possible.

#### 12.—New Territories.

(Eighteenth year of British Administration).

26. The Out-stations attached to the Harbour Department continued to perform the work allotted to them and during the year Licences, etc., were issued by them as follows:—

	1915.	1916.
Cheung Chau, opened 1899.....	2,436	2,676
Tai O, " 1899.....	2,833	2,696
Tai Po, " 1900.....	2,727	3,573
Sai Kung, " 1902.....	709	890
Long Ket, " 1905.....	1,271	1,629
Deep Bay, " 1911.....	1,294	1,168
Lantao, " 1912.....	1,362	1,705
	12,632	14,337

The revenue collected by this Department from the New Territories during the year was \$35,292.90 as compared with \$34,680.85 in 1915, which shows an increase of \$612.05.

#### 13.—Lighthouses.

GAP ROCK LIGHTHOUSE.

27. During the year 1916, seven hundred and fifteen (715) vessels were reported by telegraph as passing this Station and fifty-nine (59) were not reported owing to communication being interrupted.

Two thousand seven hundred and thirty-eight (2,738) messages, including meteorological observations for the Observatory, were sent and four hundred and fifty-three (453) messages were received.

Temporary repairs to the telegraph cable, which was broken on the 6th November, 1915, were effected on the 28th January and permanent repairs on the 27th and 28th May. From the 28th January telegraphic communication was maintained throughout the year, except for a few minor interruptions.

There were ninety-one (91) hours and twenty (20) minutes of fog during the year and the fog signal was fired five hundred and seventy-five (575) times.

On three (3) occasions the relief was delayed by rough weather.

## WAGLAN ISLAND LIGHTHOUSE.

During the year 1916 three thousand and twenty-five (3,025) vessels were reported. One thousand seven hundred and sixty-nine (1,769) messages were sent and five hundred and eight (508) were received.

Owing to telegraphic interruptions one hundred and forty-six (146) vessels were not reported.

There were one hundred and seventy-seven (177) hours of fog and the fog signal was fired one thousand eight hundred and thirty-six (1,836) times.

On one occasion the relief was delayed owing to rough weather.

## GREEN ISLAND LIGHTHOUSE.

During the year, 722 vessels were reported. 356 messages were sent and 182 received.

Owing to telephone communication being interrupted on four occasions during the year, 11 vessels were not reported.

## CAPE COLLINSON LIGHTHOUSE.

On the 1st March, this Station was equipped with a new 4th order unwatched Aga flash light of the following character:—flashing 1 second light and 5 seconds darkness, *viz.*, 10 flashes per minute. The cost was £135.

## MA WAN ISLAND.

On the 1st August, a new 5th order unwatched Aga flash light was installed of the following character:—flashing  $\frac{1}{2}$  second light and  $2\frac{1}{2}$  second darkness, *viz.*, 20 flashes per minute. The cost of the light was £135.

The Aga lights installed at the Fairway and Cust Rock buoys, at the Yaumati Harbour of Refuge, and the above lights are working in a most efficient manner and give great satisfaction.

## BUOYS.

In April the Government finally took over all the Merchant buoys in the harbour. These buoys have been classified as A., B. and C. buoys and relaid to suit trade conditions of the Port. Seven have been placed in the Coal anchorage at Wanchai, and twelve in the Rice anchorage at West Point, for the convenience of these trades. In all there are now forty-five (45) buoys as follows:—

9 A class for ships over 400 feet in length. Government charge is \$8 per day for this class.

15 B class for ships under 400 feet in length. Government charge is \$6 per day for this class.

21 C class for ships under 300 feet length. Government charge is \$4 per day for this class.

The buoy scheme is now in full working order and the revenue for the year amounted to \$51,916.00 from this source. I think I may add that the scheme is generally much appreciated by the shipping, and considerably improves the facilities and convenience of the Port.

## STAFF.

On the 1st June, Mr. J. M. Franco, 9th Lightkeeper, retired on pension after 25 years service under this Government.

On the 21st June, Mr. C. E. Nicholas, principal Lightkeeper, retired on pension after 24 years service under this Government and 12 years under the Trinity House Service.

Early in August this department suffered a great loss by the death of the Acting Assistant Harbour Master, Lieutenant Davey, R.N.R. This Officer was just over 40 years of age and had served in the Harbour Department for nine years with marked ability. He was a most valuable Government servant, ready at all times to serve the public, tactful, energetic, courteous, and of sound judgment. He will be in my opinion very difficult to replace.

On the 1st December, the Acting First Boarding Officer, Mr. A. W. Daily, was seconded for active service under the Indian Government and has since been granted a Commission in the Royal Engineers.

C. W. BECKWITH, Commander, R.N.,  
*Harbour Master, &c.*

HARBOUR DEPARTMENT,  
10th March, 1917.