

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES, AGRICULTURE AND LAND.

(a.)—SHIPPING AND TRADE.

The total of the Shipping entering and clearing at Ports in the Colony during the year 1914 amounted to 517,439 vessels of 36,756,951 tons, which, compared with the figures for 1913, shows an increase of 27,211 vessels, with a decrease of 986,031 net register tons.

Of the above, 51,214 vessels of 25,279,624 tons were engaged in Foreign Trade, as compared with 47,520 vessels of 25,821,652 tons in 1913, and were distributed as follows:—

	1913. Numbers.	1914. Numbers.	1913. Tonnage.	1914. Tonnage.
British Ocean-going ships,	8.8 %	8.3 %	32.7 %	33.0 %
Foreign Ocean-going ships,	9.9	8.2	36.0	33.9
British River Steamers, ...	14.0	13.0	15.8	15.9
Foreign River Steamers, ...	3.8	3.5	3.6	3.6
Steam-launches (under 60 tons),	9.5	13.4	0.7	1.0
Trading Junks,	54.0	53.6	11.2	12.6
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

N.B.—The movements of Fishing Junks are not included in the above figures.

Of vessels of European construction, 4,222 Ocean Steamers, 4 Sailing Ships, 4,213 River Steamers, and 3,403 Steam-launches entered during the year, giving a daily average entry of 32.4 ships, as compared with 29.9 in 1913, and 28.7 in 1912.

The average tonnage of individual Ocean Vessels entering the port has increased from 2,577.5 tons to 2,612.1 tons. That of British Ships has decreased from 2,742 tons to 2,636.3 tons, while that of Foreign Ships has increased from 2,453.7 to 2,590.2 tons.

During the past 20 years, the average tonnage of Ocean-going Vessels has increased from 1,327.7 tons to 2,003 tons.

The average tonnage of River Steamers entering during the year has decreased from 598.6 tons to 582.1 tons. That of British River Steamers has decreased from 616.2 tons to 600.4 tons, and that of Foreign River Steamers has decreased from 533.2 tons to 513.5 tons.

A comparison between the years 1913 and 1914 is given in the following table:—

Class of Vessels.	1913.		1914.		Increase.		Decrease.	
	No.	Reg. Tonnage.	No.	Reg. Tonnage.	No.	Reg. Tonnage.	No.	Reg. Tonnage.
British Ocean-going,	4,210	8,449,533	4,265	8,321,692	55	...	...	127,841
Foreign Ocean-going,	4,679	9,272,635	4,199	8,592,222	...	...	480	680,413
British River Steamers, ...	6,624	4,078,635	6,643	3,990,712	19	...	..	87,923
Foreign River Steamers, ...	1,780	949,328	1,777	913,270	...	...	3	36,058
Steamships under 60 tons (Foreign Trade),	4,574	189,003	6,856	251,983	2,282	62,980	...	...
Junks, Foreign Trade,	25,653	2,882,518	27,474	3,209,745	1,821	327,227	...	...
Total, Foreign Trade,	47,520	25,821,652	51,214	25,279,624	4,177	390,207	483	932,235
Steam-launches plying in Waters of Colony, ...	416,438	10,720,604	438,174	10,279,456	21,736	...	...	441,148
Junks, Local Trade,	*26,270	*1,200,726	†28,051	†1,197,871	1,781	...	...	2,855
Grand Total,...	490,228	37,742,982	517,439	36,756,951	27,694	390,207	483	1,376,238
Net,.....					27,211	...	...	986,031

* Including 9,922 Conservancy and Dust Boats of 624,080 tons.

† „ 10,230 „ „ „ „ of 503,932 „

This table shows an increase in British Ocean-going Shipping of 55 ships, or 1·3 per cent., and a decrease of 127,841 tons, or 1·5 per cent. This is due to the fact that so many large ships were taken off the run, being employed as transports etc. since the war began.

British River Steamers have increased by 19 ships, or 0·3 per cent., and decreased by 87,923 tons, or 2·1 per cent. This is explained by a reduction in tonnage of the large vessels on the Canton run, by reason of the amendments to the measurement Regulations.

Foreign Ocean-going vessels decreased by 480 ships of 680,413 tons, or 10·2 per cent. in numbers and 7·3 per cent. in tonnage. This may be ascribed almost entirely to the disappearance of the German and Austrian flags since the commencement of the war. But this decrease does not approach that which should result from that disappearance, (540 ships of 1,069,142 tons is the net decrease under those two flags since the war broke out), the balance being adjusted by large increases under the Japanese and Norwegian flags.

Foreign River Steamers are responsible for a decrease of 3 ships of 36,058 tons, or 0·16 per cent. in numbers and 3·8 per cent. in tonnage. This is due to a slight falling off in the River passenger traffic since August.

Steam Launches in Foreign Trade show the enormous increase of 2,282 ships of 62,980 tons, or 50·2 per cent. in numbers and 33·3 per cent. in tonnage. This may be ascribed to the fact, that, in former years, as was discovered about a year ago, many of the launches on the run to the Eastward failed to report their arrivals or departures, but, owing to better supervision, this has now ceased.

Junks in Foreign Trade show an increase of 1,821 vessels of 327,227 tons or 7·1 per cent. in numbers and 11·3 per cent. in tonnage. The figures given do not show nearly all the movements of the Trading Junks, as will appear later.

In Local Trade (*i.e.*, trade between places within the waters of the Colony) there appears an increase under Steam Launches of 32,736 vessels, or 5·2 per cent., and a decrease of 441,148 tons, or 4·1 per cent. While in Junks there is an increase of 1,781 vessels or 6·7 per cent. with a decrease of 2,855 tons, or 0·2 per cent. The causes of this are identical with those mentioned in the case of Foreign Trade Junks, and the effect is well shown by the fact that, since the outbreak of the war, the reported arrivals and departures of Local Trade Junks have increased by well over 100 per cent. compared with the corresponding period of 1913.

The above figures do not, however, show the real state of affairs, inasmuch that many conditions have materially altered since the outbreak of war, early in August. In the remarks which follow, the year is divided into two parts—the first 7 months, before the war, and the last 5 months, since war was declared,—and confined to the Ocean-going shipping, which alone was seriously affected by the war.

Annexed here are comparative Tables, showing the figures for the Ocean-going Shipping of the port for the two periods.

COMPARATIVE SHIPPING RETURN FOR 1ST 7 MONTHS 1913-1914.

	1913.		1914.		Increase.		Decrease.	
	No.	Reg. Tonnage.	No.	Reg. Tonnage.	No.	Reg. Tonnage.	No.	Reg. Tonnage.
British Ocean-going,	2,424	4,832,063	2,630	5,240,172	206	408,109	...	...
Foreign Ocean-going,	2,693	5,227,146	2,812	5,851,604	119	624,458	...	...
Total,	5,117	10,059,209	5,442	11,091,776	325	1,032,567	...	...
Junks Foreign Trade,	19,096	2,089,949	17,365	2,061,827	...	...	1,731	28,122

COMPARATIVE SHIPPING RETURN FOR LAST 5 MONTHS 1913-1914.

	1913.		1914.		Increase.		Decrease.	
	No.	Reg. Tonnage.	No.	Reg. Tonnage.	No.	Reg. Tonnage.	No.	Reg. Tonnage.
British Ocean-going,	1,782	3,606,632	1,630	3,068,842	...	...	152	537,790
Foreign Ocean-going,	1,986	4,045,489	1,385	2,738,532	...	...	601	1,306,957
Total,	3,768	7,652,121	3,015	5,807,374	...	...	753	1,844,747
Junks Foreign Trade,	6,557	792,569	10,109	1,147,918	3,552	355,349	...	...

First Seven Months.—Here is seen a continuation, more especially in British vessels, of the steady increase which has been noted during past years, amounting, in the case of British ships, to 206 ships of 408,109 tons, or 8·5 per cent. in numbers and 8·4 per cent. in tonnage, compared with 6·4 per cent. and 8·6 per cent. respectively in 1913.

Foreign Ocean-going vessels increased by 119 ships of 624,458 tons, or 4·4 per cent. in numbers and 11·9 per cent. in tonnage, compared with 7·1 per cent. and 7·9 per cent. respectively in 1913.

The average tonnage of the British ships entering decreased from 1,995·2 to 1,992·4, while that of Foreigners increased from 1,948·9 to 2,080·9.

A large decrease shown in the Junk trade, which amounts to 1,731 vessels (8·5 per cent.) of 28,122 tons (1·3 per cent.), is, for reasons which will appear later, not borne out by facts, but is really due to the increasing habit on the part of the Junk Masters of failing to report themselves.

Last Five Months.—The effect of the war in the Ocean Trade of the port is here well shown. In British Ocean-going vessels there is shown a decrease of 152 ships of 537,790 tons, or 8·5 per cent. in numbers and 14·9 per cent. in tonnage.

Foreign Ocean-going shipping decreased by 601 ships of 1,306,957 tons, or 30·2 per cent. in numbers and 32·3 per cent. in tonnage. Of this, the practical extinction of German and Austrian tonnage is responsible for 27·2 per cent. in numbers and 26·4 per cent. in tonnage, while the remaining 3 per cent. and 5·9 per cent. represent the net result of increases and decreases under other flags. Here are found increases under Norwegian (17·4 per cent. in numbers and 22·6 per cent. in tonnage, compared with the figures for the corresponding period of 1913), and Chinese (4·5 per cent. in numbers and in tonnage), while under the Dutch flag an increase of 8·9 per cent. in tonnage is combined with a decrease of 7·2 per cent. in numbers. Decreases are shown under Russian (64·7 per cent. in numbers and 68·3 per cent. in tonnage), Portuguese (30·5 per cent. in numbers and 20·3 per cent. in tonnage), United

States (24·1 per cent. in numbers and 22·2 per cent. in tonnage), Danish (20 per cent. in numbers and 11·1 per cent. in tonnage), French shipping remains constant in numbers but decreases by 25·1 per cent. in tonnage, Swedish, while increasing by 20 per cent. in numbers, declines by 38·9 per cent. in tonnage, and Italian shipping disappears altogether.

The average tonnage of Foreign ships entering has decreased to 1,977.

In the Junk Trade, it will be noticed that there is shown the enormous increase of 3,552 vessels of 355,349 tons, or 54·2 per cent. in numbers and 46·1 per cent. in tonnage. It is obvious that no such phenomenal alteration can have taken place in the trade since the outbreak of war, but the explanation is simple. Since war commenced, no vessel can enter or leave the harbour without reporting herself, by reason of the Examination service, so that, of the Junks trading with Victoria Harbour, which means about 90 per cent. of those trading with the Colony, we are now able to account for all, which was very obviously not the case before.

The actual numbers of individual Ocean-going vessels of European construction entering during 1914 was 825, of which 385 were British and 440 were Foreign. In 1913 the corresponding figures were 791, 361 British and 430 Foreign.

These 825 ships measured 2,155,018 tons. They entered 4,226 times, and gave a collective tonnage of 8,468,609 tons. Thus, 34 more ships entered 221 less times, and gave a collective tonnage reduced by 405,197 tons, an average of 1,833·4 tons per entry.

Thus :—

Flag.	Steamers.		No. of Times entered.		Total Tonnage.	
	1913.	1914.	1913.	1914.	1913.	1914.
British { Steamers,...	359	383	2,099	2,130	4,209,950	4,168,538
{ Sailing, ...	2	2	2	3	5,419	7,249
Japanese,	164	188	740	826	1,907,307	2,114,494
German,	106	96	597	350	1,107,453	691,852
Norwegian,	29	29	189	205	182,633	218,721
Austrian,	12	11	51	30	168,063	98,693
Chinese,	26	23	233	224	272,166	271,727
Danish,	6	8	13	16	34,433	46,906
Dutch,	15	19	128	124	242,928	252,700
French,	22	22	155	154	284,628	248,280
Italian,	2	...	7	..	18,312	...
Portuguese,	5	7	114	71	52,009	32,968
Russian,	21	15	34	20	86,021	54,721
Swedish,	7	8	12	12	31,497	24,093
U.S.A. { Steamers,...	15	13	73	60	270,987	236,624
{ Sailing, ...	..	1	...	1	...	1,043
Total,	791	825	4,447	4,226	8,873,806	8,468,609

The 385 British ships carried 3,766 British officers and 12 Foreign officers, the latter consisting of 5 U.S.A., 2 Dutch, 2 Danish, 2 Germans, and one Norwegian.

Thus, the proportion of Foreign officers in British ships was 0·32 per cent. comprising 5 nationalities, an increase of 0·02 per cent. with an increase in the number of officers and of ships.

The 440 Foreign ships carried 3,082 officers, of whom 94 were British as follows :—

	1913.	1914.
In Chinese ships - - - - -	94	84
„ Japanese ships - - - - -	10	6
„ United States ships - - - - -	4	4
„ French ships - - - - -	2	0
	<u>110</u>	<u>94</u>

Thus, 3·05 per cent. of the officers serving in Foreign ships were of British nationality, with an increase in number of officers and of ships.

The Nationality of the Crews in British and in Foreign ships was as follows :—

	VESSELS.		BRITISH CREW.		U. S. A. AND EUROPEANS.		ASIATICS.	
	1913.	1914.	1913.	1914.	1913.	1914.	1913.	1914.
British...	361	385	24,728	24,264	1,022	866	134,220	135,214
Foreign..	430	440	1,430	1,571	31,447	24,428	126,923	118,268
Total ...	791	825	26,158	25,835	32,469	25,294	261,143	253,482

Hence in British ships :—				And in Foreign ships :—			
1913.	1914.			1913.	1914.		
15·46 %	15·13 %	of the crews were British.		0·90 %	1·08 %	of the crews were British.	
0·64 %	0·54 %	of the crews were other Europeans.		19·75 %	16·93 %	of the crews were other Europeans.	
83·90 %	84·33 %	of the crews were Asiatics.		79·35 %	81·98 %	of the crews were Asiatics.	

TRADE.

It is once more necessary to call attention to the extreme inaccuracy of the reports by Masters of ships of cargo carried. There being no Customs, or other staff, to compile accurate statistics, the attached figures are dependent upon these reports, although in some cases more reliable information was obtainable.

IMPORTS.

The amount reported was 4,727,036 tons compared with 4,956,125 tons in 1913, a decrease of 229,089 tons, or 4·6 per cent., which, considering the circumstances attending the last five months of the year under review,—the total withdrawal from the run of all vessels under the German and Austrian flags; the loss (or, at least, the non-delivery) of the cargoes consigned to the Colony in many of such vessels; the risks run by neutral and allied shipping during the early months of the war, by reason of the German cruisers then at large; and the general sense of insecurity felt by both shippers and importers,—may be considered remarkably small.

Increases are shown under the headings Beans, Coal, Cotton, Flour, Hemp, Bulk Kerosene, and Liquid Fuel, while there are decreases reported in Case Oil, Rattans, Rice, Timber, and General.

Coal.—There was an increase of 171,664 tons, or 15·1 per cent., the increase being uniformly spread over the whole year. There was a very large increase in the imports of Welsh coal, which, however, bear a very small proportion to the total imports. Japanese coal fell off, and Chinese increased, while a small quantity of Australian coal found its way to the Colony in one of the prizes.

Cotton, Yarn, and Piece Goods.—Here is an increase of 3,541 tons, or 8·7 per cent. This is not a real increase, but is only apparent, being due to the reported falling off in 1913 having been greatly in excess of facts. As a matter of fact, 1914 proved a bad year for this trade in the Colony, and for staple goods there was so little demand that the imports declined. The causes which led to this were, in the early part of the year, a heavy fall in prices and in exchange. In May and June, however, trade revived, and there seemed every prospect of a sustained improvement, when the floods inland caused a severe set back. Then came the war, which had a most deleterious effect on the trade inland, and increased freights acted as a further deterrent to importers. Added to these, the general financial state of China, throughout the year, has been far from encouraging.

Flour.—There is an increase reported of 12,504 tons or 18·4 per cent.

As in Cotton, this increase is due to errors and omissions in the ship masters' reports in 1913. From enquiries made, there was actually a falling off of 16,713 tons, or 15·4 per cent., the reasons for which are directly due to the war.

It appears that the bulk of the imports arrive here in the later months of the year, shipments in large quantities commencing from America in August. This year, on account of the war, the demand for flour at the seat of the war was far above the average, with the result that prices soared to unprecedented heights. One brand, whose usual price is \$2.30 per bag, now fetches \$4.10. At the same time, freight doubled. Before the outbreak of war, imports were above the average.

Hemp.—Here is shown an increase of 3,010 tons, or 17·3 per cent. It is possible that these figures approach the truth, as, during the first seven months of the year, conditions were very favourable to the trade, prices and freights ruling low, while in 1913 prices were very high. During these months before the war, the figures show an increase of 7,011 tons, or 73·8 per cent., while during the last five months a decrease of 4,001 tons, or 51·3 per cent. appears. This is confirmed by the fact that, on the outbreak of war the market in Manila collapsed, and all business came to a standstill. Later, however, matters improved, and by the end of the year the market had practically resumed normal conditions.

Kerosene Oil.—Bulk Oil shows an increase of 21,328 tons, or 38 per cent., while Case Oil shows a decrease of 4,422 tons, or 9 per cent.

As explained last year, there is not very much significance in increases or decreases in either type of oil, so long as there is no large fluctuation in the joint total. During 1914, the market in both case and bulk oil showed a satisfactory rise, demand slightly increasing, with fair prices and freights, until after the war commenced, when sales fell 50 per cent., and, up to the end of the year, there was no sign of appreciable recovery. Freights rose, after the outbreak of war, from \$4 to \$10 per ton from the American Coast, on account of war risks, and the increased demand in Europe.

It is somewhat remarkable to note that, in spite of the above facts, the imports of case oil show a falling off, before the war, of 12,549 tons, or 38·4 per cent., while, since the beginning of August, there appears an increase of 8,127 tons, or 39·1 per cent. None arrived, however, after October, and that which came in that month was probably on the high seas at the time war broke out.

Stocks at the end of the year show a slight increase over those in January.

Liquid Fuel.—There is a very large increase of 23,263 tons, or 197 per cent., which appears to be borne out by facts. It is

explained by the great increase in numbers of oil-burning steamers bunkering in Hongkong.

Rattans.—The reports here show a decrease of 2,100 tons, or 63·6 per cent., the greater part of which appears to be due to failure on the part of shipmasters to report this item of cargo. As a matter of fact, the market was normal up to August, after which it declined, but only slightly.

Rice.—The figures received indicate a decrease of 102,085 tons, or 13·8 per cent., but the imports were really about normal. Shipmasters failed in the case of this cargo also to report regularly. Though the Chinese crops were good, there was a set back on of the account floods in the summer, and, Saigon and Siam rice being plentiful and cheap, there were large imports. The war does not appear to have affected the trade in any way.

Timber.—Here the imports for 1914 are less by 17,545 tons, or 21 per cent., than those reported in 1913. This again shows the tendency to lump cargo together as "General", for actually, about 20 per cent. more timber was imported during 1914 than during 1913. There was a slight reduction in imports of Teak, which, however, was more than made up by those of Borneo hardwoods and American pine and deals.

Opium.—The trade in certified Indian opium is now confined to the gradual clearance of the opium already imported from India into Hongkong, Shanghai and Treaty ports. The last shipment of certified opium from India arrived in Hongkong from Bombay in January, 1914; other imports have come from Shanghai, Foochow, Swatow, and Amoy. The total imports and exports of certified Indian opium were:—

	Malwa.	Patna.	Benares.	Total.
	<i>Chests.</i>	<i>Chests.</i>	<i>Chests.</i>	<i>Chests.</i>
Imports,.....	834½	346	43	1,223½
Exports,.....	2,032½	797	233	3,062½

670 chests of Persian opium were imported and 1,153 exported, the destination being either London or Formosa. 1,163 chests of uncertified Indian opium were imported from India, of which 696 chests were exported to Macao. The remainder was for the use of the Government Opium Monopoly. The table below shows the total imports and exports since 1908:—

	1914. Chests.	1913. Chests.	1912. Chests.	1911. Chests.	1910. Chests.	1909. Chests.	1908. Chests.
Stock in hand 1st January,	4,580½	5,560	7,587	7,123	4,509	5,808	4,707
Imported during the year,	3,059½	9,148½	12,361¼	21,286	31,743	35,734	41,821
Total,	7,640	14,668½	19,948¼	28,409	36,252	41,542	46,528
Boiled by Opium Farmer,	36	667	1,113	761	782	1,044	864
Boiled by Govern- ment,	413	—	—	—	—	—	—
Spurious Opium destroyed,	19	—	2	—	14	51	247
Missing or stolen Exported during the year,	4	2	9	—	—	—	—
Total,	4,911½	9,419	13,264¼	20,061	28,333	35,938	39,609
Total,	5,383½	10,088	14,388¼	20,822	29,129	37,033	40,720
Stock remaining 31st December, ..	2,256½	4,580½	5,560	7,587	7,123	4,509	5,808

General.—There is a decrease of 299,212 tons, or 11·6 per cent., which is obviously due directly to the war. During the first seven months of the year there is shown an increase of 61,838 tons, or 5 per cent., against a decrease of 361,050 tons, or 29 per cent., for the last five months, as compared with the corresponding periods of 1913.

EXPORTS.

The decrease is 295,398 tons, or 11 per cent., which may be ascribed principally to the war, although there was a general falling off in exports throughout the year. The figures for the first seven months show a decrease, compared with those for the corresponding period of 1913, of 45,332 tons, or 3·4 per cent., while those for the last five months declined by 250,066 tons, or 18·8 per cent.

Transit Cargo.—Here, again, the effect of the war is very marked. For the whole year, there appears a decrease of 513,725 tons, or 10·4 per cent. For the first seven months, however, there is shown an increase, of 301,699 tons, or 10·7 per cent., which appears to be very largely due to cargo carried through in German bottoms, where there is shown an increase over the 1913 transit cargo of 214,417 tons, or 51 per cent. The last five months are responsible for the decrease of 815,424 tons, or 16·5 per cent.

Emigration and Immigration.

Seventy-six thousand two hundred and ninety six (76,296) emigrants left Hongkong for various places during the year 1914 (142,759 in 1913).

Of these, 49,780 were carried in British ships, and 26,516 in Foreign ships.

Statement of Number of Emigrants to Straits Settlements 1909 to 1914 compared with Total Chinese Emigration 1909 to 1914.

	No. of Emigrants to Straits Settlements.	Total No. of Emigrants.
1909,	48,016	77,430
1910,	76,705	111,058
1911,	100,906	135,565
1912,	84,024	122,657
1913,	102,353	142,759
1914,	44,974	76,296

One hundred and sixty-eight thousand eight hundred and twenty-seven (168,827) returning emigrants are 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 166,921 in 1913. Of these 129,164 arrived in British ships, and 39,663 in Foreign ships.

The decrease is due firstly to the prohibition of deck passenger traffic by Singapore in August on account of plague and secondly is due to the war and the repatriation of coolies from Singapore no new coolies being permitted to land.

(b.)—INDUSTRIES.

(i.)—Under European Management.

Engineering and Shipbuilding.—This industry improved as regards tonnage during the year under review.

1914.				
Taikoo Dockyard and Eng. Co., Ltd.,...	9	vessels of 7,166 gross tons and 4,970 I.H.P.		
Hongkong & Whampoa Dock Co., Ltd.,	12	" 3,172 " " 4 810 "		
W. S. Bailey & Co.,	9	" 1,264 " " 1,031 "		
Macdonald & Co.,	1	" 42 " " 70 "		
Tung Hing Lung,	2	" 110 " " 140 "		
Kwong Sing Loong,	2	" 130 " " 150 "		
Kwong Hop Loong,	3	" 116 " " 210 "		
Kwong Tuck Cheong,	1	" 700 " " 1,450 "		
Ah King,	13	" 28 " " 34 "		
Kwong Hip Lung Co., Ltd.,	3	" 557 " " 1,200 "		
Kwong Lee,	4	" 135 " " 280 "		
Total,	59	vessels of 13,420 gross tons and 14,345 I.H.P.		

1913.				
Taikoo Dockyard and Eng. Co., Ltd.,...	11	vessels of 5,886 gross tons and 4,420 I.H.P.		
Hongkong & Whampoa Dock Co., Ltd.,	9	" 3,304 " " 4,700 "		
W. S. Bailey & Co.,	15	" 306 " " 509 "		
Kwong Fook Cheong,	3	" 220 " " 385 "		
Kwong Tuck Cheong,	6	" 1,493 " " 2,406 "		
Sam Kee,	3	" 140 " " 250 "		
Kwong Hip Lung Co., Ltd.,	6	" 558 " " 1,002 "		
Kwong Sze Sang,	6	" 380 " " 720 "		
Total,	59	vessels of 12,287 gross tons and 14,392 I.H.P.		

Sugar Refineries.—Prices ruled low during the first seven months of 1914, with keen competition from Japanese and Java sugars. On the outbreak of war the Home Government bought largely in Java, and prices were forced up there by over 50 per cent. This of course reacted on refined; with the high prices and reduced supplies thus resulting business during the latter part of the year was considerably below normal but at good profits for the holders of early purchased raws. Demand has been further curtailed by financial difficulties due to the falling off in China's export trade, but on the whole the output of the Colony's Refineries was well maintained.

Cotton Spinning.—Owing to the difficulty of securing native labour, the enhanced cost of production, and the disadvantages in the matter of Chinese fiscal charges as compared with Shanghai, the shareholders of the local mill decided to transfer the machinery and undertaking to Shanghai. Work was therefore stopped at the end of October.

The year 1914 has been most unsatisfactory for all engaged in the Cotton Yarn trade. The heavy fall in Cotton values in the early part of the year demoralized the market for a while, but matters were improving when the outbreak of the European war in August brought about a further heavy decline in prices and also great financial stringency amongst the Chinese. Dealers were unable to fulfil their obligations, and the burden has therefore fallen upon the importers.

Rope Manufacturing.—For the first half of 1914 prices of Manila Hemp gradually declined until the outbreak of war in August when the market there collapsed entirely and all business was paralysed, quotations becoming quite nominal. Towards the end of the year as the freight market began to settle down and tonnage became available a good demand sprang up and prices for medium and lower grades rose again closing for the end of 1914 at about 25 per cent. below the high prices ruling at the corresponding date in 1913.

Business in Manila cordage fell off in some quarters owing to the war but on the whole this was more than made up for by the increased demand from transports, etc., the total turnover of the factory comparing very favourably with that of any previous year.

Cement.—The demand throughout the Far East was fairly well maintained during 1914 although enquiries from the Philippines were less than in previous years owing to the decrease in Government work.

At the outbreak of war shipments from Europe were delayed and although the volume of business decreased, the demand on Eastern manufacturers remained normal.

The Green Island Cement Company, Limited, is still suffering from the difficulty which exists in obtaining Kwangtung limestone.

Local selling prices have dropped to meet the competition of inferior Chinese cement, and European, Japanese and Haiphong brands cannot be laid down here at remunerative rates.

Unless shipments of metal and other building materials are interfered with by the war, 1915 should be a good year for Far Eastern cement concerns as supplies of Belgian and other continental cement will probably be unobtainable.

(ii.)—*Under Chinese Management.*

Tin.—The tin business in Hongkong is annually worth some 12 millions. All tin comes from Yunnan. There are no smelteries in the Colony but there are six refineries, where the Yunnan pig tin is refined and loses some 2 to 3 per cent. in the process.

	<i>Imports.</i>	<i>Exports.</i>
1913,	6,153 Tons	5,734 Tons
1914,	6,741 Tons	5,267 Tons

The imports are all in Yunnan unrefined tin and the exports in refined tin.

Generally speaking about 334 tons are exported to Japan yearly, and 1,336 tons to Shanghai. The balance goes to Europe and America. The war affected the trade last year as little tin went to Europe.

Rattan and Fibre Furniture.—The chair export business amounted only to about half of that done last year. Sea grass export was about \$1,000,000 less, while hemp export showed a decided improvement.

Native Tobacco.—The output of last year has been well maintained and its use for the manufacture of cigarettes has increased 20 to 30 per cent.

Tinned Goods.—The market has been very poor and business has fallen off 25 per cent.

Samshu.—The Superintendent of Imports and Exports reports that the trade remained steady during the first half of the year but during the second half there was a large falling off in the amount of spirit both imported and locally distilled.

Vinegar.—Merchants report that the business has remained much the same as last year.

Knitted Vests and Socks.—The market has been poor and business has gone down about one third. Japanese competition continues very keen.

Leather and Hides.—The price has advanced considerably and good business has been done but the supply is short.

Ginger and Preserves.—Owing to the European war this business on which the Germans had a strong hold has gone off 30 per cent.

Soy.—Exporters again report a poor market. Business has been reduced by 40 per cent.

Paper.—Business shews a further decrease of 20 per cent.

Vermilion.—The increase last year has been arrested by reason of the European war and business has fallen off 25 per cent.

Lard.—This trade which made much good progress during 1913 has since the commencement of the war fallen off 30 per cent.

(c.)—FISHERIES.

A considerable proportion of the boat population of Hongkong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(d.)—FORESTRY, AGRICULTURE AND BOTANY.

On the bare hills north of Samshuipo 28,000 pine tree seedlings, one year old, were planted, and in the same locality 7,000 pits were sown with pine tree seeds.

In the Tytam catchment area 15,000 pits were sown with pine tree seeds and at Aberdeen 10,000 pits.

On grassy hills west of the south face of the Beacon Hill tunnel 185 lbs. of pine tree seeds were sown and 235 lbs. on similar hills in the Kanghau valley.

About 70,000 pine tree seedlings were raised for planting in 1915.

Three thousand broad-leaved trees were planted in the Tytam catchment area and 2,000 in the Kowloon catchment area.

Over 400 Poincianas were planted in various places in Hongkong and Kowloon.

Between 800 and 900 flowering trees and shrubs were planted in conspicuous places in Hongkong in addition to the Poincianas.

Upwards of 2,000 trees were planted along the Castle Peak-Shataukok Road. They consisted of Poincianas, Albizzia, Camphor and Ficus.

Alongside the road leading from Sheung Shui Station to the Golf Course 190 trees were planted consisting of Camphor, Aleurites and Crataeva.

On the hills in the vicinity of the Fanling Golf Course over 2,200 flowering trees and shrubs were planted.

At U Kau Tang 110 flowering trees were put in.

Young pine trees from broadcast sowings on the hills near Ngauchiwan were thinned out to the extent of 45,000.

Creepers damaging trees in plantations on Mt. Victoria, Mt. Gough, Mt. Nicholson, Mt. Kellett and Mt. Parker were cut.

A large felling of pine and *Tristania* trees was made above the Pokfulam Road in order to enable new filter beds to be constructed by the Public Works Department.

Large fellings were also made on Farm Lots purchased by the Dairy Farm Co. for the cultivation of Guinea Grass.

About 9,000,000 square feet were cleared of undergrowth at the expense of the Government in connection with anti-malarial measures. The Military Authorities paid for the clearing of 2,250,000 square feet and private individuals 288,000 square feet in addition.

In connection with survey work about 1,780,000 square feet were cleared.

At the beginning of the year pine trees on the south side of the hills were attacked by caterpillars and about 20 tons of these insects were collected and destroyed. This is the worst visitation of this pest since 1894.

An economic garden was started near Fanling in the autumn and trials are being carried out with vegetables and fruits with a view to induce the natives to take up their cultivation.

The first rice crop was above the average and the second was even better. Difficulty was experienced in harvesting the second crop owing to the wet weather which prevailed at the time.

Lichees were below the average and peanuts were good.

The autumn was the wettest on record according to statistics extending over 23 years kept by the Botanical and Forestry Department, rain falling on no less than 45 days, the average for the same period being 24 days.

In April a trip was made to the North River and several interesting additions to the Flora of Kwangtung were made.

(c.)—LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount of premium received from sales of Crown land and pier rights for 1914 (including \$1,429 for boundary stones) was \$245,538 a decrease of \$46,747 on the preceding year but \$38,679 more than the average for the past five years. The principal items in the Island were \$37,500 for Marine Lot 321 having an area of nearly three acres situate at North Point purchased by the Hongkong Electric Company, Limited, and \$12,900 for Inland Lot No. 2091 situate at Kennedy Town having an area of nearly an acre.

In Kowloon, Inland Lot No. 1286 being an unreclaimed area of 13,862 square feet situate at Yaumati fetched \$41,586 or \$3 per square foot and Kowloon Inland Lot 1294 a building site adjoining Jordan and Nathan Roads having an area of 29,570 fetched \$29,620 or slightly over \$1 per square foot.

In the New Territories the net amount received for premium and boundary stones was \$19,731 being \$6,815 more than the previous year.

The number of Deeds relating to property registered in the Land Office during the year was nearly 400 less than the previous year the chief falling off being in the case of assignments which occurred during the latter part of the year, the number of lots changing hands being 998 as against 1,455 the previous year.

In the New Territories the demand for land continues normal.

III.—LEGISLATION.

Thirty-three Ordinances were passed during 1914, of which 19 were amendments of previous Ordinances.

The most important matters with which these Ordinances dealt were the Opium Ordinance (No. 4) by which the Government assumed the entire control and management of the opium business hitherto leased out to private individuals, the Cremation Ordinance (No. 5) which provides for the regulation of the burning of human remains and enables Crematoria to be established, the Seditious Publications Ordinance (No. 6), the Public Lighting Ordinance (No. 13) which provides for the public lighting of the Colony and for the protection of the appliances used in connection therewith, the Obscene Publications Ordinance (No. 15), the Dentistry Ordinance (No. 16) which endeavours to protect the public in some measure against the practice of dentistry by incompetent and unqualified persons, the Wild Bird and Game Preservation Ordinance (No. 18), the Piracy Prevention Ordinance (No. 23), the Special Police Reserve Ordinance (No. 27) which provides for the formation of a Special Police Reserve, and the following Ordinances necessitated by the outbreak of the war with Germany and Austria-Hungary:—Trading with the Enemy (No. 21), Alien Enemies (Winding up) Amendment (Nos. 28 and 30) and the Defences (Sketching Prevention) Amendment (No. 32).

The history of the local policy with regard to enemy firms may be divided into two stages, one up to the 27th October, 1914, and the other from that date up to the present time.

In the earlier stage the foundation of the policy adopted was the desire to prevent the sending of supplies or money to enemy territory and generally to prevent trading with the enemy. In pursuance of this policy two measures were adopted which may be roughly stated as follows:—

- (a) Local firms which were branches of firms in enemy territory were given permission to carry out existing contracts as far as possible, subject to restrictions designed to prevent the remitting of money to enemy territory.
- (b) Local enemy subjects were given permission to engage in fresh trade on their own account subject to similar restrictions designed for the same object.

The view which was taken of the legal position of local import and export firms which were branches of firms in enemy territory was that trading with them or by them involved trading with persons