

The revenue from the sale of Postage Stamps in 1913 amounted to \$397,083.40 and that for 1914 to \$355,018.05, a decrease of \$42,065.35, which is attributed to the dislocation of business and the diminished number of vessels sailing out of the Colony on account of the war. The expenditure in 1914 amounted to \$371,646.06. The result of the year's postal transactions shows a credit balance of \$26,780.32.

A branch Post Office was opened in the Saiyingpun district on the 1st May and is meeting a long felt want.

The mails sent from London by the trans-Siberian route have been very erratic since the outbreak of hostilities, taking 30 to 35 days in transit against 19 days during the antebellum period.

XI.—GENERAL OBSERVATIONS.

1. The condition of the Province of Kwangtung improved considerably during the year though the Government found difficulty in suppressing the numerous robber bands which, owing to the disbandment of many soldiers who had been enrolled during the revolutionary period, were scattered throughout the provinces of Kwangtung and Kwangsi, and especially in the West River districts. Many acts of piracy occurred and the influx of undesirable characters to Hongkong gave the Police cause for extra vigilance.

On the 15th March a piracy of the Norwegian S.S. "Childar" occurred soon after this vessel had left Hongkong for Swatow and in this case the pirates escaped having run the ship close to Chinese territory near Bias Bay before they left it. The S.S. "Tai On" which was attacked by pirates on the 2nd April, 1913, was again the victim of a serious piracy on the night of the 27th April when in the vicinity of Kio Island. The pirates, who had embarked as passengers, attacked the bridge, but the Master, Mr. Wetherall, assisted by the Chief Officer, Mr. Evans, the Chief Engineer, Mr. McCartney, and two Portuguese J. Concepcion and A. Dias, offered a most spirited resistance. Being foiled in their attempt the pirates then set fire to the vessel and about 300 lives were lost including that of the Chief Officer, Mr. Evans, who was injured, it is feared, in the struggle on board and was unable in consequence to keep himself afloat after the ship had been abandoned. The disaster was one of the worst that have occurred in the waters of the delta, but the gallant conduct of the officers in charge of the ship had a remarkable effect in stopping any serious attempts at piracy for some time afterwards. The Government and public of Hongkong marked their appreciation of the action of Mr. Wetherall, Mr. McCartney and Guard Dias by compensating them for the losses they suffered and by suitable presentations. The widow of Mr. Evans, the Chief Officer, was awarded an allowance by the Government. This piracy led to the

passing of the Piracy Prevention Ordinance referred to under the head of Legislation. In accordance with its provisions vessels sailing to ports on the southern coast of China, which are licensed to carry passengers, have to comply with certain stringent regulations.

With the assistance of the Chinese Government and the Macao Authorities the Hongkong Police were enabled to trace the perpetrators of both these outrages. They were tried by the Authorities in the Kwangtung Province, and 17 of those concerned in the "Tai On" piracy and 9 of those concerned in the "Childar" piracy were executed at Canton.

2. In the month of July very serious floods occurred in the Fu and West Rivers and an immense tract of country bordering on these rivers was submerged. Great damage was done to embankments which protect the riverine fields and much suffering was occasioned to a large population who were deprived of food and shelter.

The Government contributed a sum of \$50,000 in aid of a Relief Fund and a representative Committee was appointed to raise public subscriptions and administer the fund. Including the Government contribution a sum of over \$349,000 was raised, the greater portion of which was devoted to the repair by the villagers of broken embankments. A large sum was also spent in sending food into the district at the beginning of the emergency.

The Committee worked in co-operation with the Charitable Societies in Canton who displayed their usual energy and generosity in organising relief, and by and with the authority of the Chinese Authorities who rendered every facility to the Members of the Committee who supervised work and relief in the district assigned to them.

3. The outbreak of war with Germany and Austria and later with Turkey produced a novel and trying situation in which the entire Community showed a most commendable spirit. Offers of assistance from all classes and races were tendered and conspicuous in their proffers of help were the members of the Chinese Community. Practically the whole of the British male population, including very many of Indian, Portuguese and Chinese race, not already enrolled gave their services to the Volunteers, the Volunteer Reserves and the Special Police Reserve. Their services were most valuable and their public spirit rendered possible a considerable reduction in the regular Garrison for duty elsewhere.

The following Companies and organisations lent valuable assistance to the Government :—

The Tramway Companies and the Star Ferry Company who conveyed soldiers and volunteers free of charge.

The Committee of the Matilda Hospital who received free of charge certain German ladies until other arrangements could be made for their disposal.

The Joint Telegraph Companies in all matters connected with the Censorship of Telegrams.

The Hongkong Volunteer Cadets and the St. Joseph's College Boy Scouts rendered useful service as messengers.

Before the end of the year £17,000 was remitted to the National Relief Fund inaugurated by H.R.H. the Prince of Wales. This fund was liberally contributed by all classes of the Community including Indians, Portuguese and Chinese. Various other funds for relief of Belgian Refugees and for supply of tobacco and clothing to the Troops were also instituted and liberally supported by the Community.

The cost of the passages of a number of recruits for the Armies in England not only from the Colony but from places in the Far East were defrayed by the Colonial Government. Up to the end of the year seven local residents went to take up Commissions as officers and thirty-seven for enlistments. From outside the Colony two were selected for Commissions and ten for enlistment. The Peninsular and Oriental Steam Navigation Company were good enough to grant favourable preferential rates for these passages.

4. The difficulties encountered by the Green Island Cement Company in their endeavour to obtain limestone from the Kwangtung and Kwangsi Provinces were not wholly overcome, and the supply during the year was not satisfactory.

5. The Opium Farm was taken over by the Government in March and the restrictive measures adopted have already had a good effect. The energetic action of the Revenue Department has succeeded in tracing many cases of smuggling of opium, morphine and cocaine through the Colony and the heavy fines inflicted and the confiscation of the smuggled goods will it is hoped go far to checking this illicit trade.

6. An order of the Supreme Court was obtained in March for the removal of the Morrison Library from the City Hall, where it was little used by the public, to the University.

7. Mr. A. G. M. Fletcher (Assistant Colonial Secretary) proceeded on leave on the 19th March, 1914, and during his absence his post was filled by the appointment of Mr. M. J. Breen.

Mr. R. H. Crofton (late Chief Clerk) was promoted to the post of Assistant Government Secretary, Zanzibar, and left to take up his duties on 4th January, 1914.

CLAUD SEVERN,
Colonial Secretary.

29th June, 1915.