

Appendix D (1).

REPORT OF THE SUPERINTENDENT OF IMPORTS AND EXPORTS FOR THE YEAR 1914.

LIQUORS CONSOLIDATION ORDINANCE.

1. The revenue collected from liquor duties and licensed warehouses for 1914 was \$656,955.89 as compared with \$729,340.60 in 1913. The decrease is almost entirely due to the general situation attendant on the war, as is shown by a comparison of the revenue for the respective half-years, given below : —

<i>1st half-year.</i>	<i>1913.</i>	<i>1914.</i>
Duties, European Liquors, ...	\$121,449.64	\$114,316.23
Duties, Chinese Liquors, ...	225,845.25	223,118.16
Licensed Warehouse Fees, ..	7,000.00	6,750.00
Licensed Warehouse Overtime Fee, ..	54.00	34.00
	<u>\$354,348.89</u>	<u>\$344,218.39</u>
 <i>2nd half-year.</i>		
Duties, European Liquors, ...	\$133,010.95	\$107,715.45
Duties, Chinese Liquors, ...	241,899.93	204,988.05
Licensed Warehouse Fees, ...	20.83	—
Licensed Warehouse Overtime Fee, ...	60.00	34.00
	<u>\$374,991.71</u>	<u>\$312,737.50</u>
Total, ..	<u>\$729,340.60</u>	<u>\$656,955.89</u>

2. The details of the trade in European liquors are given in Table I, of the trade in Chinese liquor in Tables II and III. As was to be expected a general decrease is shown in the imports, the amount distilled, the exports and local consumption.

OPIUM MONOPOLY.

3. The lease of the Opium Farm expired on February 28th, 1914. It had already been decided that on the expiration of this lease the preparation and retail sale of opium in the Colony should be under the direct control of the Government and the management was placed in the hands of this department. I would like at once to express my gratitude to the members of the Opium Farm, and more particularly the Manager Mr. Ch'an Kai-ming for the assistance given me in taking over and for much valuable advice. The system adopted was practically that of the Farmer. Certain modifications were introduced from the Singapore Monopoly which I had the opportunity of visiting in 1913, and where I gained much from the experience of Mr. F. J. Baddeley, the Superintendent.

4. The Government purchased a certain quantity of raw opium towards the end of 1913 through Messrs. David Sassoon & Co. who acted as agents. Later an arrangement was come to with the Indian Government for a regular monthly supply. The shipping arrangements were left in the hands of Messrs. David Sassoon & Co. and have been very satisfactory.

5. The Opium Factory at Wantsai which had been used by successive farms was leased by the Government and the fittings which had been in use were taken over. The factory was put under the charge of Mr. H. Alan Taylor who was appointed Monopoly Analyst. Practically the whole of the Opium Farmer's boiling staff were re-engaged, and Sergeant G. Watt of the Police was appointed a Revenue Officer to supervise their work. The work at the factory has proceeded smoothly from the commencement. A laboratory was fitted up at the factory and all analytical work connected with opium and intoxicating liquor is now done by the department.

6. For the packing and sale of prepared opium, the shed at the back of the Harbour Office, formerly used by the Sanitary Department, was converted into offices. The packing staff and other employees of the Farmer were taken over as far as possible and their work has been satisfactory. In the Northern District of the New Territories the Farmer had a branch office at Taipo and this was kept on under the charge of Mr. H. Anderson who had formerly worked with the Farmer.

7. The arrangements for the retail of opium were a little difficult. In Singapore opium is sold to licensees who are allowed to retail to the public at a rate which gives them roughly 10% profit on their turn-over. It was thought that if this system was adopted in Hongkong licensees would have too much incentive in increasing their sales and that there would therefore be a danger of their encouraging attempts at illicit export. At the same time it would have been difficult and expensive to establish a system of branch offices all over the Colony. To prevent attempts to import illicit opium it is necessary to have Government opium available at the various centres where there is a demand. Two kinds of licences were therefore issued, but in both cases the retail price is fixed by the Government. In places where a big business is done in prepared opium licensees are paid a fixed sum per month to sell opium for the Monopoly. They are in a sense paid servants of the Monopoly but they have to pay for their opium in advance. In those districts where the sales of opium are small, and where the danger of illicit export is not so great, licensees are paid a commission on their sales the rate varying with the accessibility of the locality. Care is taken to see that their sales do not exceed certain limits, and the rate of commission is reduced if their sales show signs of any unusual increase. The system introduced has been very satisfactory.

8. The prepared opium sold through licensees is all packed in earthenware pots done up in such a way as to make its conveyance and therefore smuggling as awkward as possible. A finer quality of

opium is made which is sold in 3-tael tins at the head office. It is only purchased by the well-to-do classes and to prevent any chance of smuggling it is only issued to registered persons.

9. From the sales made to registered persons it is possible to get some idea of the amount of opium smoked by confirmed smokers. From March 1st to the end of the year the greatest quantity purchased by one person was 68 tins or 204 taels, which if all consumed by that person comes to $2\frac{2}{3}$ tael per diem. The average of the 17 largest purchasers is 49 tins or roughly $\frac{1}{2}$ tael per diem. As purchases of this particular kind of opium are only made by well-to-do classes, it can I think be safely assumed that these are the heaviest smokers in the Colony and that the average local consumption falls very much below this figure.

10. It is not possible to compare with any accuracy the actual consumption of opium under the Government and under the Farm. The number of chests boiled per annum however gives an indication that a considerable reduction has been effected. In 1912 the total number of chests boiled was 1,113; in 1913, 667 and in 1914, 449.

11. The gross revenue derived from the sale of opium from March 1st, 1914, to December 31st, 1914, was \$3,594,284. From this must be deducted the cost of raw opium and administrative charges. These cannot be separately set out exactly but may be taken to be roughly \$900,000.

IMPORTS AND EXPORTS OF RAW OPIUM.

12. Tables IV to VII show the details of the imports and exports of raw opium, but the figures are no longer of any real value. The import of certified opium from India ceased in January, 1914, and the trade is now confined to the gradual absorption by China of the stocks held in Shanghai and Hongkong. There have been some movements of opium between Hongkong and Shanghai but these have been due to temporary conditions and do not affect the general position. The price of certified opium remained more or less steady throughout the year.

13. A certain amount of Persian opium passed through the Colony, mostly for Formosa. A considerable quantity of the stock of Persian opium which has been lying in the Colony was shipped to London.

14. Uncertified Indian opium was imported into the Colony for the use of the Government and also for export to Macao for the use of the Macao Opium Farmer.

SUGAR.

15. Tables VIII and IX show details of the import of sugar for the year.

GENERAL.

16. Very good work was done by the preventive staff during the year. The enormous difference between the price of certified Indian opium and that of uncertified and Persian opium have encouraged attempts to smuggle the drug through the Colony into China on a large scale. A number of large seizures were made during the year, chiefly through the energy of Mr. J. C. Wildin. In spite of these, however, the traffic appears to be on the increase. With the enormous difference in price at present ruling and the strong demand which continues to come from China, it is only possible to deal with this traffic satisfactorily by controlling the supply of opium at its source. There is still a number of centres from which opium can be purchased without difficulty. Table X shows the number of seizures made and the amount of opium confiscated.

17. Apart from opium very useful work has been done by the preventive staff under the Liquors Ordinance, the Arms and Ammunition Ordinance and the Post Office Ordinance.

18. Mention should be made of the excellent work done by Mr. F. P. da Silva and the rest of the clerical staff of the Imports and Exports Office during the earlier stages of the Monopoly. A considerable amount of extra work fell on the staff, which was always cheerfully undertaken.

R. O. HUTCHISON.

Superintendent of Imports and Exports.

6th September, 1915.

Table 1.

Class of Liquor.	Balance in Bond on 31st December, 1913.	Arrivals.	Exported <i>ex</i> Ship to Ship or <i>ex</i> Bond.	Ship Store.	Consumed locally.	Remaining in Bond on the 31st Dec., 1914.			
						In Hol's General Bonded Warehouse.	In H.K. & K. Giddown Co.'s General Warehouse.	In Licensed Warehouses.	Total in Bond.
	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>
Ale, Beer and Stout,	112,282	560,992	270,678	57,504	281,558	2,984	(3) 23,870	36,898	63,752
Bitters,	204	569	153	39	287	18	2	274	294
Brandy,	6,986	38,894	32,298	908	5,358	476	2,476	4,364	7,316
California Wine,	...	1,616	1,616	...	...	...	...	...	...
Champagne,	2,417	6,556	3,349	586	2,840	100	232	1,866	2,198
Claret,	3,292	14,653	6,136	2,542	6,055	94	666	2,452	3,212
Cider,	116	233	80	22	97	...	...	150	150
Gin,	4,274	25,534	15,567	3,906	5,811	64	828	3,632	4,524
Ginger Wine,	55	339	81	...	180	...	...	133	133
Liqueurs,	2,208	5,474	3,410	405	1,328	258	157	2,124	2,539
Malaga,	...	...	...	...	...	...	...	...	...
Madeira,	172	43	...	30	71	...	...	114	114
Marsala,	265	261	243	29	82	...	...	172	172
Medicated Wine,	42	328	209	...	41	...	...	120	120
Muscadel,	...	1	...	...	1	...	...	...	...
Port,	3,635	13,043	7,364	631	4,300	86	828	4,069	4,383
Prune Wine,	51	29	...	...	2	...	...	78	78
Rum,	663	13,113	395	58	(1) 4,097	4	32	919	9,226

(1) Includes 2,856 gallons for preserving tobacco and 659 gallons distilled locally.

Table II.

	Balance in Bond on 31st Dec., 1913.		Arrivals.		Consumed Locally.		Exported.		Denatured and used for Vinegar, etc.		Remaining in Bond on 31st December, 1914.			
	Fond.	Dis-tilleries	Im-port.	Dis-tilled Locally.	Im-port.	Dis-tilled Locally.	ex Bond or ex Ship to Ship.	Dis-tilled Locally.	Im-port.	Dis-tilled Locally.	In Holt's General Bonded Ware-house.	In H.K. & K. Godown Co.'s General Bonded Ware-house.	In Li-censed Ware-houses.	In Dis-tilleries.
	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>
Not more than 25% of alcohol by weight,	7,198	17,880	870,653	916,706	631,583	743,654	228,622	58,065	747	101,175	—	1,217	8,284	13,812
" 35% "	1,556	525	70,139	13,389	29,769	9,328	39,862	3,552	—	—	—	24	484	509
" 45% "	122,526	225	484,834	19,148	29,833	1,240	345,089	3,682	—	44,199	—	7,184	102,228	27
" 50% "	3,443	—	11,202	20	1,577	20	8,348	—	—	—	—	—	7,277	—
Above 50% "	3,679	—	743	—	743	—	—	—	—	—	—	—	—	—
Total,	138,342	18,630	1,437,071	979,263	693,505	754,242	622,121	65,299	747	145,374	—	8,425	112,273	*14,348

* Not including New Territories.

Table III.

Return of Distilleries during the year 1914.

		Output.	C consumed. Locally.	Sold into Bond.	Exported.	Denatured for Tobac- co making.	Denatured with salt for preserving bean-curd.	Used for Vinegar.	Stock on the 31st Dec., 1914.
		Gallons.	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.
Hongkong and New Kowloon.	Not more than 25% of alcohol by weight.	50,787	413,528	16,361	51,398	—	—	95,688	13,812
	" 35%	8,688	3,936	857	3,386	—	—	—	509
	" 45%	50,775	1,027	2,772	3,650	—	43,299	—	27
	" 50%	20	20	—	—	—	—	—	—
	Above 50%	—	—	—	—	—	—	—	—
	Run,	659	45	—	—	530	—	—	84
	Total,	650,929	418,556	19,990	58,434	530	43,299	95,688	14,432
Manufactured in New Territories for local consumption in Hongkong.	Not more than 25% of alcohol by weight.	243,496	922,548	8,791	6,667	—	—	5,487	—
	" 35%	5,549	5,257	126	166	—	—	—	—
	" 45%	1,144	212	—	82	—	900	—	—
	Total,	250,189	228,017	8,920	6,865	—	900	5,487	—

Table III, — Continued.

Return of Distilleries during the year 1914.

	Output.	Consumed Locally.	Sold into Bond.	Exported.	Denatured for Tobacco making.	Denatured with salt for preserving bean-curd.	Used for Vinegar.	Stock on the 31st Dec., 1914.
	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.
Manufactured in New Territories for local consumption.								
Not more than 25% of alcohol by weight.	240,931	226,935	—	—	—	—	—	13,996
" 35% "	769	135	—	—	—	—	—	634
" 45% "	—	—	—	—	—	—	—	—
Total.....	241,700	227,070	—	—	—	—	—	14,630
Total.....	650,929	418,556	19,990	58,434	530	43,299	95,688	14,432
" 	250,189	228,017	8,920	6,865	—	900	5,487	—
" 	241,700	227,070	—	—	—	—	—	14,630
Grand Total,.....	1,142,818	873,643	28,910	65,299	530	44,199	101,175	29,062

Table IV.

Varieties of Opium Imported.

	MALWA.	PATNA.	BENARES.	PERSIAN.	TURKISH.	CHINESE.	TOTAL.
	<i>chests.</i>	<i>chests.</i>	<i>chests.</i>	<i>chests.</i>	<i>chests.</i>	<i>chests.</i>	<i>chests.</i>
1913,	5,030½	1,876	439	1,761	2	...	9,108½
1914,	834½	886	669	670	...	...	3,059½
Increase,	...	...	230	...	...	...	...
Decrease,	4,196	990	...	1,091	2	...	6,049

Varieties of Opium Exported.

	MALWA.	PATNA.	BENARES.	PERSIAN.	TURKISH.	CHINESE.	TOTAL.
	<i>chests.</i>	<i>chests.</i>	<i>chests.</i>	<i>chests.</i>	<i>chests.</i>	<i>chests.</i>	<i>chests.</i>
1913,	4,328½	2,773	795	1,520½	2	...	9,419
1914,	2,032½	1,117	609	1,153	...	...	4,911½
Increase,	...	...	...	...	...	...	...
Decrease,	2,296	1,656	186	367½	2	...	4,507½

Through Cargo reported in Manifests but not landed { 1913, 731 *chests.*
 1914, 15 "

Table V.

Varieties of Certificated and Un-certificated Opium Imported and Exported during the year 1914 :—

	CERTIFICATED.				UN-CERTIFICATED.				Grand Total. chests.
	Malwa. chests.	Patna. chests.	Benares. chests.	Total. chests.	Persian. chests.	Patna. chests.	Benares. chests.	Total. chests.	
Stock on 1st January, 1914,	2,007½	1,204	544	3,755½	629	161	35	825	4,580½
Imported during the year 1914,	834½	346	43	1,223½	670	*540	*626	1,836	3,059½
Exported during the year 1914,	2,842	1,550	587	4,979	1,299	701	661	2,661	7,640
Boiled by Opium Farmer during January and February 1914,	2,032½	797	233	3,062½	1,157	†320	†376	1,853	4,915½
Boiled by Government Monopoly during the year 1914,	809½	753	354	1,916½	142	381	285	808	2,724½
Spurious Opium destroyed,	...	...	...	...	...	36	...	36	36
Balance on the evening of the 31st December, 1914,	...	...	...	...	2	237	174	413	413
	...	...	...	...	19	...	...	19	19
Balance on the evening of the 31st December, 1914,	809½	753	354	1,916½	121	108	111	340	2,256½

* For Hongkong Government Monopoly and Macao Opium Farmer.

† For Macao Opium Farmer.

Table VI.

Places of Destination of Opium Exported during 1914.

	Malwa. chests.	Patna. chests.	Benares. chests.	Persian. chests.	Turkish. chests.	Chinese. chests.	Total chests.	Total in lbs.
<i>By Steamers to China :—</i>								
Amoy,	3	...	7	1	...	...	11	1,656
Canton,	861½	420	93	1	...	...	1,375½	196,796½
Foochow,	56	1	...	...	...	...	57	7,608
Hoihow,	23	31	20	...	...	...	74	11,219
Kong Moon,	18	209	27	...	...	...	254	40,154
Macao,*	16	35	1	...	...	...	52	7,898
Pakhoi,	...	2	...	...	...	...	2	320
Shanghai,	278	93	82	...	...	...	453	64,974
Swatow,	715	5	3	...	...	...	723	96,375
<i>By Steam-launches, Junks and Railway } to various adjacent Ports in China, }</i>	62	...	...	...	...	...	62	8,246
Total for Chinese Ports,	2,032½	796	233	2	...	...	3,063½	435,236½

* The above figures for Macao represent the exports to Macao for re-export to China.

Table VI,—Continued.

Places of Destination of Opium Exported during 1914.

	Malwa. chests.	Patna. chests.	Benares. chests.	Persian. chests.	Turkish. chests.	Chinese. chests.	Total chests.	Total in lbs.
<i>By Steamers to Non-Chinese Ports :—</i>								
London,	...	...	...	368	...	...	368	50,416
Rabaul,	...	...	...	2	...	...	2	274
Macao,	...	320	376	...	...	...	696	111,360
Tamsui,	...	...	...	748	...	...	748	102,476
Takao,	...	...	...	20	...	...	20	2,740
Keelung,	...	...	...	13	...	...	13	1,781
Timor,	...	1	...	...	...	...	1	160
Total for non-Chinese Ports,	...	321	376	1,151	...	...	1,848	269,207
Total for Chinese Ports,	2,032½	796	233	2	...	...	3,063½	435,236½
Grand Total,	2,032½	1,117	609	1,153	...	...	4,911½	704,443½
Through cargo exported but not landed,	15	...	...	...	...	...	15	...

Table VII.

The following Table shows the quantity of Opium imported and exported during the years 1913 and 1914 :—

	1913.	1914.	Increase.	Decrease.
	<i>chests.</i>	<i>chests.</i>	<i>chests.</i>	<i>chests.</i>
Imported,	9,108½	3,059½	...	6,049
Exported,	9,419	4,930½	...	4,488½
Through Cargo reported, but not landed,.....	731	15	...	716

Table VIII.

Imports and Exports of Sugar.

Return of Sugar imported into the Colony of Hongkong by vessels of different nationalities during the years 1913 (from January to August) and 1914 (from May to December) :—

	1913. <i>Tons.</i>	1914. <i>Tons.</i>
American Steamers,.....	9,416	293
Austrian ".....	—	20
British ".....	83,856	35,382
Chinese ".....	211	315
Dutch ".....	69,755	82,112
French ".....	943	377
German ".....	13,918	4,022
Italian ".....	—	—
Japanese ".....	149	5,744
Norwegian ".....	4,747	10,593
Portuguese ".....	224	206
Russian ".....	—	—
Swedish ".....	—	53
By Junk ".....	—	6
" Train	4	—
Total,	183,223	139,073

	1913. <i>Tons.</i>	1914. <i>Tons.</i>	Decrease. <i>Tons.</i>
Imported,	183,223	139,073	44,150

Table IX.

Return of Sugar imported into the Colony of Hongkong during the years 1913 (from January to August) and 1914 (from May to December) showing place of origin :—

	1913. <i>Tons.</i>	1914. <i>Tons.</i>
From China,.....	5,070	7,474
„ Cochin China,	2,860	207
„ Java,	127,362	120,726
„ London,	6	14
„ Mauritius,	2,401	2,033
„ New Territories,	4	6
„ Philippine Islands,	45,520	8,613
„ Straits Settlements,	—	—
Total,	183,223	139,073

One hundred and two (102) Certificates of Origin for Exportation of Sugar were issued from this Office during the year 1914.

Fifteen (15) Permits for Delivery of Sugar which arrived in the Colony without Certificate of Origin were issued from this Office during the year 1914.

