

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 1912 amounted to 488,649 vessels of 36,735,149 tons, which, compared with the figures for 1911, shows a decrease of 54,546 vessels with an increase of 555,997 tons.

The decrease in numbers of vessels is entirely in local trade.

Of the above, 46,603 vessels of 24,269,270 tons were engaged in foreign trade, as against 44,978 of 23,063,108 tons in 1911, and were distributed as follows:—

| | 1911. Numbers. | 1912. Numbers. | 1911. Tonnage. | 1912. Tonnage. |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| British Ocean-going ships, | 10·5 % | 8·4 % | 35·0 % | 32·4 % |
| Foreign Ocean-going ships, | 10·6 | 9·2 | 35·0 | 35·3 |
| British River Steamers, ... | 16·0 | 15·0 | 17·3 | 17·3 |
| Foreign River Steamers, ... | 3·3 | 3·8 | 3·0 | 3·5 |
| Steam-launches (under 60 tons), | 7·7 | 8·6 | 0·6 | 0·6 |
| Trading Junks, | 51·9 | 55·0 | 9·1 | 10·9 |
| | <u>100·0</u> | <u>100·0</u> | <u>100·0</u> | <u>100·0</u> |

The movements of fishing junk s are not included in the above figures.

Of ships of European construction, 4,154 ocean steamers, 1 sailing ship, 4,351 river steamers, and 1,976 steam-launches (not exceeding 60 tons) entered during the year, giving a daily average entry of 28·7 ships, as compared with 26·9 in 1911, and 26·7 in 1910.

The average tonnage of individual ocean vessels entering the port has increased from 2,495·1 tons to 2,575·7 tons. That of British ships has increased from 2,633·5 tons to 2,713·4 tons, while that of foreign ships has increased from 2,365·7 tons to 2,457 tons.

During the past 20 years, the average tonnage of ocean vessels has increased from 1,155·9 tons to 1,969·2 tons.

The average tonnage of river steamers entered during the year has increased from 584·9 tons to 585·1 tons. That of British river steamers has increased from 599 tons to 602·5 tons, and that of foreign river steamers has decreased from 518 tons to 515·1 tons.

Foreign river steamers show an increase of 315 ships of 158,292 tons, or 2·21 per cent. in numbers and 21·5 per cent. in tonnage. This is accounted for by the greater number of trips made during the year by French and Chinese steamers.

• In steamships not exceeding 60 tons employed in foreign trade, an increase of 718 ships of 20,520 tons, or 22 per cent. in numbers and 15·7 per cent. in tonnage, is shown. This appears to be due to the greater number of launches running with passengers and cargo to places in Chinese territory more especially to the Eastward. Some of the launches on this run were heretofore employed in towing lighters, etc., in the harbour, but are no longer able to obtain such employment.

In junks in foreign trade, an increase is reported of 259 vessels of 81,687 tons, or 1 per cent. in numbers and 3·2 per cent. in tonnage. This is accounted for by the increased control over these vessels, effected by the new system of licensing inaugurated early in 1912, having resulted in more accurate reports of their movements.

In local trade, large reductions are reported.

Steam-launches in local trade show a decrease of 49,994 ships of 372,586 tons, or 10·8 per cent. in numbers and 3·4 per cent. in tonnage. This is explained by the fact that almost all towing in the harbour, which formerly was done by small licensed launches, hired for the purpose by the European and Japanese firms concerned, is now done by the unlicensed private launches belonging to those firms.

Junks in local trade show a falling off of 6,552 vessels of 277,579 tons, or 18·1 per cent. in numbers and 13 per cent. in tonnage. For this large decrease it is difficult to account, but more than half of it is certainly due to the Sanitary Department employing steam barges for a large part of the scavenging work. The remainder of the decrease is probably due to the new system of licensing not having been properly understood by the boat population for some time after its inception, with the result that full figures were not at first forthcoming.

It is interesting to note that the entries of ocean steamers during the last quarter of the year show an excess, over the average of the three previous quarters, of 122 ships of 175,332 tons. This is accounted for by the unprecedented demand for tonnage, during the closing months of the year, and consequent rise in freights.

The actual number of ocean vessels of European construction entering during 1912 was 724, of which 336 were British and 388 were foreign. In 1911 there were 720: 348 British and 372 foreign.

These 724 ships measured 1,862,287 tons. They entered 4,155 times, and gave a collective tonnage of 8,186,136 tons. Thus,

compared with 1911, 4 more ships, with a tonnage greater by 65,789 tons, entered 106 more times, and gave a collective tonnage greater by 430,103 tons.

Thus :—

| Flag. | Steamers. | | No. of Times entered. | | Total Tonnage. | | |
|-------------------|------------|-------|-----------------------|-------|----------------|-----------|-----------|
| | 1911. | 1912. | 1911. | 1912. | 1911. | 1912. | |
| British { | Steamers | 344 | 335 | 1,952 | 1,977 | 3,781,622 | 3,892,354 |
| | Sailing... | 4 | 1 | 6 | 1 | 16,534 | 2,890 |
| German, | 111 | 98 | 657 | 637 | 1,133,786 | 1,129,054 | |
| Japanese, | 106 | 123 | 509 | 592 | 1,354,362 | 1,572,194 | |
| Norwegian, | 36 | 26 | 210 | 168 | 221,039 | 173,145 | |
| Austrian, | 6 | 10 | 24 | 46 | 96,380 | 153,624 | |
| Chinese, | 20 | 30 | 192 | 236 | 241,362 | 275,310 | |
| Danish, | 8 | 6 | 20 | 11 | 45,928 | 28,927 | |
| Dutch, | 16 | 18 | 130 | 112 | 235,881 | 246,352 | |
| French, | 27 | 26 | 152 | 142 | 242,469 | 229,532 | |
| Italian, | 2 | 4 | 12 | 13 | 31,188 | 31,403 | |
| Portuguese, | 4 | 5 | 79 | 101 | 32,842 | 49,494 | |
| Russian, | 11 | 18 | 20 | 35 | 53,080 | 103,998 | |
| Swedish, | 6 | 6 | 14 | 14 | 25,778 | 37,262 | |
| U.S.A. { | Steamers | 18 | 18 | 71 | 70 | 243,619 | 260,597 |
| | sailing... | 1 | ... | 1 | ... | 163 | ... |
| Total, | 720 | 724 | 4,049 | 4,155 | 7,756,033 | 8,186,136 | |

TRADE.

In the absence of a Customs Department, the details of the trade of the Colony which it is possible to give are meagre, and of little value, being derived from reports of ship masters, which are given in round numbers, and the several items of cargo are only too frequently returned under the heading "general". In a few cases, however, as opium and sugar, exact figures can be obtained; while in certain other items, from their nature, or for other reasons, approximately accurate returns are rendered. The following remarks are therefore confined to these few articles of trade.

Imports.—Under this heading, which includes all cargo brought by ocean vessels or river steamers (not in junks or steam-launches) and landed or transhipped in the Colony, 4,151,805 tons of cargo were reported during the year. This, compared with that reported during 1911 (3,995,793 tons), shows an increase of 156,012 tons, or 3·9 per cent.

Of this total, there appear increases in the import of coal, cotton, flour, sugar, and timber, while decreases are reported in kerosene oil, opium, and rice.

Coal.—An increase of 10,212 tons or 1 per cent. is reported, 1,056,502 tons having been imported during the year. It is probably due to transshipments of coal to Canton, where there is an increasing demand for it.

- Of the above total quantity, 73 per cent. was Japanese, Hongay
- and Fushun coming next with about 8 per cent. each, other descriptions of coal being imported in but small quantities. None arrived from either Australia or Labuan, and but one cargo from England, except that imported by the Admiralty, from Cardiff.

Cotton, including cotton yarn and cotton piece goods, show an increase of 20,552 tons or 51.4 per cent., which seems to be a genuine increase, and not due solely to a larger proportion of the imports being reported as cotton instead of general cargo. The reason for this phenomenal increase is not far to seek. The trade in China, after a total cessation during the last 3 months of 1911 and the first 3 months of 1912, on account of the Revolution in that country, recommenced, and gradually assumed large proportions. These soon still further increased, partly owing to the assumption, by a large percentage of the population, of European dress, which opened up a new trade (now rapidly declining), and partly to the disappearance of the old stocks in the hands of the native merchants, and the necessity for their replenishment. The high rate of exchange was also a factor in increasing the trade although the unprecedented demand caused enhanced prices in spite of it. It is of interest to note that this large increase in imports does not include the large and increasing quantity of native grown cotton spun in the Colony, and re-exported as yarn.

Flour.—Here an increase of 16,620 tons, or 20 per cent. was reported. This is explained by the prices being moderate on account of the high rate of exchange. The wheat crop in North China, also, has been poor for the past two seasons, thereby creating a demand for foreign flour, while the Chinese are quickly learning new uses for this commodity, which in many parts is taking the place of rice. Among these is a very fine description of vermicelli, now manufactured at Amoy and Chefoo, which is in great demand, and 20 per cent. of the flour imported at Amoy (through Hongkong) is used for this purpose; considerable quantities are consumed at Amoy and Chefoo and large shipments are made to Hongkong, Canton, the Philippine Islands, Singapore, and other ports out of China. This increased use of flour is evident in the Colony, being noticeable even among the boat population of the Harbour, where it is a common thing to see cakes and “flapjacks” being cooked and eaten, instead of the formerly universal rice.

Kerosene Oil.—Very large reductions are reported in both bulk and case oil imported during the year—of 42 per cent. in the former and 32 per cent. in the latter. Several causes militated to this end. The large stocks in hand at the commencement of the Revolution in China; the virtual total cessation of trade until well on in the year 1912; and the high freight rates, which have increased by more than 100 per cent. in twelve months.

The trade is now restored to its usual proportions, if not still increasing. Out of 105,425 tons imported during 1912, 15,859 tons, or 15 per cent., arrived during the month of December, which seems to point to an increased demand in view of the high freight rates now prevailing.

Liquid Fuel shows an increase of 2,724 tons imported, or 15·4 per cent. This is due to the greater number of vessels now using this form of fuel instead of coal.

Opium.—The imports of raw opium show a decrease of 8,925 chests or 42 per cent. and the exports a decrease of 6,796 $\frac{1}{4}$ chests or 34 per cent. This decrease is the natural outcome of the Opium Agreement of May, 1911, but has been intensified by the uncertainties and variations of provincial policies in China with regard to opium generally and by the absolute exclusion of Persian opium from the China market. The figures for the last five years are shown in the following table:—

| | 1912. | 1911. | 1910. | 1909. | 1908. |
|-----------------------------|----------------------|---------|---------|---------|---------|
| | Chests. | Chests. | Chests. | Chests. | Chests. |
| Stock in hand, 1st Jan.,... | 7,587 | 7,123 | 4,509 | 5,808 | 4,707 |
| Imported during the year, | 12,361 $\frac{1}{4}$ | 21,286 | 31,743 | 35,734 | 41,821 |
| Total,..... | 19,948 $\frac{1}{4}$ | 28,409 | 36,252 | 41,542 | 46,528 |
| Boiled by Opium Farmer, | 1,113 | 761 | 782 | 1,044 | 864 |
| Spurious Opium destroyed, | 2 | ... | 14 | 51 | 247 |
| Exported during the year, | 13,264 $\frac{1}{4}$ | 20,061 | 28,333 | 35,938 | 39,609 |
| Total,..... | 14,379 $\frac{1}{4}$ | 20,822 | 29,129 | 37,033 | 40,720 |
| Stock remaining 31st Dec., | 5,560 | 7,587 | 7,123 | 4,509 | 5,808 |

The legitimate importation of morphia and cocaine has ceased except for such quantities as are required for medicinal purposes in the Colony. The trade in compounds of opium is now confined to exportation to Java for the use of the Dutch Government Monopoly.

Rice.—Here is reported a decrease of 21,072 tons, or 3·6 per cent. The rice crops in the two Kwang Provinces have been good, thus the demand for foreign rice has not been so great as usual. The Siamese, Annamese and Cochin China crops were very poor and prices high. Siamese rice used to sell here at \$4.50 per picul. This year as much as \$7.00 has been asked, and paid. The increased and increasing use of flour among the native population, noticed in the remarks under that heading, no doubt affects the rice market to a certain extent. The import of Japanese rice has apparently entirely ceased.

Timber.—An increase of 13,169 tons or 22 per cent. is here reported. Although it is unlikely that this is all a genuine increase, it is certain that the timber trade has received a considerable impetus recently, by reason of the increased demand for foreign woods for the building and furniture trades in Canton and the interior. The principal descriptions of timber imported are teak and ebony from Siam, and hardwoods, such as billion and yacal from Borneo. The demand for European styles of furniture among the Chinese is responsible for large increases in the import of teak. Ebony is used for the manufacture of the Canton "blackwood" now so popular among foreigners. Billion, a very hard, heavy wood, whiteant proof, is being increasingly used for beams, rafters, and joists, in the building trade. Billion is also used almost exclusively for the manufacture of those universal necessities of life in China—chopsticks. Yacal has become very popular for boat and ship building, being easily worked, free from knots, very durable, and can be obtained to almost any size. It is used for the frames of the better class of boats, steam-launches, etc., built in the Colony, while the sheathing and planking is generally made of teak. Native boats and junks are usually built of native wood—China pine—the import of which is not included in these figures.

Emigration and Immigration.

122,657 emigrants left Hongkong for various places during the year 1912, (135,565 in 1911). Of these 88,749 were carried in British ships and 33,908 in foreign ships. These figures show a decrease of 12,908 (or 9·5 %) under 1911, due undoubtedly to the fact that most of the poorest classes instead of emigrating to foreign countries joined the Revolutionaries in China during the year.

*Statement of Number of Emigrants to Straits Settlements
1908 to 1912 compared with Total Chinese
Emigration 1908 to 1912.*

| | No. of Emigrants to Straits Settlements. | Total No. of Emigrants. |
|--------------|------------------------------------------------|----------------------------|
| 1908, | 49,639 | 71,081 |
| 1909, | 48,016 | 77,430 |
| 1910, | 76,705 | 111,058 |
| 1911, | 100,906 | 135,565 |
| 1912, | 84,024 | 122,657 |

163,248 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 149,894 in 1911. Of these 125,499 arrived in British ships, and 37,749 in foreign ships.

(b.)—INDUSTRIES.

(i.)—Under European Management.

Engineering and Shipbuilding.—This industry has improved during the year under review.

| 1912. | | | | |
|-------------------------------------|----|------------------|----------------------|-------------|
| Taikoo Dockyard and Eng. Co., Ltd., | 8 | vessels of 2,121 | gross tons and 1,065 | I.H.P. |
| Hongkong & Whampoa Dock Co., Ltd., | 6 | " | 922 | " " 1,275 " |
| W. S. Bailey & Co., | 15 | " | 491 | " " 486 " |
| Macdonald & Co., | 3 | " | 197 | " " 218 " |
| Ulderup & Schluter, | 6 | " | 87 | " " 120 " |
| Tung Hing Lung, | 2 | " | 50 | " " 180 " |
| Kwong Fook Cheong, | 3 | " | 665 | " " 585 " |
| Kwong Hip Loong, | 1 | " | 27 | " " 76 " |
| Kwong Tak Cheong, | 3 | " | 548 | " " 846 " |
| Kwong Tak Hing, | 1 | " | 91 | " " 110 " |
| Kwong Hip Lung Co., Ltd., | 6 | " | 250 | " " 575 " |
| Cheung Kee, | 1 | " | 34 | " " 79 " |
| Kwong Sze Sang, | 5 | " | 206 | " " 1,301 " |
| Kwong Lee, | 1 | " | 76 | " " 102 " |
| <hr/> | | | | |
| Total, | 61 | vessels of 5,765 | gross tons and 7,018 | I.H.P. |

| 1911. | | | | |
|-------------------------------------|----|------------------|----------------------|-----------|
| Taikoo Dockyard and Eng. Co., Ltd., | 9 | vessels of 2,281 | gross tons and 3,650 | I.H.P. |
| Hongkong & Whampoa Dock Co., Ltd., | 13 | " | 552 | " " 703 " |
| W. S. Bailey & Co., | 8 | " | 206 | " " 413 " |
| Macdonald & Co., | 5 | " | 50 | " " 173 " |
| Ulderup and Schluter, | 30 | " | 408 | " " 860 " |
| Tung Hing Lung, | 1 | " | 55 | " " 250 " |
| Kwong Tak Hing, | 1 | " | 210 | " " 192 " |
| W. C. Jack & Co., | 2 | " | 45 | " " 48 " |
| Kwong Hip Lung & Co., Ltd., | 3 | " | 76 | " " 76 " |
| <hr/> | | | | |
| Total, | 73 | vessels of 3,883 | gross tons and 6,609 | I.H.P. |

Sugar Refineries.—The year 1912 has on the whole been an unfavourable one for the local refined sugar industry. China has not yet recovered from the effects of the Revolution, and until confidence is fully restored merchants are apparently content to adopt a hand-to-mouth buying policy. Apart from this the European beet crop has been a record one, latest estimates promising an excess of about $2\frac{1}{2}$ million tons over that of 1911; and, with beet and cane combined, a surplus in the world's production of about $1\frac{1}{4}$ million tons over that of any previous season. The result has been a very considerable decline in the world's prices, with a consequent unsettling reaction in Far Eastern markets.

Cotton Spinning.—Since the termination of the Revolution in China there has been considerable improvement in the Yarn trade, and the year closed with the industry in a healthy condition in China. The local mill has worked full time throughout the year and has benefited by the better conditions.

Rope Manufacturing.—The most distinguishing feature of the year has been the extraordinary rise in the price of hemp in the Philippines ranging from 60% to 80% from the beginning to the end of the year. The full effect of this upon the rope industry has yet to be shown, and if the price is maintained it is feared that consumption of the finished article is likely to be curtailed in favour of rope made from an inferior fibre or from steel.

Cement.—There has been an increased demand in the Far East throughout the year. An embargo was placed in July on the export of limestone from the Kwangtung province by the Authorities at Canton which seriously interfered with the output of the local Green Island Cement Company, and forced the Company to have recourse to Haiphong for supplies, and at the end of the year the matter remained still unsettled. Owing to the coal strikes and labour troubles in England and Europe, and higher outward freights, supplies from home have been much restricted, and prices in some markets became enhanced, but every year the numerous factories in this part of the world are increasing consumer's independence of Europe.

(ii.)—*Under Chinese Management.*

Rattan and Fibre Furnitures.—Business was not so good owing to the damp season which injuriously affected the hemp string (linen fibre) and sea grass. The export, retail, and manufacturing businesses all showed a slight falling off.

Native Tobacco.—It is to be feared this is a dying industry. The native product is being ousted by foreign tobacco and cigarettes, and owing to the failure of the 1912 crops in the interior, caused by the troubles consequent on the Revolution, the price of tobacco leaf rose to abnormally high figures, and many of the tobacco factories were conducted at a loss.

Tinned Goods.—The three local factories report a very good year, but the total volume of exports fell off owing to the adverse effect of the Revolution and subsequent troubles in Kwang Tung on the output of the Canton factories which send their manufactures to their Hongkong branches for export.

Samshu.—The local manufacturers of native spirits report having had another good year. The total local output (including the New Territories) of all kinds of native spirits was 1,154,360 gallons as compared with something less than 1,100,000 gallons in 1911.

Vinegar.—All the large native distilleries produce vinegar as well as samshu. The year's output of the seven largest firms amounted to 834,000 gallons a slight falling off on the figures for 1911.

Knitted Vests and Socks.—Another factory was completed in the course of the year, and there are now six establishments, all doing a considerable business, to meet the large and increasing local demand for these articles.

Leather and Hides.—The leather manufactured at the local tanneries is of such an inferior quality that it is gradually being driven out of the market by the competition of imported products : it cannot compete with leather tanned in the Straits.

The export of raw hides to Penang where they are tanned and re-exported to Hongkong in the form of very fair quality leather increased largely owing to the extraordinary demand throughout China for foreign style women's boots and shoes and for military equipment.

Ginger and Preserves.—Very small profits were made by the ginger manufacturers during the year owing to the rise in the price of raw ginger by \$2 a picul. Two shops failed and had to close during the year.

Soy.—This trade still remains dull ; exports to Singapore and the South have again fallen off.

Paper.—The trade has not been quite so good, a large stock remaining unsold at the end of the year.

Vermilion.—The output has remained about the same, but the demand has still further slackened, and prices dropped by \$10 to \$15 a picul.

Lard.—A considerable amount of lard is manufactured in the Colony for export, chiefly to the Philippines where regulations requiring the purity of animal products to be certified are in force. Most of the local manufacturers have no difficulty in complying with these regulations, and during 1912 no less than 1,119,342 lbs. of lard and 81,342 lbs. of dried meats were exported under these certificates.

(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. Since the middle of 1911 a Steam Trawler has been engaged in fishing over various grounds, and has contributed its hauls to the local markets. This trawler ceased its operations in January, 1912, and went North to Shanghai. It was found that she was unable to make it pay, as the water was too shallow for her nets, and attempts to fish on the usual fishing grounds resulted in the noise and vibration of her engines scaring away the fish. 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.

The areas, about 200 acres, cleared of pine trees during 1911 on the west side of the island near Aberdeen were sown with pine tree seeds in pits.

Pine seedlings were raised in a nursery at the south face of the Shatin Tunnel in the New Territories, and 65,000 pits were dug on the adjoining hill to be filled later with the pine seedlings standing in the nursery.

Approximately 175,000 pits were sown with seeds of native plants on the low hills near the Shatin Tunnel; the varieties of trees used were *Rhodomyrtus*, *Melastoma*, *Psidium*, *Rhus*, *Mallotus* and *Lucæna*.

In connection with the scheme for beautifying the island, 200 *Azaleas* were planted on the spur of a hill between Wongneichong Gap and Deep Water Bay.

Beds of *Hydrangeas* and flowering trees were planted by the roadsides on the upper levels.

The planting of flowering trees and shrubs on Crown land adjoining the Peak tramline, which was begun a few years ago, was continued. Particular attention was given to the area between the Kennedy Road Station and the Lower Terminus.

The avenues of shade and flowering trees in Hongkong and Kowloon have been maintained, dead trees were replaced, and 1,051 new young trees and shrubs planted near roads and banks in different parts of the Colony.

The trees in plantations above and below Taipo Road were thinned, and upwards of 2,000 trees removed from the sides of the road to make room for the Camphor trees, which are used for shade purposes.

In connection with the anti-malarial measures, an area of 3,208,479 square feet was cleared near dwelling houses, police stations and public buildings in various parts of the Colony. In addition to this, an area of 1,025,600 square feet was cleared for the Military Authorities at their expense.

For the purpose of making surveys, an area of 1,962,010 square feet was cleared for the Public Works Department.

The first and second rice crops were fair. Lichees were cheap and plentiful.

Reports were received from the Director of the Imperial Institute upon samples of vegetable products forwarded to him from Hongkong during the year 1911. The most important of these were afterwards submitted to the Hongkong Chamber of Commerce for perusal. A supply of Camphor Oil, which had been favourably reported upon, was sent to the Imperial Institute for distribution among various firms.

The Key to the Flora of Hongkong, the New Territories and Kwang Tung Province has been published by the Director of the Royal Gardens, Kew, as an additional series of the Kew Bulletin.

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

The net amount received from sales of Crown land and pier rights after deducting expenses of sales was \$163,784 being a decrease of \$106,221 on the previous year and \$42,485 more than the average received for the past 5 years. Of this amount \$8,145 was in respect of sales of land in the New Territories and the remainder from sales of new lots of Crown land and grants of extensions to existing lots and sales of pier rights in the island of Hongkong and Old Kowloon. The chief item was the sale of Inland Lot 1918, a building site of 59,700 square feet at Morrison Hill, within the City, which realized \$47,500.

In addition to the above the Hongkong & Kowloon Wharf & Godown Company Ltd. were granted Kowloon Marine Lot No. 91 (the former Police Camber) containing an area of 84,246 square feet at the price of \$288,778, the Government accepting in exchange a surrender from the Company of a part of their property to that value in lieu of cash. The Government resumed 10 acres 0 rood 0 $\frac{3}{4}$ poles of land at Kowloon from the Hongkong & Kowloon Wharf & Godown Company Ltd. and the Hongkong Land Reclamation Company Ltd. for the purpose of the terminal Railway Station. The total compensation paid in cash and land by way of exchange amounted to \$1,762,657.40.

The year was chiefly noted for the sale of a considerable number of building lots adjacent to the City, chiefly in the neighbourhood of Kennedy Road, on which blocks of European style residences are being erected by the purchasers.

There has again been a considerable increase both in number and value of private properties which have changed hands. The total purchase moneys paid amounted to \$19,029,986 as against \$15,343,234 for the previous year. The prices given in many instances appear to be much above the value of the property as an investment whilst in other cases the value of property adjoining has remained more or less stationary. Many old buildings have been pulled down and have been rebuilt with modern terraces and dwelling houses for the accommodation of the better class Chinese. The rate of interest charged on good mortgage securities is now usually 7 per cent. per annum whereas three years ago it was rarely less than 8 per cent.

The granite quarries, of which there are a large number on the coasts both of the island and in New Kowloon, were wholly or partially closed down for a greater part of the year owing partly to the fact that the export of stone to China had practically stopped since the Revolution and also to contracts in Hongkong requiring a large amount of stone having been completed. Reductions of one-third of the annual rents were in many cases granted to the lessees and the leases of only two of the quarries which expired on 31st December were re-let.

Sales of land in the New Territories continue even, consisting chiefly of small building sites for native occupation and patches of