

The temperature at the high levels of the Peak District is from 3° to 8° less than at the Observatory. At Victoria it is practically the same. The rainfall and humidity are considerably greater at the Peak than at Victoria, the Observatory, or Tai Po (New Territories).

The total rainfall for the year was 63.93 inches, as compared with an average of 84.21 inches during the ten preceding years. The wettest month was August with 15.71 inches, the driest, October, when 0.01 inch was recorded. The greatest amount of rain which fell on any one day was 6.12 inches on the 15th August, while no rain fell on 218 days of the year. The mean relative humidity of the atmosphere for the year was 74%, as compared with an average of 78% during the ten preceding years. The average daily amount of sunshine was 5.5 hours, being 49% of the possible duration.

X. POSTAL SERVICE.

The total revenue from the Postal Service in 1912 was \$401,054.32 and total expenditure \$296,867.12 leaving a credit balance of \$104,187.20. The total amount of payments during the year was \$256,582.88 less than that estimated for owing to the high rate of exchange, non-receipt of the claims in respect of mails sent *via* Siberia during the years 1910 and 1911, and non-payment of the shares of the Peninsular and Oriental Mail Subsidy for the 4th quarter by the Crown Agents.

Agreements to regulate the exchange of correspondence and parcels with the Portuguese Colony of Macao were signed on 23rd October, 1912.

XI.—GENERAL OBSERVATIONS.

The Chinese territory adjoining the New Territories was in a disturbed condition during the greater part of the year owing to the withdrawal of the military posts along the frontier to meet exigencies elsewhere. As a result some serious raids were made by armed bands of robbers into British territory. To guard against these incursions 354 officers and men of the 8th Rajputs and 153 officers and men of the 126th Baluchistan Infantry were, by the courtesy of His Excellency the General Officer Commanding, South China, drafted on the 26th of June to various places along the frontier. This force furnished patrols which moved about the country at various hours by night and by day. It was withdrawn on the 30th of November for annual training in Camp in the New Territories. These patrols proved most efficient and the thanks of the Colonial Government were conveyed to the officers and men concerned and to the Military Authorities for the valuable assistance thus rendered.

On the night of the 19th of August an attack was made on the Police Station at Cheung Chau, where 1 European Sergeant and 4 Indian Constables were stationed, by a gang of pirates and robbers about 40 strong who came from Macao in a junk, landed

at the back of the island, and at once proceeded to the Police Station which is situated in the village. The Indian Constable on guard in the village was shot down, as were two other Indian Constables who emerged from the houses in the village in which they had been permitted to live with their families. The Station was ransacked and a sum of \$,000 was stolen from the safe together with all the arms and accoutrements of the detachment. The money consisted of Crown Rent and taxes which were being collected at that time of the year. The pirates next looted a pawnshop and then seized a launch at anchor off the village and made good their escape.

In the course of the enquiries into this daring outrage it was discovered that on the 26th of June four Chinese passengers had been carried away by pirates, who pirated a ferry launch plying between Tai O in Lantao and Hongkong. The piracy had been reported to the Police but no mention had been made of the kidnapping of the four passengers. It was also discovered that on the night of the 30th of June two Chinese had been forcibly carried away from a village in Lantao by robbers who held them to ransom on the island of Wong Kam near Macao, the jurisdiction over which is in dispute between the Portuguese and Chinese Authorities.

As the information of the Hongkong Police pointed to this same island being used as a base by a piratical band, a joint expedition was, at the instance of this Government, organized against the band by the Portuguese and Chinese Authorities. Owing to the inevitable delay in arranging the details of such an expedition the robbers apparently became apprised of the danger which threatened them and the expedition, which took place on 20th of September, proved abortive.

In order to cope with the situation caused by this raid and by the insecurity in the New Territories, an additional launch was bought and armed for the policing of the western waters of the Colony, while steps were taken to strengthen the Police doing duty on land in the New Territories by 10 European and 75 Indian Police.

A serious boycott of the Low Level Tramway was begun towards the end of November owing to the decision of the Company to accept nothing but the legal tender of the Colony in payment of fares. Similar action taken at the same time by the High Level Tramway Company and by the Star Ferry Company passed unnoticed by the Chinese population. The boycott of the Low Level Tramway was due partly to interested action on the part of small bankers, money-changers and others who make large profits by the manipulation of exchange between Hongkong currency and Chinese silver coins, and partly to political agitators who feigned to see in the legal and legitimate action of the Tramway Company a slur on Chinese dignity. The boycott was not stopped till after the close of the year.

In spite of considerable insecurity of life and property in the Kwangtung Province trade, except in one particular, between it and Hongkong was good. The West River was well patrolled by the

Chinese Authorities and this water enjoyed a much larger measure of security than many other parts of the Province.

The exception above referred to was in the trade in limestone, freely exported for over 20 years to the Green Island Cement Company, which has a large factory in Hongkong and a branch factory in Macao.

In the month of April a petition was addressed by the Director of the Canton Cement Works to the Board of Industry there asking that the export of limestone from the Province should be prohibited.

In the month of July an embargo was placed by the Canton Authorities on all limestone to be exported to the Green Island Cement Company, on the plea that the stone was illegally quarried, and since that date the Green Island Cement Company have been unable to obtain any supplies of limestone from the Canton Province. No attempt whatever, as far as can be ascertained, has been made by the Canton Authorities to regularise any irregularity in the titles of the limestone quarriers, who have been quarrying this stone for export for over 20 years; nor have appeals to Treaty under which the trade in articles which are not contraband is safeguarded, been of the slightest avail. The matter has now been placed in the hands of His Majesty's Government.

The policy of the Government in controlling the consumption of morphia and compounds of opium was continued by amending the regulations so as to prohibit their sale except on a medical prescription.

This action has resulted in the stoppage of a trade in "cough lozenges" and similar confections containing morphia which had a large sale among the Chinese owing to their use as a substitute for opium or as an alleged remedy against the opium habit.

The importation of Persian Opium into China was prohibited as from the 1st January and during the year strict supervision was kept, there having been instituted four prosecutions for attempts to smuggle the article. Numerous prosecutions were also undertaken against illicit opium smoking divans although there is considerable difficulty in the way of finding them out.

Although the transit trade in morphia and cocaine has been stopped there was still a certain amount of illegal business done and several seizures of these drugs were made during the year.

There is little evidence of their actual use in Hongkong but there appears to be a strong demand for them in the Province of Fukien, in Java, Siam and other countries to the south of the Colony.

Every effort is being made to accomplish the suppression of this illicit trade.