

The China Express

新聞紙

and Telegraph.

A WEEKLY REVIEW FOR ALL INTERESTED IN CHINA, JAPAN, MALAYA, PHILIPPINES, SIAM, BORNEO, JAVA, ETC.

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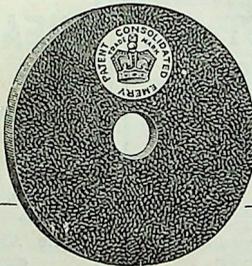
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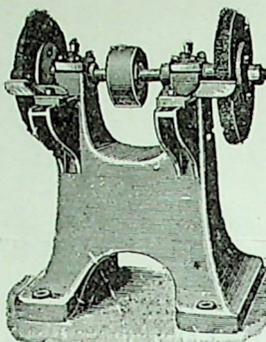
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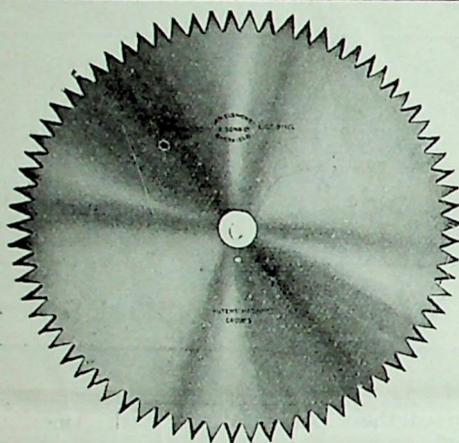


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AMERICA AND THE NANKING AFFAIR.

BRITISH policy with regard to the settlement of the Nanking affair has suffered a set-back. By a skilful use of words which mean little in themselves, but nevertheless “save face” for the Chinese, the American Government, through its Minister at Peking, succeeded in reaching an agreement with the Nationalist Government. It is only a fortnight since negotiations to a similar end between the Nanking Government and the British Minister broke down. The British Government refused to permit Sir Miles Lampson to yield to the irrelevant demand that it should express regret for the bombardment, and promise a revision of the “iniquitous” Unequal Treaties. These demands the British Government absolutely refused to consider, on the ground that it had already solemnly and publicly promised that Treaty revision would be begun as soon as China is in a position to enter into negotiations on the matter, and that the question had nothing whatever to do with the Nanking outrage. As regards the barrage, the British Government held that regret could not be expressed for a fully justified and purely defensive action, by which alone the refugees on Socony Hill were saved from extermination by the Communists. The American Minister does not, it is true, express regret for the action of the American warship in opening fire on the same occasion, but “deplores” the necessity in which her warships found themselves to open fire. Similarly, the use of the term “iniquitous” in relation to the Unequal Treaties is skilfully avoided. The Minister expresses sympathy with Chinese ideals, and recalls Washington’s previous declarations in favour of early treaty revision. The Nanking Government, from whom damages to the extent of Tls.5,000,000 were demanded by Washington, has offered to pay Tls.100,000 immediately in cash, the balance to be settled by a mixed Commission, or, should the latter fail to agree, by arbitration. In this way it seems Nanking has got off cheaply, and American diplomacy has scored over that of Britain and Japan. The departure of Sir Miles Lampson for Peking after three weeks of fruitless effort temporarily suspended the negotiations so far as the British claims are concerned, but it is reported that the Sino-Japanese conversations are proceeding, and

it will be of interest to see whether Tokyo will incline to the British or to the American attitude. The Japanese Press agrees with British policy in the matter, and is of opinion that Japan will never consent to the settlement of a criminal incident being linked up with treaty revision. The incident is yet another clear proof that there is no very great solidarity among the Powers in their dealings with China. That a matter of grave importance in which three Powers were equally concerned should have been handled by one of them in such a way, suggests a striving for an advantage of which declaration obtained from the Chinese of the necessity of continuing the friendship which has characterised their past dealings with America is an example. It is recalled that while Sir Miles Lampson was negotiating he kept his diplomatic *confrères* fully informed. Was this done by the American Minister? It appears in connection with the American settlement that Mr. Macmurray, and Hwang Fu, the Foreign Minister of the Nationalist Government, held only two conversations, the details being arranged by local American and Chinese officials in Shanghai.

Chartered Bank.

PERUSAL of the report of Sir Montagu C. Turner’s admirable extempore review at the annual meeting of the Chartered Bank of India, Australia and China reveals how varied and widely spread are the interests of the great institution. At the outset Sir Montagu had to report less favourable results, a reflection of the general adverse conditions. Also, he said, there had been evidence of a real want of vitality and “push” in certain directions, rendering it difficult to maintain the Bank’s high level of profits. However, in spite of keener competition in Eastern exchange and other factors, Sir Montagu was able to strike a reassuring note as to the future, and on the general outcome of a difficult year he had the satisfaction of being warmly complimented by two of the shareholders who spoke after him. Conditions, economic, financial, and industrial, of India, China, and Japan were concisely passed in review. It was indicated that the habit of hoarding, once so prevalent in India, is dying a natural death. The wealth of the country has increased so that

within the past two or three years loans of about £40,000,000 have been locally absorbed, while since 1917 some £30,000,000 of cash certificates have been taken up. The tendency is welcomed. Increased imports of Japanese cloth into Bombay have affected appreciably the prosperity of the mills there. Indeed, throughout the whole East the piece-goods trade has been affected by Japanese competition, and Japan, faced with an increasing population, is following out the policy of pushing her exports into every possible corner of the world where cheapness is the main consideration. As to conditions in China, Sir Montagu was characteristically cautious. He regards as specially encouraging the improvement in Anglo-Chinese relations, and said that if the British Government neglects no opportunity of regaining the goodwill of the best elements in China, it should not be long before a more settled state of affairs is established.

Hongkong and Shanghai Bank.

MAIL papers from the Far East have brought the full account of the annual meeting of the Hongkong and Shanghai Banking Corporation, and once again ample evidence is forthcoming of what has been described as the Bank's "unrivalled and unshakeable solidarity." The report is reproduced in our Far Eastern news supplement to-day. As an analysis of the position after three years of unprecedented upheaval and trade depression, the speech by Mr. D. G. M. Bernard, the Chairman of Directors, will give great satisfaction to shareholders and onlookers in this country, who have not unnaturally been anxious. It is of special interest to note that during a year when the Chinese Maritime Customs receipts showed the first serious decline since 1914, when the revenues from that source fell by no less than twelve per cent., the Hongkong and Shanghai Bank was able not only to maintain its position but to increase its profits, and while maintaining its customary dividend and bonus, to strengthen itself by carrying forward a larger sum to new account. It is true that the Bank's eggs are not all hatched in the same basket. Its interests are world-wide, but the foundations of its prosperity rest in China. In his extensive review of the situation there, the Chairman was able, except as regards the political side, to speak in an optimistic vein. Hongkong had experienced a recovery, and commodities, notably wood oil, after being blocked on the Yangtze, are now finding an exit South. Freightage costs had increased enormously, "but the dogged pertinacity of the merchants had found ways of getting cargo down to the treaty ports." British cotton goods were suffering owing to disturbed conditions and severe competition, but British woollen goods were holding their own. Light and shade are sharply contrasted in the picture. Nevertheless, Sir Robert Ho Tung, who also spoke, could see hopeful signs. His most important words were that China would, as soon as her financial position admitted, meet her obligations. "Time will show that China's word is her bond." As the Bank's Chairman remarked, there may not be many signs as yet of the horizon clearing, but the prospects of "better weather" are more favourable than for a long time past.

Pekin Syndicate.

WHILE holding out no definite prospect of success, Major Walter Nathan, the chairman of the Pekin Syndicate, announced at the annual meeting of shareholders that negotiations are proceeding which have for their object the efficient protection of the Syndicate's mines. The Syndicate came into existence over thirty years ago to operate coal mines in Honan. The area is now controlled, not very successfully it seems, by Feng Yu-hsiang. Quite apart from the chaos of civil war and its flirtations with the Soviet, the district became infected with labour trouble. The upshot was that mining operations became extremely difficult, and finally, when Feng's troops occupied the railway an end came to transport for commercial purposes and work at the mines had to be abandoned altogether. Major Nathan entertains little hope of a quick improvement. The decay of Soviet influences and the possibility that Feng may succeed in restoring order in the province is offset by the probability of a renewal of warfare on a big scale. However comforting it may be to learn that, with the assistance of His Majesty's Government, negotiations are being carried on with Feng for the protection of the mines, no extravagant hopes need be entertained for the present at least. Certainly, so long as there is fighting in and around Honan, no shareholder of the Pekin Syndicate need look for any output from the mines, let alone a profit on their investment. In striking contrast to the ill-fortune of the Pekin Syndicate we have the Chinese Engineering and Mining Company, also engaged in the raising of coal in China, doubling its interim dividend.

Rubber Waits.

THE rubber statistics for the past week are excellent. Landings were smaller than for any similar period this year, and deliveries were good. Under normal conditions the statistics would undoubtedly have proved a most important factor, but, as it happens, the market has not responded owing to its deplorable uncertainty as to what the Prime Minister may say as regards the progress of the Research Committee. Mr. Baldwin had not made his promised statement at the time of writing, but is expected to do so as we go to press. By holding the printer in rein we hope to include the effect of it in this issue. During the week many attempts have been made to forecast the nature of the report from the Committee of Civil Research. A well-known Stock Exchange firm says there appears to be a pretty general anticipation that something may be done in the way of reducing the pivotal price of the Stevenson Restriction scheme from its present basis of 1s. 9d. per lb., as part of an arrangement for the gradual removing of Restriction. However, until an actual governmental announcement is made all this is guess-work. The announcement that the Council of the Rubber Growers' Association have appointed a Committee to confer further with the Dutch Committee is the most noteworthy development. It indicates that while the Government Committee has been inquiring into the question of restriction and its bearing on the future of the industry, the responsible interests

in the industry itself have not been idle. It has been recognised from the first that a very weak point in the Restriction Scheme was its limitation to producers in British territories. In fact, the Colonial Office Committee, which considered the idea of restriction in the first place reported against it if the Dutch growers could not be brought in, but subsequently the Committee changed its mind for reasons which were never very clearly set out. If, therefore, the Government decides to abandon restriction by legislation, there is the possibility that from such abandonment may come some co-operation between the two most important rubber growing interests in the world for the purpose of regulating supplies. The announcement of the Rubber Growers' Association is particularly significant, coming as it does, upon the eve of the Prime Minister's promised statement.

The Japanese Ambassador.

DURING the last couple of weeks of "farewelling" many glowing tributes have been paid to the all too brief ambassadorship in this country of Baron Matsui, but none more sincere than that paid to him by the members of the Japan Society and their distinguished spokesmen at the banquet given in his honour last week at the Mayfair Hotel. Baron Matsui made no idle boast when he claimed many warm friendships in this country, and the evident emotion with which he expressed regret at his early departure touched a responsive echo in the heart of his many admirers present. Baron Matsui has had a long acquaintance with London. He was at the Embassy thirty years ago when that gentleman's agreement, the Anglo-Japanese Alliance, was made. Not only did it prove to be an instrument of tremendous importance to the peace of the East, but it enabled Japan to come to the aid of her ally in the Great War. Baron Matsui's term as Ambassador of Japan at the Court of St. James during the last two and a-half years has been a particularly happy one. As he himself said, there have been no disputes to settle. All he has had to do has been to continue the cordial relations existing between his country and ours, and thanks to the sympathy and understanding of the officials with whom he has had to deal the task had been an easy one. As Lord Eustace Percy said, speaking for the Secretary of State for Foreign Affairs, the members of the Japan Society and himself, Baron and Baroness Matsui had endeared themselves to all with whom they had been in official or private contact, and it was a real pang to part from them. In Baroness Matsui, London loses one of its foremost diplomatic hostesses. Baron Hayashi, the previous Ambassador, was a widower, but the present Ambassador's reign has been greatly enhanced socially by the help of his charming wife. Many are wondering who is to replace Baron Matsui at the Japanese Embassy, and it is rumoured that the Ambassador in Washington is to be appointed to London.

The China Squadron.

SOME delay in connection with the new cruisers of the "Kent" class, built for service on the China Station, is explained in a Memorandum by the First Lord of the Admiralty. "As a result of experience during trials," Mr. Bridgeman states, "the funnels of the 'Kent' class cruisers have been lengthened and some minor machinery changes . . . have also been made." This explains why the *Cornwall*, which was built at Devonport, and to the

command of which Capt. the Hon. W. S. Leveson-Gower was appointed last July, has been so long at her home port. The *Cumberland* and *Berwick* have left for the China Station, and the *Kent* (building at Chatham) and the *Suffolk* (Portsmouth) are now nearly completed. The *Kent*, as already announced, is to relieve the *Hawkins* as flagship. The *Cornwall* completed crew at Devonport last week, and after trials and seven days' Easter leave to each watch, will complete to full complement on May 9, and leave for her station on May 17. The reason for lengthening the funnels of the new China cruiser squadron is not stated, but provided they are not of the type which nicknamed the U.S.S. *Wilmington* the "Jam-factory" on the China Station, they should give a more imposing appearance to the vessels than is possessed by the present class of British cruisers on the station.

Tread Warily.

WHILST the latest news from China indicates an early resumption of hostilities, the commercial world is not so despondent as it was. The rabid anti-foreignism of the last three years has disappeared and trade in consequence has begun to improve. It may be that Chang Tso-lin's move against the "Christian" General and Nanking's bid for Peking will upset calculations, but the breathing spell has helped to revive old connections and enabled business to be resumed as far as reduced resources permit. The general belief is that with the elimination of Soviet influences those restored connections will not again be so readily broken, and in spite of the hovering shadows of civil conflict the more optimistic in business circles go so far as to anticipate a mild trade boom. On the experience of a recent visit to China, and the "very marked improvement in trade of the last two or three months," the new Chairman of the China Association ventured such a prediction at last week's meeting. At the same time, however, Mr. Dodwell, who is head of a long-established China firm, did well to sound a note of warning. Conscious of the many ups and downs in China of the last three years, he counselled those involved in trade there to "tread warily." A collapse in the near future would, he said, only add to the discomfiture of merchants, who, with the assistance of Providence, have hitherto managed to withstand the strain.

Well Done.

UNTIL four years ago it was the rule of the China Association to elect a fresh Chairman annually. It then fell to the turn of Mr. L. N. Leefe, and, until his retirement last week, when he facetiously wished his successor, Mr. Stanley H. Dodwell, "a long term of office," he has controlled the affairs of the Association ever since. Mr. Leefe had the ill-luck to have the China trouble begin during his first term of office, and its development imposed on him a burden of work which neither he nor those who supported his election could have anticipated. Mr. Leefe braced himself to the task, however, and so well did he acquit himself that he was prevailed upon to carry on. Only now when the situation shows signs of improvement, and the work of the Association is only merged with that of the China Committee, has the desire he expressed last year and the year before for fresh blood been listened to. Mr. Leefe's regime has witnessed the establishment of closer contact between the Association and the Foreign Office than ever existed before, and so far as its limited means have allowed, the Association under his chairmanship has contributed much enlightenment to those in authority and the public generally on matters which have jeopardised long-established British rights and British interests in China during those anxious years. Mr. Leefe has well earned the high appreciation of the Association and of all who are interested in British welfare in China.

FAR EAST IN PARLIAMENT. HOUSE OF COMMONS.

ARMS FOR CHINA.

March 28.—Replying to Sir R. THOMAS (Anglesey, L.) and Mr. RILEY (Dewsbury, Lab.), Sir A. CHAMBERLAIN, Secretary for Foreign Affairs (Birmingham, W.), said:—The only operative instrument for controlling the supply of arms to China for civil-war purposes is the China Arms Embargo Agreement of 1919. The effectiveness of this Agreement has been largely impaired by the fact that some of the principal arms-supplying States, notably Germany, Czecho-Slovakia, and the Union of Socialist Soviet Republics, are not parties to it. The possibility of making the embargo more fully effective was considered at a meeting of the Diplomatic body in Peking on Feb. 21 last, when the German Minister declared the readiness of his Government to accede to the Agreement. The meeting decided that an identic telegram should be sent by all the representatives to their respective Governments drawing attention to the importance of the Agreement and to the necessity for preventing the exportation of arms and munitions of war to China, and expressing the conviction that those Powers who have not yet taken any measures in this respect should be induced to do so as soon as possible. On March 1 the Japanese Minister for Foreign Affairs handed a Note to the Soviet Ambassador urging that his Government should refrain from allowing the importation of arms into China by their nationals. Representations have also been made to the Czecho-Slovak Government by his Majesty's Minister at Prague. Dr. Benes replied that Czecho-Slovakia could not become party to an agreement prohibiting the export of arms to China unless it were really an international one, equally binding on all States. As regards the Arms Traffic Convention of 1925, his Majesty's Government are prepared to ratify at any moment when they can secure simultaneous ratification by the principal arms-producing Powers. As stated by me on Nov. 24, 1926, his Majesty's Government made this suggestion to the Governments of Austria, Belgium, Czecho-Slovakia, France, Germany, Italy, Japan, Netherlands, Spain, Sweden, and the United States of America, but the replies which have been received indicate that there is no immediate prospect of simultaneous ratification by all these Governments.

Replying to Mr. HARRIS (Bethnal Green, S.W., L.), Sir A. CHAMBERLAIN said that opposition to the signing of this Convention came from more quarters than one, but from such communications as he had had of their policy he thought that the United States were not prepared to sign.

RUBBER RESEARCH.

March 30.—Mr. WADDINGTON (U., Rossendale) moved the second reading of the Rubber Industry Bill, which provides for the collection of a contribution by rubber manufacturers in Great Britain and Northern Ireland to the funds of the Research Association of British Rubber and Tyre Manufacturers. He said:—

The Bill proposed that there should be a contribution by all rubber manufacturers of one-twenty-fifth of a penny per pound weight on raw rubber imported into this country and retained for home consumption. He did not think that a contribution of this nature could be considered to be a tax. The contribution was to be applied not to general purposes, but to the particular objects and for the particular benefit of those who subscribed.

There was some opposition to the Bill, but of 121 firms connected with the trade 80, with a capital of £37,000,000, had actually signed in favour of the Bill; 15 other firms, with a capital of £7,230,000, had approved, through their trade associations, of the Bill; four other firms, with a capital of £1,100,000, were neutral; and 22 firms, with a capital of £4,000,000, were opposed to the Bill. Thus, 79 per cent. of those directly concerned in the trade were in favour of the Bill. On the precedent of the Cotton Industry Act they were more than justified in bringing forward this Bill. The total amount to be raised by the levy was not to exceed £15,000, whereas the cotton levy gave an assured income of £50,000 a year, and was producing £90,000.

Mr. CAMPBELL (U., Camberwell, N.W.), seconding, said they must have a first-class staff, a first-class librarian—a really first-class research association. It was asked why have a compulsory levy? The answer was that if it were not compulsory they could not be sure of a definite sum being collected each year to enable them to carry on continuous research work. Rubber growers were very keen on this research association.

An HON. MEMBER: That is at the back of the whole thing. (Laughter.)

Mr. CAMPBELL: And a very staunch back, too. Proceeding, he pointed out that the lower the price of rubber went the greater the necessity for research to find new uses for it. Firms representing £46,000,000 of capital supported the Bill, while the firms opposing it represented only £4,500,000.

A QUESTION OF PRINCIPLE.

Mr. ATKINSON (U., Altrincham) moved the rejection of the Bill. There was, he said, no question here of the value of research. Nor was it a case of research or no research. There was nothing to prevent these eighty-one firms combining and going in for any voluntary co-operation they liked, if they thought they would benefit by it. Most of the firms had their own research departments. This was an important question of principle whether a whole industry should be compelled by law, against the wishes of many of its members, to pay a levy for a particular purpose, which might be of no use to them, and in this case pay it to an association which was under the control of a particular group in the industry. Any principle of compulsion on an unwilling industry was wrong and unjust.

The real ground of his objection was that there was a large and important number of manufacturers who were opposed to the Bill. The history of the association showed that it had lost the confidence of the industry. On principle he objected to the compulsion of an industry where you have not got practical unanimity. It was a dangerous thing, and one which ought not to be forced upon an industry by the House of Commons.

Brig.-General MAKINS (U., Knutsford) seconded the rejection. The Bill, he said, was not an agreed one. At the trade meeting that considered it about £24,000,000 of capital was in favour of it and £8,000,000 against it. The uses of rubber now were so infinite that it would be impossible for the Research Association to cover them all. The result would consequently be that individual firms would have to continue their own research departments, and there would be overlapping.

IMPORTANCE OF RESEARCH.

Sir R. HAMILTON (L., Orkney and Shetland) said a great many people were satisfied that sooner or later the restrictions would come off rubber. If that was the case it was more than ever important that research should be active and alive to find new means for using rubber, because if the price of rubber fell, as it was likely to do in the near future, the great hope of the industry was that some new methods for its application should be devised and devised quickly.

Colonel WEDGWOOD (Lab.-Soc., Newcastle-under-Lyme) declared that if it had not been for the collapse of the misbegotten Stevenson scheme the Bill would never have been heard of. (Laughter.) The object of the Bill was to secure new uses for rubber, and that being so, why should the producing industry, which would be one of the elements to benefit by the Bill, not have to pay as much as any manufacturer in this country? He protested against levying new taxation—for a compulsory levy was taxation—upon selected industries or individuals, which did not appear in the annual Budget. The proposal was a grave infringement of the individual liberty.

Sir W. SUGDEN (U., Hartlepool), supporting the Bill, said he did so mainly on behalf of labour engaged in the industry. Unless they had some such Bill as that to deal with this great industry the rubber industry of the whole world would be on a trustification basis. The middle man and the small man would be wiped out, not only in this country but throughout the rest of the world.

Mr. T. KENNEDY (Lab.-Soc., Kirkealdy) declared that Colonel Wedgwood did not represent the views of the Labour party on the Bill. Colonel Wedgwood was an industrial anarchist. (Laughter.) He stood for voluntarism and hated organisation in industry of any sort or kind. Unless assistance was forthcoming the work of the Research Association, which had been carried on for the benefit of the industry as a whole, would cease.

SIR P. CUNLIFFE-LISTER'S SUPPORT.

Sir P. CUNLIFFE-LISTER (President, Board of Trade) supported the Bill on behalf of the Government, on the ground of the immense value of central research in industry. If there was one thing that we had to overcome in industry it was too keen an individualism. If we were to get the best results in research we must combine. Eighty per cent. of the firms engaged, and from the point of view of capital involved 90 per cent., in the industry wanted the Bill. Research was as valuable and as common an objective as any industry could have, and he hoped the House would give the Bill a second reading. (Hear, hear.)

RUBBER MATTERS.

CAR BUILDING ACTIVITY.

Messrs. Symington and Sinclair state that the latest advices from America speak of a further increase in production by most car manufacturers, the February output for the U.S.A. alone (without Canada) being estimated at 325,778 against 233,502 in January, while it is further predicted that the March output will be still higher. The resumption of activity amongst car manufacturers in America is further reflected in the tyre sales for January, which were as follows:—

Tyres	Production.	Deliveries.	Stock end Jan.
January, 1928 ...	4,118,267	4,045,842	7,461,923
December, 1927...	3,373,080	3,123,541	7,697,691
Tubes.			
January; 1928 ...	4,081,018	4,554,279	9,736,306
December, 1927...	3,726,799	3,534,052	10,268,996

While stocks of tyres remain fairly constant stocks of tubes have not been so low for over two years.

AMERICAN POOLS.

The Lower House at Washington was scheduled on March 31 to consider a Bill to permit the formation of import pools for the purpose of consolidating the United States purchasing power and combat price fixing by crude rubber, potash and sisal foreign monopoly. The prospects of its passage are favourable, and supporters are prepared to state that the British rubber monopoly is able to levy \$9,000,000 annually on United States rubber users by each one cent addition to the crude rubber price. The testimony at the Committee hearing was that had rubber remained at \$1.20 a pound United States users would have been compelled to pay nearly a billion annually above a fair price, estimated at 36 cents. Mr. J. J. Raskob, Chairman of the Finance Committee of General Motors, told the Committee that 36 cents a pound would enable plantation owners to realise a very handsome price. The Secretary of Commerce (Mr. Hoover) unqualifiedly endorses the Bill. The Bill authorises Mr. Hoover to certify which are crude products controlled by any foreign Government combination or monopoly. The debate will centre around rubber control, because the Bill's opponents say that potash and sisal are included in the project merely to obtain agriculturist support, and that amounts potentially to an authorisation to establish a Trust, like rubber control, in the United States. The Bill would probably have been easily adopted but for the expected political opposition of representatives opposing Mr. Hoover's Presidential candidacy.

DUTCH DEPUTATION POSTPONED.

The Dutch rubber delegation, which was to have reached London this week, has postponed its visit till after Easter, pending Mr. Baldwin's announcement, as there is an idea in Holland that the British policy may be altered. The Dutch rubber growers, most of whom are against restriction, did not reach any important decision at their meeting, but appointed a committee to watch over the interests of Holland. This body was to come to London without any definite programme, but merely to hear what was proposed there. A suggested selling pool among the Dutch and East Indian growers did not secure unanimous support, and the idea of working together with British growers was scouted.

DUTCH DESIRE FOR CO-OPERATION.

Judging from a preliminary contact with Dutch rubber interests, the attitude of Dutch producers towards a restriction policy, says the Amsterdam correspondent of the "Financial Times," is not very clear. His impression is that important Dutch interests do not view restriction with great favour, arguing that, at most, it can only be a make-shift. These people would prefer a kind of Anglo-Dutch pool, an arrangement into which all Dutch and British rubber producers would agree to place a large proportion of their production. It is not improbable that some such plan may evolve from the approaching visit to London of the Dutch Committees. At present Dutch rubber producers are making profit at the market prices, but an influential minority is apparently convinced that some kind of undertaking with British rubber producers is advisable as early as possible. Others again, while not disinclined to negotiations, wish, above all, to safeguard Dutch interests, and consider that very careful bargaining will be required. These latter maintain that even if the Dutch East Indies consented to join any restriction on the same level as the British it would be difficult to enforce such restriction and to prevent native smuggling. Despite the attitude of caution adopted here, it is obvious that there exists a strong desire to discuss the possibility

of an understanding, while at the same time carefully safeguarding Dutch capital.

On the same topic the "Gazette de Hollande," in the course of an economic review, says:—

The report about a possible change in the Stevenson plan had the effect that in the Press as well as in experts' circles the question was raised if the time for a co-operation between the Dutch and the English producers had not come; in 1922 the former had refused such work in common. The Amsterdam daily, the "Telegraaf," has made an inquiry with a number of large rubber companies as to their view about such co-operation, and later it was reported that experts' circles would do the same. Some time ago, as we reported in these columns, a small study commission was formed which was to examine the question of an organisation of joint sales on the part of the Dutch producers, but that their work had been unsuccessful owing to the too individualistic conceptions of those who represented a number of leading enterprises. At present, however, a distinct change of view is, at least as a matter of principle, to be recorded in those circles. As far as the news available enables us to form an opinion, it seems that the Indian producers wish to form an organisation of joint sales which is to co-operate with a similar British body. An organisation of that kind on an international basis is not so much advocated, whilst in Dutch East India itself the planters seem far less inclined to accept the idea of a regulation of production. Notwithstanding the fact that without such a measure there is little chance of effectively combating the difficulties of the situation they are speaking about a "non possumus."

"MINCING LANE WRONG."

A shrewd observer of the rubber situation, and who is alive to everything that is going on in the rubber world, expressed the opinion to the Amsterdam correspondent of the "Financial Times" on March 31, that the British Government had been right in imposing restriction and that the Mincing Lane brokers were wrong in opposing it as they did. For reasons which he gave at length, this rubber expert said that at about 13d. he believes the commodity, under existing conditions, was better to bull than bear. Neither the general rubber companies nor the American pool have any interest in seeing the price go lower, because they have too many important forward contracts at 1s. 6d. and thereabout extending over 1929 and 1930. Finally, the opinion was expressed that in the matter of co-operation with the British the Dutch rubber magnates had procrastinated too much, and now that the matter was in the hands of the Research Committee the British no longer wanted Dutch rubber co-operation to the same extent as formerly. The British attitude, as inferred from the postponement of the Dutch Rubber Committee's visit, was put thus:—"You had better wait awhile, and we will then let you Dutch gentlemen know what we intend to do." Another Dutchman, a rubber broker curiously enough, a little later expressed similar views. He said: "Our Dutch rubber people are now too late; they have missed the chance of influencing the decision of the British Government."

LOSS TO THE COUNTRY.

Writing to the "Financial Times" from Blackpool, "J. W. S.," as a former exporter of rubber from Malaya, Ceylon and East Africa, sends a compendium of the actual position created by Mr. Baldwin's unfortunate action, the loss having been up to now greatly underestimated:—

Stock Exchange values of rubber shares before Mr. Baldwin's action:—	
Par value, £200,000,000; market value	£600,000,000
Market value in week ended March, 1928	400,000,000
Loss to British shareholders ...	£200,000,000
Reduced value of private estates ...	30,000,000
Loss to merchants and stockholders ...	25,000,000
Consequent reduction in dividends ...	10,000,000
Total loss through Mr. Baldwin's unhappy move (under-estimated)	£265,000,000

(The wealth of the country is decreased by this amount.) There are, the writer adds, over 500,000 British involved in the above loss. Many will be absolutely ruined; thousands crippled for life. Unless restriction is fully maintained, with three years' guarantee, the above loss will be permanent. No other expedient will serve. With the reduction in stocks since the market value of shares would have been £650,000,000 to-day had Mr. Baldwin kept out.

ANGLO-DUTCH TALK.

A conference was held on April 2 in the Council Room of the Rubber Growers' Association between representatives of Dutch rubber interests and British growers. The

meeting was, in the first instance, informal, in that the Dutch representatives did not approach ours as connections of the Dutch Association, nor did they confer with the Rubber Growers' Association, as such, although all important interests were fully represented. The proceedings commenced at 10.30 and lasted until late in the afternoon, and were strictly private throughout. Later the following statement was issued by the Rubber Growers' Association:—

"A meeting was held to-day with the Committee of Dutch Rubber Producers, as a result of which the Council of the Rubber Growers' Association have appointed a Committee to confer further with the Dutch Committee."

In the City it was believed the Committee would delay coming to any decision until Mr. Baldwin had made his statement. The announcement, coming on the eve of the promised statement, indicates a distinct possibility of co-operation in the matter of the regulation of rubber supplies, should the Government decide against a continuance of restriction by legislative measures. The Dutch refused to come into the original Restriction Plan, but the possibility of the abolition of restriction may pave the way for a voluntary regulation of the amount placed on the market in the interests of both Dutch and British producers.

THE JAPAN SOCIETY. FAREWELL BANQUET TO BARON MATSUI. ANGLO-JAPANESE AMITY.

Mr. Charles V. Sale presided at a farewell banquet given by the Japan Society to the Japanese Ambassador and Baroness Matsui at the May Fair Hotel on March 8. The function was largely attended, and a fine tribute to the esteem in which the retiring Ambassador is universally held.

On the chairman's left were:—Baron Matsui, Lady Tyrrell, Field Marshal Sir William Robertson, G.C.B., G.C.M.G., K.C.V.O., Lady Aglen, the Rt. Hon. Sir John Tilley, G.C.M.G., K.C.B., K.C.V.O., Lady Wellesley, Admiral Sir Richard Webb, K.C.M.G., C.B., Lady Martin, Mr. Suzamura, the Dowager Lady Swaythling, Sir Clement Kinloch-Cooke, K.B.E., M.P., Mr. Samuel Samuel, M.P., Mr. Geoffrey Drage and Mr. W. W. Grantham, M.P. Seated on the chairman's right were:—Baroness Matsui, the Rt. Hon. Lord Eustace Percy, M.P., Lady Tilley, Sir William Tyrrell, G.C.M.G., K.C.B., Lady Webb, Sir Francis Aglen, G.C.M.G., K.B.E., Lady (Henry) Wilson, Sir Victor Wellesley, K.C.M.G., C.B., Lady Kinloch-Cooke, Sir Charles Addis, K.C.M.G., Mrs. Alec Tweedie, Sir James Martin, Mrs. Drage and Mr. G. Mounsey, C.M.G.

Others present were:—

Capt. G. S. Arbuthnot, D.S.O., and Lady Arnold.
Mr. K. Beppu, Mr. James Blair, Mrs. James Blair, Hon. Sybil Borthwick, Mr. R. Boulter, C.M.G., Mr. C. R. Boxer, Sir Edward Boyle, Bart., the Dowager Lady Boyle, and the Dowager Lady Boyle's guest.

Mr. E. A. Cameron, Mrs. E. A. Cameron, Mr. H. Carew, Mr. A. J. Cornes, Mrs. Cornes, Sir Edward Crowe, C.M.G., and Lady Crowe.

Mrs. Lancelot Edwards, Mr. H. Engleheart, and Mrs. Engleheart.

Rev. F. E. Freese.

Miss Garford, Mrs. Godefroi, and Mr. W. E. Gooch.
Mrs. Halahan, Mr. C. G. Hancock, Mrs. Hancock and Mr. Hancock's guest, Mr. T. Rothwell Haslam, Mr. T. Rothwell Haslam's guest, Mr. V. A. Caesar Hawkins, Mrs. Hawkins, Mr. V. F. Caesar Hawkins, Mrs. V. F. Caesar Hawkins, Mr. H. B. Higinbotham, Mrs. H. B. Higinbotham, Dr. W. L. Hildburgh, Mr. C. Hirai, Mr. T. Horiuchi, Dr. W. Hughes, Mrs. Hughes, and Mr. R. Hunter.

Mr. T. Imai, Mr. S. Ito, Mr. A. Itoh, and Mrs. A. Itoh.

Mr. H. D. C. Jones, Mrs. H. D. C. Jones, Mr. S. Jones, and Mrs. S. Jones.

Mr. T. Kabashima, Mr. N. Kita, Mr. G. Koizumi, Mr. A. J. Koop, and Major Kushibuchi.

Lieut.-Col. R. N. C. Lawrence, Mrs. Lawrence, Mr. John Leggat, Mrs. John Leggat, Mr. E. J. Libeaud, Mrs. Libeaud, and Mrs. S. E. Lucas.

Mr. F. A. Mackenzie, Mr. Y. Matsui, Mrs. L. Matsui, Mr. S. Matsuyama, Mrs. S. Matsuyama, Lieut.-Col. the Marquis Mayeda, C.V.O., M.C., Mr. I. Miki, Mrs. I. Miki, Mr. R. Mikimoto, Mrs. R. Mikimoto, Mr. C. Mitchell, Mr. R. Mitchell and guests, Mr. S. Mogi, Mrs. S. Mogi, Mr. W. Moriya, Mrs. W. Moriya, Mr. W. Stanley Moss, Mr. H. J. Mullett-Merrick, Col. Sir Wyndham Murray, Mr. Muto, and Mrs. Muto.

Mr. I. Nagashima, Mrs. I. Nagashima, Mr. T. Nagata, Mr. T. Nakamura, Mrs. T. Nakamura, Mr. M. Narita,

Mr. K. Nihro, Mr. M. Nishimaki, Mr. F. H. Nixon, Mrs. F. H. Nixon, Mr. D. Nohara, Mrs. D. Nohara, Mr. T. F. Nonweiler, Mrs. T. F. Nonweiler, Miss Nonweiler, and Mr. Nosaka.

Mr. Ohsugi, and Major Okada.

Mr. C. M. Palairot, C.M.G., Mrs. Palairot, Sir Harold Parlett, C.M.G., Sir Harold Parlett's, C.M.G., guest, Mr. Sidney Pascall, Mrs. Sidney Pascall, Mr. T. Paul, Mr. T. Paul's guest, Mr. F. J. Peplow, Mrs. F. J. Peplow, Colonel F. S. Piggott, F.S.G., D.S.O., Mrs. Piggott, Col. Sir John Pretymann-Newman, and Lady Pretymann-Newman.

Mr. John Rae, Mrs. John Rae, Major Rawson, Mrs. Rawson, and Mr. H. T. Rice.

Mr. Saito, Mrs. Saito, Mr. K. Sakimura, Mr. W. Saw, Colonel the Master of Sempill, Mr. S. Shimura, Col. John C. Somerville, C.M.G., C.B.E., Mr. Spence, Mr. Sugiyama, Mrs. Sugiyama, Mr. Suzuki, Mr. W. E. Laxon Sweet, and Mrs. W. E. Laxon Sweet.

Mr. Takahashi, Mrs. Takahashi, Mr. M. Takata, Mr. Y. Takayanagi, Mr. Taoka, Mrs. Taoka, Major Taylor, Mrs. Taylor, Mr. Y. Tohara, Mrs. Tsushima, Mr. E. Turner, and Mrs. E. Turner.

Mr. Frank Underhill, and Mrs. Frank Underhill.

Dr. Norman C. Wallace, Mrs. Wallace, Mr. V. Watlington, Mrs. Watlington, the Revd. Walter Weston, Brig.-General C. R. Woodroffe, C.M.G., C.V.O., C.B.I., Mrs. Woodroffe, Mr. J. B. Woodthorpe, Mrs. Woodthorpe, Mr. R. T. Wright, and Mrs. R. T. Wright.

Mr. S. Yamanouchi, Mrs. S. Yamanouchi, Mr. K. Yonezawa, Mrs. K. Yonezawa, Mr. Yumoto, and Mrs. Yumoto.

Lord Eustace Percy, in proposing the toast of "His Excellency the Ambassador, President of the Society," said he began his career by a term in the diplomatic service, but left it at an age at which he approached ambassadors with reverence and a good deal of anguish. (Laughter.) He was conscious that some of his past masters were around him and he felt hardly equal to proposing a toast about which they all felt so deeply, this toast to the departing Ambassador of Japan. His first duty was to express to His Excellency the regret of the Secretary of State for Foreign Affairs that he was unable to be present to propose the toast himself. He would read the first part of a letter he had received from him, and he would read the rest of the letter later. The Secretary of State wrote:—

"Foreign Office, March 23.

"My dear Percy.—It is with great regret that I have had to decline the invitation of the Japan Society to be present at their farewell dinner to the Japanese Ambassador for family reasons which are known to and, I am sure, appreciated by his Excellency. But for this engagement I should have been glad of the opportunity to express my regard for the Ambassador and my good wishes to him and Baroness Matsui, whose departure from London we all regret."

He (Lord Eustace Percy) broke off there to try to express how very deep and how very real their regret was at the departure of His Excellency. When His Excellency came to this country as Ambassador he was not a stranger. He came first to the Embassy 30 years ago when the first alliance between this country and Japan was concluded. He dated, therefore, from a great era, and he realised with what pride we looked back on the duration and conclusion of that alliance with Japan. (Hear, hear.) If our relations with Japan now were based on an understanding less formal and perhaps less definite than that alliance we were confident that the association of the two countries was to-day for that reason no less intimate, and would prove no less fruitful and no less durable. (Applause.) But to descend for a moment from such matters of history and high policy, His Excellency and Baroness Matsui had during their time here to all whom they had met and with whom they had been in official or private contact. (Applause.) They had, and he spoke from personal knowledge, shown themselves in every respect so kindly and so courteous, so ready to meet Englishmen with whom they had had dealings, and they had represented to us so completely the character of their country and the feelings of their country towards us that it was really difficult to part with them. Indeed, if there was one thing to be criticised of their Excellencies it was that their stay in this country had been so remarkably short. (Applause.) Their stay in this country during the last two and a half years had been in many ways eventful. It had been unfortunately clouded by national misfortune. It had been clouded by the death of His Imperial Majesty the late Emperor, whom we in this country had known so long as a loyal and powerful friend and ally under the most difficult and dangerous circumstances. And, perhaps, too, he might be allowed to say how deeply they sympathised with the present Emperor and

Empress in the death of their second child. These things had clouded His Excellency's ambassadorship. On the other hand his term here had been marked by the visit, which would be long remembered in this country, of His Imperial Highness Prince Chichibu. (Applause.) And this brought him back to Sir Austen Chamberlain's letter, and he would read to them the remainder of it:—

"The Japan Society of London has, as you know, its counterpart in the British Society of Tokyo. His Imperial Highness Prince Chichibu has recently become Patron of the British Society, and attended a dinner given in his honour at Tokyo on Feb. 16. The memory of the Prince's stay in our country is fresh in our minds. We recall his keen intelligence, his sympathetic interest, and his active participation in every phase of our national life, and it must be profoundly gratifying to us to see in what friendly and understanding terms he speaks of our country and our countrymen.

"I have motored," he said, "through a great deal of the country; I have stopped in country houses and feudal castles; I have hunted the fox and shot the pheasant and partridge in England; I have stalked the deer and landed a few small trout in Scotland; I have visited the Parliament, hospitals, and numerous other institutions. In fact, I have done everything a right-minded English gentleman is expected to do. I have done in Rome what the Romans do—the best way of understanding foreign countries. I set out from Japan, nearly three years ago now, to see the world, and I have always tried to study things from every angle. I may safely say that I have succeeded to a certain degree.

"What struck me most during my sojourn in England was the general strike of 1926—one of the greatest crises in the annals of British industry. It was with profound admiration that I watched the attitude of the Government, the general public, and the workers themselves in this hour of national trial. All that I saw in England at work and at play led me to the belief that there is considerable affinity between our two island peoples, and I am happy to think that I have left behind in Great Britain many personal friends: a thought which leads me to wish that the North Sea was not so far from the Pacific Ocean, and that there might be more frequent exchange of visits between Japanese and British. The British Society in Tokyo and her sister society in London are working, each in its own way, to secure continuity of friendship and mutual understanding, and I heartily wish them both continued prosperity and success in their admirable work."

"I should like to thank Prince Chichibu for the gracious terms in which he has spoken of his stay in this country, and to assure him how warmly we reciprocate his friendly sentiments, and join in his hope that opportunities for better acquaintance and understanding of each other may in future overcome the barrier of geographical distance.

Yours sincerely,
"AUSTEN CHAMBERLAIN."

It was true, continued Lord Percy, that His Imperial Highness Prince Chichibu had left behind him in this country very many warm personal friends. That fact showed how great was the affinity between the two countries, and the toast he gave must end on the note on which Sir Austen Chamberlain ended his letter—the note of the real friendship between the two nations. (Applause.) It was easy, of course, to make international protestations of friendship in after-dinner speeches, but this friendship between Japan and Great Britain rested on very definite foundations. Japan and this country had worked together for many years. He had already spoken of some characteristics of Baron Matsui's ambassadorship, but he should be very forgetful if he did not mention another. There were areas in this world in which Japan and this country had great interests, where they had to work together and to reconcile those interests and pursue a common policy. During Baron Matsui's ambassadorship they had had real co-operation, that kind of international co-operation which did not seek to bind the hands of either party or to limit the discretion and freedom of either party, the kind of co-operation which sprang from the realisation that fundamentally their interests in all the main points of policy were common interests, and that they could, in spite of disagreements as to minor details, act together along the main lines of their policy. That co-operation had been the thing with which Baron Matsui's ambassadorship would be associated, and for that reason as well as for the personal reasons he asked them to drink to the health of Baron Matsui and to wish both Baron and Baroness Matsui the best of fortune in the future when they reached the shores of Japan. (Loud applause.)

BARON MATSUI'S REPLY.

Baron Matsui, responding, said that Lord Percy had spoken in most flattering terms of his short ambassador-

ship in this country. He regretted leaving the country after such a short time, but his personal needs had compelled him to vacate the post in which he had had the great honour to serve. He came to this country not as a stranger. He was here first a long time ago, and got to know the people under different circumstances. He was glad that he had the honour to work for the alliance that was concluded about thirty years ago. (Applause.) That alliance had proved to be very useful. It was intended to be useful for the preservation of peace in the Far East. Things turned out quite differently however, and that alliance had proved to be useful for the maintenance of peace all over the world. (Applause.) When the alliance was made they had no idea that the Great War would occur. It turned out that it was carried on from one end of the world to the other. His country (Japan), perhaps the remotest from the theatre of the war, was not touched, but their vessels had to go all over the world to the aid of the Allies; they had to send supplies from the Far East to the West, and they had to convoy supplies to the scene of operations. That was quite unexpected when the alliance was made, but it proved very useful. (Applause.) Times had changed, and the alliance was absent, but how much good this alliance had done for the world everybody in this country and in his country remembered very well. (Applause.) Many years ago, when that alliance was concluded, Lord Lansdowne, who was then Secretary of State for Foreign Affairs, said to our Ambassador, at that time Baron Hayashi, "You know this is an agreement between gentlemen." They arranged documents and they made certain forms, but in reality the spirit was that of gentlemen making terms. (Applause.) The alliance was absent, but the same feeling, he thought, remained just as ever. —(applause)—and he was proud to have had a part in the making of that alliance. (Hear, hear.) After all these events he had had little to do but work for the maintenance of these relations between the two countries. In fact, he had had very little to do; they were all friends; whatever he did he was always supported by the Government of this country, and when he had to go to the Foreign Office he always had useful help from Sir Austen Chamberlain and all his assistants. He had no difficulty in making them understand, and so they agreed on their business without any difficulty. It was not in any sense that he (Baron Matsui) was useful, but simply the sympathetic assistance he received that made his mission so easy. He could also say that the visit of Prince Chichibu was very useful. The Prince travelled very widely in this country and made friends from the start, all of which helped him (Baron Matsui) greatly. A large number of his countrymen were doing business in the City of London. They had been working there for many years and knew how to carry on their business. Naturally, there were difficulties occasionally, but still they had no trouble. Everything was done to facilitate their business. He was one of the admirers of this country. When he came to it many years ago he happened to know something of it, he knew what it was that had made England great in the world. He had been constantly studying this country ever since, even when not here, so that when he came to it a second time he was able to follow quite easily what was going on and in what directions improvement had been made, and he witnessed that England, while keeping its traditions, was making wonderful progress. He had been very happy during his stay in this country. He was very happy to see the members of the Japan Society, who were always so sympathetic towards his country, and had been so very kind to his wife and himself. He felt very sorry to leave this country, but he asked them to imagine how trying it was for his children when their father and mother were away. He was going back to see his children and grandson. (Applause.) He was very sorry to part from so many kind friends, but he could not help it—he must go. He thanked them sincerely for the kind words with which his health had been proposed and for the hearty manner in which the toast had been received. (Applause.)

THE JAPAN SOCIETY.

Sir John Tilley, proposing "The Japan Society," said many people were constantly asking for closer co-operation between this country and Japan. That was to the good, but he supposed what some of them had in mind was that kind of co-operation between two Great Powers which was apt to mean that they wished or intended to make things awkward for some other Power. That was not the intention of either Great Britain or Japan. (Hear, hear.) The last thing they wanted to do was to make things disagreeable for anybody, though they were both apt to be suspected by others of deep designs for which there was no foundation in fact. The deepest design of both was to preserve the peace of the world, and they were both determined to pursue that object. It was part of the work of this Society

to assist the good understanding between the two countries. (Applause.)

Mr. Sale replied. He said he was prompted to one reflection by the gracious presence of the Baroness Matsui, and it was this—that the happy relations between the two Island Empires, which it is the Society's chief end to promote, came about in the first place through the benign influence of woman. It was Queen Elizabeth of famous memory who inspired in Navy and Merchantmen alike that spirit of enterprise and adventure which first brought England into touch with Japan. (Applause.) Their happy friendship went back a long way, if three hundred years be counted long in the history of two ancient countries. It was an English sailor, an Elizabethan seaman, who was their first informal Minister to Japan. He was sure they had all heard of William Adams, the Kentish pilot, who was born in the year 1574, took service with the Dutch, crossed the Atlantic with a fleet of five sail, passed the Straits of Magellan, and, two years after leaving Holland, arrived with a mere handful of scurvy-stricken men, in the sole surviving vessel, off the coast of Japan, in the year 1600, being the fifth year of Keicho. That perilous adventure, said Mr. Sale, typified the spirit and the courage of their forefathers, and his reception showed the fairness and the justice of Japan. For this poor English sailor, denounced by the Portuguese as a pirate, was brought before Ieyasu, the first Shogun of the Tokugawa dynasty, and was allowed to plead his cause. William Adams assured Ieyasu that he visited Japan with no treacherous design, and added, in words that could not have been more happily chosen, that he came "from the general disposition of his nation which was to cultivate friendship and commerce with all other countries, by exchanging its own commodities for theirs, whereby mutual riches and advantage were obtained." (Applause.) The Shogun magnanimously accepted these assurances, and William Adams was so well treated that he lived his life in Japan. Thus began those happy relations to which Sir John Tilley has referred, and which had remained unbroken down to the present day. (Applause.) As his sincere tribute, he would say that the Japanese nation was unalterably loyal to its duties as a mighty and powerful Empire and to the friendships which it makes. (Applause.) In ancient times, the duty and honour of guarding the gates of the Imperial Palace was bestowed on two families—Otomo and Mononobe—and over 1,000 years ago, Otomono Yakamochi, a poet as well as a warrior, expressed the splendid fidelity of his family and heirs in a poem which had been translated by J. E. de Becker, from which he (Mr. Sale) quoted these lines:—

The great ancestors of Otomo.
They swore an oath and said,
If we go over the seas,
The waves may entomb our corpses;
If we go into the mountains,
The sod may cover our remains,
But where'er we go
We will perish by our Emperor's side.
So take a bow in thy hands,
Gird a sword in thy belt,
And morning and evening
Guard ye well the gates of the palace.

Times changed, but the spirit remained the same. It was, if he might say so, in that spirit of honour and faith that His Excellency had guarded the gate of peace and friendship between their two countries, and they also, he hoped, were true to the spirit of English honesty and amity first put into words by William Adams. (Applause.) In conclusion, Mr. Sale said how greatly they regretted the departure from these shores of His Excellency and of the Baroness Matsui. Their only consolation was that in Japan they would join the company of well-wishers to this country, and that His Excellency would continue over there the work which he had done so well here, the work for which the Japan Society existed, of maintaining those ancient and happy relations of friendship between our two countries. (Applause.) The Council and members of the Society were grateful to His Excellency for many kindnesses, and assured him that on their side they meant to redouble their efforts in the cause for which they stood. (Applause.)

A most interesting feature of the proceedings was the musical programme. It started with "Colonel Bogey," by Alford, then dived into Mozart's overture of "Don Giovanni," only to be brought up with a start by "Hallelujah" and other items from "Hit the Deck." Thence it wandered into the realms of Tchaikovsky, Gounod, Beethoven, and Schubert, until those present were confronted with songs by Mr. S. Tatsumi, a famous Japanese tenor. Attired in a green kimono, he rendered with great acceptance songs by Giordani, Brandscombe, and Richardson. His next three songs were Japanese, the last of all being pure Japanese folk music.

MISCELLANEOUS.

According to the Moscow correspondent of the "Berliner Tageblatt," 50 officers of the Japanese army and navy have been decorated for "services in the Russo-Japanese War and in the Great War." This is interpreted in the Russian press as part of anti-Russian overtures between Poland and Japan.

William Hi, 53, chief steward of the s.s. *Benclough*, charged at the Thames Police Court with illegally importing and concealing 56 revolvers and 5,400 cartridges, was on March 29 again remanded. A police officer said that it had been ascertained that Hi was not a British subject, but a Siamese.

A new issue of postage stamps for the State of Sarawak is announced for early release. It will be printed for the first time on specially watermarked paper and, it is understood, will bear the likeness of the present Rajah, Sir Charles Vyner Brooke.

In Brigadier-General W. H. H. Waters's book, "Private and Personal" (Murray), mention is made of the four years, 1906-10, when he commanded the British troops of occupation in the international garrison of North China.

Relayed by Kootwyk, the official Dutch short-wave station, the broadcast from Langenberg of the carnival at Cologne was heard in Java, both the street noises and the announcer's descriptions going through quite clearly.

FAR EASTERN BANKS AND COMPANIES.

Bank of Taiwan, Ltd., London office, 25, Old Broad-street, E.C.

Banque de l'Indo-Chine, head office, 96, Bould-Haussmann, Paris.

Banque Belge pour l'Etranger, head office, Rue des Colonies, 66, Brussels; London Branch, 4, Bishopsgate, E.C.2.

Banque Franco-Chinoise pour le Commerce et l'Industrie, head office, 74, rue St. Lazare, Paris.—London representative, 1, Broad-street Place, E.C.2.

Chartered Bank of India, Australia, and China, W. E. Preston, chief manager; J. S. Bruce and G. Miller, managers, 38, Bishopsgate, E.C.2.

Hongkong and Shanghai Banking Corporation, Sir Newton J. Stabb and H. D. C. Jones, managers, 9, Gracechurch-street, E.C.3.

The National City Bank of New York and International Banking Corporation, head office, New York; London office, 36, Bishopsgate, E.C.2. W. M. Anderson, manager.

Mercantile Bank of India, James Steuart, chief manager, 15, Gracechurch-street, E.C.3.

Netherlands-India Handelsbank, head office, Amsterdam.

Netherlands Trading Society, Batavia, head office in Europe, Amsterdam.

Yokohama Specie Bank, London Branch, 7, Bishopsgate, E.C.3.

Ben Line (Killick, Martin & Co.), 7, Fen-court, E.C.3.

British India S.N. Co., 122, Leadenhall-street, E.C.3, and 14/16, Cockspur-street, S.W.1.

Canadian Pacific Railway, and steamers, 62-65, Charing Cross, S.W.1.

China Mutual Steam Navigation Company, London agents, Messrs. John Swire & Sons, 8, Billiter-square, E.C.3.

China Navigation Company (Limited), agents, John Swire & Sons, 8, Billiter-square, E.C.3.

East Asiatic S.S. Company, Copenhagen; London agents, Escombe, McGrath & Co.

The Eastern and Australian Steamship Company, 5, Whittington-avenue, E.C.3.

Hamburg-Amerika Linie.—Wm. H. Muller & Co. (London), Ltd., Greener House, 66/68, Haymarket, London, S.W.1 (Passenger Agents); Brown, Jenkinson & Co., Ltd., 17/18, Billiter Street, E.C.3 (Freight Brokers).

Holland East Asia Line; London agents, Messrs. Keller, Bryant & Co., 115/117, Cannon Street, E.C.4.

Hongkong, Canton, and Macao Steamboat Company (Limited), agents, Dodwell & Co., Ltd., 24, St. Mary Axe, E.C.3.

Indo-China Steam Navigation Company (Limited), agents, Matheson & Co., 3, Lombard-street, E.C.3.

Messageries Maritimes (Head Office in Paris), Dixon House, 72-75, Fenchurch-street, E.C.3.

Mogul Line, Messrs. Gellatly, Hankey & Co., Dock House, Billiter-street, E.C.

Nederland Steamship Company, agents, Messrs. Keller, Bryant & Co., 115-117, Cannon-street, E.C.4.

Nippon Yusen Kaisha (Japan Mail Steamship Company, Limited), 4, Lloyd's-avenue, E.C.3.

Ocean Steamship Company (Limited), India-buildings, Liverpool; London agents, Messrs. John Swire & Sons, 8, Billiter-square, E.C.3.

Pacific Mail Steamship Company, China Mail Steamship Company, Ltd., and Toyo Kisen Kaisha, general office, San Francisco; London agents, R. G. Bonsor & Company, 49, Leadenhall-street, E.C.3.

THE CHINA ASSOCIATION.

ANNUAL GENERAL MEETING.

BUILDING OF CONCILIATORY BRIDGES—THE ASSOCIATION AND THE GOVERNMENT'S POLICY.

The annual general meeting of the China Association was held on Wednesday, March 28, 1928, at the offices of the P. & O. Steam Navigation Company, 122, Leadenhall Street, London, Mr. L. N. Leefe occupying the chair.

The following were present:—Sir James H. Stewart Lockhart, K.C.M.G., Lieut.-General Sir George Macdonogh, G.B.E., K.C.B., K.C.M.G., Sir William Rees Davies, K.C., Sir Skinner Turner, Mr. Archibald Rose, C.I.E., Mr. H. H. Fox, C.M.G., Mr. W. P. Ker, C.M.G., Lieut.-Colonel Alec Reiss, C.B.E., Messrs. A. M. Townsend, H. A. J. Macray, R. H. R. Wade, A. P. Wood, H. W. Bird, J. S. Bruce, H. G. Simms, E. V. D. Parr, F. S. Clark, E. A. Stanton, Robert H. Hill, F. Salinger, W. N. Elcome, W. B. Kennett, F. Anderson, T. H. Whitehead, E. F. Mackay, Captain R. Mayne, R.N., Messrs. F. J. Abbott, Stanley H. Dodwell, W. Carter, H. Whistler, G. M. Dodwell, L. A. Chill, C. A. V. Bowra, H. W. Looker, M.P., A. V. Apar, T. Petrie, H. D. C. Jones, W. Adams Oram, J. S. Haskell, S. F. Mayers, L. E. Canning, E. J. Libeaud, Dr. O. Marriott, and Messrs. E. M. Gull and H. C. Wilcox (joint secretaries).

The Chairman, in proposing the adoption of the Report of the China Association for last year, first directed attention to the accounts, and said:—

THE ACCOUNTS.

The cost of our social activities fell on the funds of the Association to the extent of £53 ls. for the annual dinner. After wandering out into the wilderness in search of the best method, we have at last, by making an inclusive charge for dinner and wines, arrived at one which excites, certainly not universal approbation, but less hostile criticism than any other method, and I strongly recommend its maintenance to my successor. Every effort was made this year to fix on a figure which, while not being so high as to repel subscribers, would, at the same time, make the dinner self-supporting—you will see we failed to the extent of £53 ls. I do not myself think that this should be cavilled at. At the annual dinner it is the obligation and privilege of the Association to invite a number of distinguished guests, and that hospitality has to be paid for—I hope there will not be any tendency to take a narrow view criticising this expenditure, for I believe it is the function of this Association to invite distinguished guests to meet the members, whereby an opportunity is afforded of bringing the affairs of the Association in an intimate way before the heads of Government Departments and others who control public affairs. The Association, I am certain, take a wrong view if they restrict this activity. (Applause.) The subscriptions to the luncheon to Mr. Silas H. Strawn were £1 short of the cost of the entertainment, and the reception given in June last failed to meet the expenses by £2 10s. These two sums are almost too trifling to refer to. The reception in the spring is an event that has now taken place for three years in succession—whilst its advent was much criticised, the experience of holding it is, so far as criticisms have reached my ears, such as to justify its continuance. If it is held at the time of the year when residents from China have arrived in this country, it is likely to be fully attended. I myself am a strong advocate of its continuance, because I believe that these annual gatherings of people interested in China do a great deal in keeping us united in our common aim, the welfare of British interests in China. (Applause.) The other items in the accounts to which I will direct your attention are salaries, stationery and printing, and cost of telegrams. These have all shown substantial increases, which was only to be expected in view of the extra work which has arisen in connection with the finances and work of the China Committee, with which this Association is so closely connected. On the other side of the account you will find a special appeal of £1,460, and I am asked by the hon. treasurer to say that so far as he can judge, there can be no possibility of his not requiring to make a similar appeal this year—the disturbed conditions in China, and the greater need for bringing the circumstances to the attention of the public and to those in high places, leads to the constant interchange of telegrams between us and our associated bodies overseas, and must inevitably add largely to our expenses. The payment of these should not be grudged, because there is no means of avoiding this expenditure if we are to be an influence in

educating and directing public opinion. So much for the accounts.

THE SITUATION IN CHINA.

In presenting to you the Report of the Association for the past year it is natural for our minds to revert to the situation as it was when we last met, and contrast its features with those which characterise it to-day. Then, you will recollect, the outlook was sinister in the extreme. It was overshadowed by the recent atrocities in Nanking, and I cannot make reference to those times and omit an expression of sorrow and sympathy at the recent announcement of the sad death of Mr. Bertram Giles. To-day we contemplate a different scene. At the moment, anyhow, some of its more violent aspects have been removed; the effort of the Third International to establish its hold upon China is a proved failure, and the flame of anti-British propaganda is dying down. As is always the case in China, as soon as the actual barriers are removed, trade has begun to flow with increased activity through its accustomed channels, and some recovery in values has been made. But when we welcome, as of course we do welcome, any signs of improvement, it is well that we should view them with caution. I can see nothing at the moment to justify any feelings of complacent optimism. If some of the violently hostile elements have been partly removed, there remain some that are merely dormant. From time to time outbreaks, ghastly in their display, afford evidence that Communism is still to be eradicated. The work of reconstruction is still not begun. True that conditions in Hankow are much nearer normal than they have been for months past, but the interests of the Debenture holders have still to be cared for. The North and the South are still gazing across the distance that separates them with undisguised enmity. It is to be hoped that there will be no renewal of futile and fruitless hostilities. With the experience of the deplorable results of military activities of the past few years, and with the change of temper in the people, the occasion would seem to constitute an unexampled opportunity for leadership from this country to point the way for negotiations and to show that by negotiation, and not by fighting, can China's difficulties only be surmounted.

SALT AND CUSTOMS.

If the salt collections are again in the hands of the foreigner, there is little in that fact to warm the hearts of those who hold bonds secured on the salt collections, unless these collections are to be made available for the purpose of satisfying the service of the loan, of which they are part or whole security. The future of the Customs administration must remain a matter of acute anxiety until the differences between North and South can be composed—some of you may have had your attention directed to a telegram in the "Manchester Guardian," of yesterday's date, making a definite statement that Mr. Edwardes, the acting Inspector-General of Customs, will not be recognised within the territories controlled by the Nanking Government. I have endeavoured to ascertain what justification there is for this statement, but at the moment of speaking I am unable to contribute anything thereto. Railway loans, in most cases, as you will have seen in the Report, are still in default, and the railways themselves no less in a state of advanced decay. All these and other problems are still to be dealt with. In handing over the affairs of the Association to a new chairman and committee, as we are about to do, nothing would have been more gratifying than to have been able to accompany the transfer with the assurance that an active period of administrative reform in China and consequent prosperity was obviously going to be their experience. No such assurance, I fear, is possible, but I do recognise, or think I do, a different and better atmosphere.

THE GOVERNMENT'S POLICY.

The policy laid down by H.M. Government, and expressed more particularly in the Chamberlain Memorandum of December, 1926, evoked at its inception, and naturally so, a great deal of criticism, but since it has by now shown itself to be the policy which this country is determined to pursue, I do not think that this Association can

do otherwise than endeavour to support it and further its ends. At the same time, it is clear that China, in her present state of confusion, is not ready for the application of the principles it contains, and nothing but harm can come from premature action. The building of conciliatory bridges cannot be done by us alone. Chinese political leaders, if they are sincere in the fairer words to which they appear now to commit themselves, must, on their side, follow up those words with suitable actions also. The Report takes the form of an historical survey of the events in the period which it covers, and as such I hope may prove of both future and present value. (Applause.)

REPLY TO CRITICISM.

My attention has been attracted, and I daresay yours also, by some criticism in the February number of the "National Review"—I take no exception thereto at all. It was to the effect that the Association failed in the matter of publicity. Publicity is easy to cry for, but its attainment is fraught with thorns. In the first place, it is essential to know what you want to publish. Are you to confine yourself to statements of fact, or are these statements to be accompanied by comments? As regards statements of fact, I do not think the China question has lacked publicity. I believe that through the outpourings of this Association every member of Parliament has more information about British interests in China, their value and jeopardy, than ever before. When it comes to publishing comments on these statements of fact, the path is stony. After being chairman of this committee for four years, and after serving on the kindred body, the China Committee, I am bound to say that I have never been associated with controversies about which unanimity of treatment was so difficult to attain—and then there is the question of cost, and my friend Mr. Simms, the Hon. Treasurer, may have something to say on that score. So within our natural limitations our publicity campaign has, I think, done all it could. Another suggestion is that we pay too much attention to Chinese politicians, and too little to the safeguarding of British interests. It is the absence of order in China which has dealt such a blow to British interests in that country. Once some form of government can be constituted, deriving its authority from some recognised source, British interests will quickly adapt themselves to such an unusual environment, and it is in assisting the Chinese to do this that lies the chief task confronting us. (Applause.)

TRIBUTE TO MR. LEEFE.

Mr. Stanley H. Dodwell:—I am glad that on this occasion, the last on which Mr. Leefe will occupy the chair, at any rate for some time, it is my privilege to second this resolution, for I am sure it will be the wish of all of you that some reference should be made to Mr. Leefe's valuable services to the Association, and none of you know better than your Vice-Chairman how much of his time and energy Mr. Leefe has devoted to our interests, and how small has been the measure of support he has received from his second in command, who, incidentally, was away in China for six months of the year under review. During the four years that Mr. Leefe has been in the chair we have experienced the most difficult and anxious times in China that any of us can remember; the guidance of the Association has called not only for ability and courage, but also for a vast amount of tact and patience, supported by a stern determination to be disheartened by nothing that may happen in China, at one end of the line, or at the (British) Foreign Office at the other end. At different times during his long term of office Mr. Leefe has displayed these qualities to a marked degree, and if any member of the Association deserves well of his fellows it is surely he. I have done my utmost to induce him to remain in the chair. I have used all the persuasive arguments I can think of, but I regret to tell you that he remains adamant.

LORD SOUTHBOROUGH'S SERVICES.

Fortunately the same attitude has not been adopted by our President, for which we should be thankful. It would be something of a disaster were we to lose both President and Chairman in the same year. I have reason to believe that Lord Southborough was a little diffident about standing again for the Presidency, because he felt that he had no direct interests in China, and that he was not as familiar with the Chinese question as some of his colleagues. In my opinion that is the very reason why we elected Lord Southborough as our President. Most of us know, or think we know, all that anybody does know about China, and in those circumstances it is well to have at the helm a public-spirited gentleman to assist us in our counsels who can bring to bear on our problems a keen intellect and a detached mind. By reason of his former

long association with various Government departments, including, I think, the Foreign Office, Lord Southborough has unquestionably brought us into closer touch with the powers-that-be in Downing Street, and strengthened what I have hitherto regarded as one of the weak lines in our armour. I trust, therefore, that Lord Southborough will have no misgivings in this respect, and I am sure that you will all be as pleased as I am that he has allowed himself to be nominated again.

PROSPECTS OF A MILD TRADE BOOM.

Well, gentlemen, the report has been before you for some time and you have heard what Mr. Leefe has had to tell us. There is little that I can add. I am sorry that he is not handing over to the new chairman and committee in a more optimistic vein, nevertheless, I feel we are entitled to hope that the situation generally is on the mend. From my own firm's experience I can confirm what Mr. Leefe has said about the improvement in trade; during the last two months it has been marked; in fact, signs are not wanting that we may be approaching something in the nature of a mild boom. It therefore behoves us to tread warily and to take such steps as we can to ensure that any boom is based on solid foundations and not encouraged by unwise trading facilities. I trust that with the assistance of our Association, the British Chambers of Commerce, and the co-operation which they stand for, that we shall all be able to resist the temptation to compete with one another on dangerous lines. The collapse in the near future of an unsound, unhealthy boom would undoubtedly add to the discomfiture of many of us poor merchants who, with the assistance of Providence and that of those well-run prosperous institutions, which seem to flourish in bad as well as good times, have managed to withstand the strain of the last five years. The future unquestionably looks brighter, but we must be careful that we are not led away by a sense of security which may not exist.

THE BRIDGE OF CONCILIATION.

I agree with the views expressed by Mr. Leefe in regard to the policy of the British Government. It is the declared policy of the country, and, I think, as he does, that we must accept it and do our best to make it a success. Many of us take the view, and probably we shall always adhere to that view, that in the past a firmer front would have led to quicker results; but that is questionable—in fact, it is a question that may never be answered. The weakness of the Government's policy, to my mind, is that it pre-supposes the existence throughout China of a widespread spirit of nationalism. Until just recently we have seen little evidence of the existence of this spirit, indeed, we may be excused for fearing that it had been entirely submerged amidst the welter of party strife, personal greed, and ambition. Events, however, in certain quarters during the last few months encourage us to hope that after all a real national party may eventually come to the fore, and that, to use Mr. Leefe's metaphor, our Chinese friends may be anxious even now to commence the erection of their share of the bridge of conciliation. I trust, gentlemen, that we may not be mistaken in this belief. (Applause.)

The Chairman: If there is no one who wishes to make any remarks on the report I will now put the motion to the meeting.

The motion was carried unanimously.

THE CHAIRMAN'S THANKS.

The Chairman: I cannot sit down without thanking Mr. Dodwell for the all too kind expressions which he has used about my service in the chair for the last four years. I was wondering the whole time whether I should be justified in ruling him out of order, as it was a matter which did not come within the terms of the resolution, but I thought the least display of force from this chair on the last occasion of my chairmanship would be rather bad! I can only express my gratitude. I have been very interested in the work of the Association, and I am perfectly convinced that four years is enough for anybody, both from the point of view of the individual and from the point of view of the Association's affairs. There is nothing more deleterious to the interests of the Association than to have anything like a feeling that a member occupying the chair was in any sense an institution. Fresh blood is wanted in the chair of the Association as it is wanted elsewhere.

ELECTION OF PRESIDENT.

Mr. E. F. Mackay: I have the honour to propose that Lord Southborough be elected president of the Association. Mr. Dodwell has said so much on the subject of Lord Southborough that he has left me little to add. I understand that Lord Southborough would prefer not to have served again, but it is the feeling of your Committee that he would not only honour us further by continuing the office, but that it would be manifestly to the interests of the Association that he should do so, and I understand

that he has consented to serve again if elected. His absence to-day enables me, without embarrassment to him, to pay a high tribute to his devotion to the interests of the Association while he has been in office during a period of unprecedented complexity and difficulty in China affairs. You are all aware that negotiations and discussions at the Foreign Office are now carried on through what is known as the China Committee, a body embracing representatives of financial, political and trading interests in China, and these naturally at times hold conflicting views. Lord Southborough, with the tact which can be only derived from his long years of diplomatic training and his own sound commonsense, has, I understand, been able to bring these conflicting views, when necessary, into harmony sufficient to present a united opinion, the only opinion which I believe can be considered at the Foreign Office at the present moment. With these exceptional qualifications, his great tact, his sound judgment and his knowledge of our many China problems, I am sure you will agree with me that Lord Southborough is, under the existing difficult conditions in China, an ideal President, and I have great pleasure in proposing that he be re-elected, and I hope you will indicate some appreciation of the excellent work he has done by enabling your chairman to inform him that he has been elected with acclamation.

Mr. Archibald Rose, C.I.E.: I have much pleasure in seconding the motion.

The motion was carried with acclamation.

The Chairman: I think the Association is to be congratulated on Lord Southborough's election.

ELECTION OF CHAIRMAN.

Sir James H. Stewart Lockhart: I beg to propose the election of Mr. Stanley H. Dodwell as chairman of this Association. The Association without a chairman would be like a man without a backbone, and the Association has been peculiarly fortunate in the past in the chairman that it has had to discharge the important duties of the office. Few Associations can point to a more hard-working and abler chairman than this Association has possessed. Therefore, I think we ought to be careful before we select anybody for that post. But I have every confidence to-day in submitting to you the name of Mr. Stanley Dodwell as the chairman of this Association. He is well known to you all. He is not as old as some of us, but he has had a great deal of experience of the Far East; and is at present engaged in its trade, and has just returned from a visit to the country. He is a member of a firm well known in the Far East, the members of which were welcomed by some of us when we were a little younger. His uncle was a well-known personality who left a very fragrant memory behind him. I feel certain that fresh blood is flowing in with Mr. Dodwell. We have heard of his tact and patience, and I am sure he is possessed of them to the full.

Mr. F. Anderson: In seconding the resolution I may say that I am sure you could not make a better selection. It seems to me that Mr. Dodwell's tenure of office is likely to be an interesting and important one, and the China Association under him will stand by on watch to offer advice and all the assistance in its power to those who are in charge of our affairs, and at the same time, if necessary, to issue warnings against any mistakes which may be committed. It seems to me there are signs in China of an improvement, that the influential classes in China are more and more becoming of opinion that something should be done to try and put a stop to this eternal wrangling which has spread so much misery in the country, which has caused a large amount of Chinese capital to be withdrawn from the country, and which has stopped the flow of foreign capital into China. If the China Association here or in the East can do anything to assist that movement I think it will be doing extremely valuable work. It seems to me that the basis on which it should try to direct the movement is to safeguard the only element of security that exists in China to-day, and to endeavour to elicit the co-operation of these influential classes in China in support of that security. If they do that they will be going a very great benefit to China itself, a much greater benefit than it will be even to foreigners. There are great possibilities during Mr. Dodwell's tenure of office, and I am sure we feel confident that he will be able to take advantage of any opportunities that are presented to maintain the interests of the China Association. ("Hear, hear.")

The motion was carried unanimously.

The Chairman: I hope Mr. Dodwell will have a long term of office.

Mr. Dodwell: I thank Sir James and Mr. Anderson for what they have said about me, which is entirely undeserved, and I thank you all for the honour you have done me in electing me as your chairman. I can only say that I shall do my utmost during my term of office. ("Hear, hear.")

ELECTION OF VICE-CHAIRMAN AND HON. TREASURER.

Mr. W. B. Kennett: I beg to propose the election of Mr. H. W. Looker, M.P., as vice-chairman and Mr. H. G. Simms as hon. treasurer of this Association. Their work is so well known that I need not add anything in proposing the resolution.

Mr. E. A. Stanton: I beg to second the motion.

The Chairman: I put this resolution to you with no less confidence than I have put the others, but I should like to add from the chair that in electing Mr. Simms as hon. treasurer for another year you should not do so without an expression of gratitude from the chair to Mr. Simms for assenting to serve in this dull and arduous office once more. It brings no prestige or pleasure, but it brings a great deal of work and labour, and it is very good of Mr. Simms to be prepared to undertake it again. (Applause.)

The motion was carried unanimously.

Mr. Looker: I should like to thank the members very much for the expression of confidence they have given effect to by electing me to the office of vice-chairman. I feel very much that there are many deficiencies in my experience of China which may possibly handicap me for the efficient performance of the task, but I know I can rely on the indulgence, goodwill and assistance of other more experienced members of the committee in any duties I have to undertake. Not only do I appreciate the compliment very highly, but I shall endeavour to carry out my duties in the most ungrudging spirit of goodwill with the sole desire to do all I possibly can to promote the interests of China and of the China Association.

Mr. Simms: I do not think it is necessary to thank you for appointing me again as hon. treasurer. The finances to meet the extraordinary expenses of this Association now fall on practically a dozen of the bigger concerns, and although I told the chairman I thought I should get the money all right this year, I see little cracks in the wall already. Some are beginning to think that the whole of the burden should not fall on their shoulders, although they are quite prepared to shoulder the greater part of it, and they have hinted to me that I should make efforts to get some of the other firms whose interests lie in China to pay some extra subscription. I take this opportunity of making that point public, and when I send round to those particular firms I have no doubt they will bear my remarks in mind.

ELECTION OF A GENERAL COMMITTEE.

Mr. A. M. Townsend: I beg to propose that the gentlemen whose names are on the committee list be elected members of the General Committee for the ensuing year, together with certain additions. The list is as follows:—

The Rt. Hon. Lord Southborough, G.C.B., G.C.M.G., etc.; Viscount Inchcape, G.C.M.G., etc.; Lt.-General Sir George Macdonogh, G.B.E., K.C.B., K.C.M.G.; Sir James H. Stewart Lockhart, K.C.M.G.; Sir Robert Waley Cohen, K.B.E.; Mr. F. Anderson; Mr. J. S. Bruce; Mr. Stanley H. Dodwell, Mr. W. Fisher; Mr. J. S. Haskell; Mr. R. H. Hill; Mr. H. D. C. Jones; Mr. W. B. Kennett; Mr. L. N. Leefe; Mr. H. W. Looker, M.P.; Mr. E. F. Mackay; Mr. H. A. J. Macray; Major W. S. Nathan, C.M.G.; Mr. H. W. Robertson; Mr. Archibald Rose, C.I.E.; Mr. D. C. Rutherford; Mr. Charles V. Sale; Mr. F. Salinger; Mr. H. G. Simms; Mr. E. A. Stanton, and Mr. T. H. Whitehead.

The additions are:—

Sir Skinner Turner; Brig.-General C. R. Woodroffe, C.M.G., C.V.O., C.B.E.; Mr. W. P. Ker, C.M.G.; Mr. Sidney F. Mayers, and Mr. K. O. Mounsey.

Mr. F. S. Clark: I beg to second that proposal.

The motion was carried unanimously.

The Chairman: That closes the business of the meeting, but I think I should like to record a vote of thanks to the P. & O. Company for so kindly lending us their board room on this occasion.

The meeting then terminated.

Speaking in the British Columbia legislature Attorney-General Manson said the birth-rate among Japanese immigrants was 100 per cent. above that of the white population. The number of Japanese in the schools had increased in three years by 74 per cent., while white children had increased by only 3 per cent. Approximately 80 per cent. of the Chinese and 98 per cent. of the Japanese entering Canada remained in British Columbia.

The large provision stores of Paris say that they have never sold so many young tortoises and swallows' nests as during the last six months. Not only are the Chinese restaurants and Chinese men and women who have homes in Paris their customers, but also the large Parisian hotels. Swallows' nests are asked for garnished with young bamboo shoots, and served with a sauce made of a medicinal oil!

NOTICES

No notice can be taken of Anonymous Correspondence. Whatever is intended for insertion must be accompanied by the name and address of the writer, not necessarily for publication, but as a guarantee of good faith.

"THE CHINA EXPRESS AND TELEGRAPH" is published weekly, and treats of all questions relating to Far Eastern matters, including Commercial, Shipping, and Market Reports, &c.

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OFFICES. 5, FENCHURCH STREET, LONDON, E.C.3.

SINGAPORE DOCK. INSPECTION AT WALLSEND.

The members of the North-Eastern Section of the Junior Institution of Engineers, who were joined by the members of Reyrolles Engineering Society, enjoyed the privilege on March 31 of being the first party to inspect the giant Singapore pontoon dock which is lying at Swan, Hunter and Wigham Richardson, Ltd.'s, shipyard at Wallsend. There were about 200 present and the inspection of the dock at the invitation of Messrs. Swan, Hunter and Co., and with the consent of the Admiralty, proved most interesting and instructive.

The party were greatly impressed. The plant and machinery is now being installed and tested and it is expected that the dock will be ready to leave the Tyne for Singapore in June. Surprise was expressed that Messrs. Swan, Hunter and Co., have succeeded in building in ten months such a huge structure. Twenty thousand tons of steel have been used and 3½ million rivets, and there are workshops, power houses, etc., built in the dock walls.

After the inspection the visitors were entertained to tea in the Staff Institute.

THE INDIA SOCIETY. LECTURE BY MRS. AYSCOUGH.

Sir Francis Younghusband took the chair on April 2 at a lecture which Mrs. Florence Ayscough gave to the India Society on "Indian Links with Chinese Painting." The lecture was illustrated and was highly appreciated by a distinguished gathering.

The India Society, says the "Daily Chronicle," is not, as so many people imagine, a political body. Indeed, it holds rigidly aloof from anything approaching political controversies, and aims at the study and appreciation of the historic and artistic culture of India. It was founded less than 20 years ago by a handful of painters, men of letters and scholars, and now has a distinguished membership, including several ruling Princes of India. Lord Ronaldshay is president and Sir Francis Younghusband is chairman of the society. Mrs. Ayscough, who is an expert on the Far East, was born in Shanghai, and has spent most of her life there. She has written authoritative books on China and collaborated with Amy Lowell in translations of Chinese poems.

WOMEN AND CHINA. INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM.

The executive of the International Women's League for Peace and Freedom report that their delegates to Indo-China and China were cordially received.

The National Y.W.C.A. of China, the Y.W.C.A. at Shanghai, the Women's Club at Shanghai, the National Women's Council, the Women's Suffrage Association and the Women's Christian Total Abstinence League of China, at a meeting held by the delegates of the International Women's League, expressed the gratitude of the women of China for the messages of sympathy transmitted to them.

In a message read at the meeting they expressed their satisfaction at the proofs of sympathy in their difficult struggle for national unity and the right of self-government and their appreciation of the International Women's Movement for Peace, Freedom and Equal Rights for the different races, with the object of creating a better world order, based on goodwill and mutual appreciation.

A plaque has been placed at Coutts's Bank in the City of London indicating that it was the site of Lloyd's Coffee House, 1691-1758. Could a plaque be placed on the building in the City indicating the Sultan's Head, a coffee house in the Sweetings Rents; by the Royal Exchange, where China tea was first drunk in 1658? asks Mr. Arthur Tapp, Horley, Surrey.

"TO THE SUNNY EAST." A NIPPON YUSEN FILM.

At the invitation of the N.Y.K., a distinguished company, which included the Japanese Ambassador (Baron Matsui), Dr. Chen (of the Chinese Legation), Sir John Tilley (British Ambassador at Tokyo) and Lady Tilley, the Master of Semphill, Dowager Lady Swaythling, Sir William Seagar (President of the Chamber of Shipping), Mr. Cleminson (Manager of the Chamber of Shipping), and many members of the Japan Society witnessed, at the Scala Theatre, Charlotte Street, W., on March 29, a special film prepared by the company, showing the route followed by their vessels on their twelve thousand miles passage to and from Japan, together with life and incidents on board ship. The film was most interesting and instructive. The sights at the chief ports of call were shown, as well as the chief cities and beauty spots in Japan. The second half of the programme was devoted to descriptions of the chief Japanese industries. Among the more curious "exhibits" were gold fish of unusual shape and colour, produced by selective breeding, and worth as much as £50 each. The renowned Satsuma ware, made on the primitive potter's wheel, but so elaborately decorated that the task takes an expert three months; the finest lacquer work, of which the cost may run into thousands of pounds; and artificial pearl culture, which has been brought to great perfection, and the secret of which is most jealously guarded, were among the other triumphs of Japanese artists and craftsmen which were fascinatingly portrayed.

The film was produced by an English cinematographer, Mr. F. W. Green, for the Japanese steamship company, Nippon Yusen Kaisha.

During the interval the London manager of the company (Mr. J. Blair) thanked those present for their attendance, and said he hoped the film would show that the Far East, especially Japan, has varied attractions for the tourist. He also pointed out that the N.Y.K. fleet now exceeded 750,000 tons, in addition to a shipbuilding programme at present on hand of three new motor vessels of 16,000 tons gross each, and a speed of 18 knots, also two new vessels of 10,500 tons, for the improvement of the European mail service. Referring to the passenger business, Mr. Blair stated that there had been a steady increase of passengers since the war, and that the Mediterranean cruises during the summer season had become very popular. Illustrating the moderate cost of a first-class passage from London to Yokohama and back, he pointed out that in a journey occupying 96 days the cost was only £184, and suggested that ignoring the fact that the passenger was carried 24,000 miles, the rate charged was less than the cost of staying in a first-class hotel.

CHINESE EASTERN RAILWAY. SOVIET REPORTS AN AGREEMENT.

"Izvestia" states that in accordance with the requirement of Chang Tso-lin the Soviet representatives have reached an agreement with the Chinese representatives regarding the Chinese Eastern Railway. Henceforth the books will be kept and negotiations on the railways carried out in local dollars, so as to strengthen the dollar rate of exchange.

The Chinese Eastern Railway, running from Manchuli through Northern Manchuria due east to Vladivostok, was built by the Russians, and under agreements dated October 2, 1920, and May 31, 1924, is operated by Russians and Chinese. It runs for 1,100 miles in Chinese territory. The Soviet Press describes the agreement as an important concession by the Soviet authorities. Several other measures, it is stated, are under consideration to create a greater demand for dollars and to raise the rate. The concession for the construction of the railway was obtained by Russia in 1896, and work was begun in the following year. The question of ownership has been a constant source of conflict between Soviet Russia and Chang Tso-lin, and at present the administration is vested in a board consisting of five Soviet and five Chinese officials.

The Civil Estimates for the financial year ending March 31, 1929, show that the total for services in China is £138,114, compared with £140,463. There is a consistent decrease under many sub-sections, and the only increase of importance is of £500—£1,250, as against £750 for 1927 for maintenance of prisoners and deportations.

British Columbia is increasing its shipments of dairy cattle to China. A shipment of 23 pure bred and grade Jersey and Guernsey bulls and cows was recently sent to Hongkong.

"MILLION DOLLAR" COTTON. NEW PRODUCT FROM CHINA.

A superior variety of cotton recently developed from native stock in China is described, says the New York "Literary Digest," by Mr. J. B. Griffing, of the University of Nanking, in the "Journal of Heredity" (Washington). Mr. Griffing believes that this bids fair to modify the popular belief that none of the Chinese cottons can compare favourably with American Upland. Most Chinese cottons, he says, have very short, coarse lint and a small three-lobed boll. The new variety, known as the "Million Dollar," while distinctly Asiatic, bears almost as marked a contrast to common Chinese cotton as do the good American varieties. He goes on:

"The Million Dollar is the progeny of a single plant, discovered by the writer in the autumn of 1919 at Woon-sung, near Shanghai. The discovery was the result of a search for superior individuals as a preliminary step in the cotton improvement programme inaugurated by the College of Agriculture and Forestry of the University of Nanking.

"Most fields of Chinese cotton are mixtures of diverse types, and hence present an unusual opportunity for selection. Varieties, as such, are not recognised save as cotton types are named by some very excellent physical character. For example, the Chinese call a certain cotton 'chicken-foot' because its deeply lobed leaf resembles the foot of a chicken. Yet in a field with this chicken-foot leaf the writer observed six distinctly different flower types, and a corresponding diversity was observed in lint and seed characters.

"In the selection work over 40,000 individuals were studied, but none approached the Million Dollar in its quality and length of lint. In type the plant is slightly larger and coarser than the average Chinese cottons, although the fine, tall, slender stalk and deeply lobed leaf are typically Asiatic. The colour of the plant is dark green, with a touch of red in the veining of leaves and the stem. The flower is yellow, with deep purple spots at the base of the petals. For a Chinese cotton, the bolls are unusually large. In no other Chinese cotton has the writer ever seen a boll of more than four locks. With most types comparatively few bolls have more than the normal three. The seeds are very large for a Chinese cotton.

"The outstanding character, however, is the lint. The length, when grown under favourable conditions, runs from an inch to one and one-sixteenth inches. Although there remains a little of the harshness that is characteristic of Asiatic cotton, yet the lint is remarkably soft and fine when compared with the common rough grades.

"By 1923 the increased plots gave a product sufficient for a spinning test in one of the British mills, in Shanghai: There the line was spun into various counts, giving a yarn of unusual whiteness. Breaking tests were made, in which the Million Dollar was compared with common Chinese cotton, with the result that it showed about 50 per cent. greater strength."

ONLY A CRACKER.

Captain Arthur Mills, the novelist and traveller who returned the other day from a tour in the East, has been relating some of his experiences in the "Daily Express." Here is one of them:—

We stopped for an hour at Hoi Hai to take on board a Chinese notable, urgently needing a passage, a Mr. Li, commissary for Foreign Affairs under the Government at Canton.

Being a Canton official, Mr. Li was not pro-British, but he hated the Russians. They had come to Canton, he said, promising not to interfere with the internal politics of China, and had done nothing but plot, intrigue, and spy from the day of their arrival.

The conversation was getting really interesting when the sound of an explosion in the darkness outside caused an uneasy expression to come into Mr. Li's face. Who had fired? Immediately the officer on watch blew his whistle from the bridge. Mr. Li jumped up. Was it pirates or Reds?

Neither, as it happened—only a Chinese cracker being let off by a sailor to celebrate the New Year. But the life of a Chinese official in these days is unusually precarious. Mr. Li was so much shaken by the incident that he went to bed.

Sir Eric Geddes, chairman of directors of Imperial Airways, at the Air League, at a dinner at the Savoy Hotel, on April 3, visualised main trunk routes from London by way of India and Singapore to Australia, and by way of Cairo to the Cape.

THE CHINESE CUSTOMS. NANKING AND PEKING.

By E. M. GULL, in the "Manchester Guardian."

Apart from political issues, with which it is not proposed to deal, four distinct though closely related questions, with connected subsidiary points, are raised by the news published in the "Manchester Guardian" from its Shanghai correspondent to the effect that the Nationalist Government has definitely decided not to recognise Mr. A. H. F. Edwardes, the Acting Inspector General of Customs, as officiating within the territory controlled by it, and to the effect that both Nanking and Peking intend to enforce an interim tariff as from July 1, preparatory to the exercise of tariff autonomy contemplated by the Peking Tariff Conference of 1925.

The first issue is the integrity of the Customs administration, which is not necessarily dependent upon control by a single Inspector General but has hitherto always been so controlled, there being in existence an understanding given by a former Chinese President, Yuan Shih-kai, that the system built up by Sir Robert Hart would remain undisturbed. Nationalist China denies the right of the present Peking authorities to fill the post of Inspector General and contemplates, apparently, having a nominee or agent of its own; the danger of such a change is the instability of its own position and the possibility of other regional authorities—the Cantonese, for example—insisting on having their nominee or agent also. The integrity of the service would be short-lived were Nanking's example to be followed by other parts of China; it would then be extremely difficult, if not impossible, to maintain the present system of levying duties under foreign supervision equitably and in accordance with published rates and regulations. For very many years past the prosperity of China's increasing import trade has been conditioned by equitable and systematic duty collection at the ports of entry.

PRESENT POSITION.

A second issue is the position of foreign obligations secured on the Customs revenue, the adequacy and reliability of which depends, apart from collection, on its being properly banked and applied in accordance with regular schedules to interest and amortisation payments. The present position is as follows:—All the revenue accruing from the 5 per cent. tariff is remitted from the various ports and banked in the name of the Inspector General in foreign banks in Shanghai, and at the present time the whole of it, after meeting the expenses of collection and certain other expenses, is required for the service of certain foreign and domestic obligations. In addition to this part of the revenue, however, is a free portion, accruing from the so-called Washington surtaxes (2½ per cent. on all imports and 5 per cent. on luxuries). These are not collected by the Customs proper, but by local Chinese officials functioning at the actual receipt of Customs—that is, at the Chinese banks, where duties are paid and duty receipts issued, the receipts being unobtainable without payment of the surtaxes, notwithstanding the fact that the latter have not been agreed to by the Treaty Powers. This free portion is going into a variety of local treasuries, the Nationalist and Peking authorities getting it at such ports as they respectively control.

Are the Nationalists willing to treat as one and indivisible the earmarked portion of the revenue? As far as the money necessary to meet foreign loans is concerned it may, perhaps, be assumed that they are—unless we are to suppose that they are prepared to ruin their credit abroad. And if the former assumption is correct they are probably willing also to maintain the present system of banking this portion of the revenue, or in exchange they may reasonably be asked to give satisfactory guarantees, and it is difficult to see what guarantees, satisfactory in present circumstances, they could give. The outstanding amount of the loans is about £40,500,000, the loans being the Franco-Russian loan of 1895, the Anglo-German loan of 1896 and 1898, and the Reorganisation loan of 1913.

THE BOXER INDEMNITY.

As regards the Boxer indemnity, for the service of which a large portion of the revenue from the 5 per cent. duties is earmarked, the position is different. Much of this indemnity has been actually or in principle remitted, while some of it has been cancelled altogether. Both portions, however, are earmarked, the remitted portion for specific purposes, the cancelled portion for the service of certain domestic loans. Sir Frederick Whyte, who recently returned from China, has stated that the Nationalists are anxious that Great Britain should complete the steps necessary to make her share of the indemnity available for employment. It is to be supposed,

accordingly, that the uses to which H.M. Government proposes that the money should be put have their approval. However, we cannot assume that they are willing that the cancelled portion should continue to be applied to the domestic loans which it at present serves. Nor can we assume that they are willing for the remainder of the revenue accruing from the present treaty tariff to continue to be used for the group of domestic loans included in what is technically known as the Consolidated Loan Service, because some of these loans were raised by the North to finance, Canton has repeatedly said, its military operations against the South. The loans play a very important part in the Chinese domestic finance, and are largely held by Chinese banks. As long as they are secured on the Customs revenue and the Inspector General remains responsible for their service, as he is at present, they are classifiable, in Chinese holders' opinion, as gilt-edged. Without that security they would not be, and its removal would be likely to occasion serious financial confusion.

TARIFF INCREASE.

The third issue to be considered is the question of increasing the tariff. Here an important point, frequently missed, calls for notice. The Peking Tariff Conference of 1925-6 did not agree outright that China should have tariff autonomy in 1929. It agreed to insert a proposed article recognising her right to tariff autonomy in a treaty which was under discussion but was never completed. And China proposed to record in the same article an undertaking to abolish *likin*, which she has not begun to abolish. Thus neither formal agreement nor one of the main considerations for it has ever materialised. Since then, it is true, His Majesty's Government has declared its willingness that China should enjoy tariff autonomy, but it has never coupled any statement to that effect with the date 1929. At the moment, however, the issue is not autonomy, but an increase of the existing duties. The probability is that the Chinese are proposing to apply the schedules discussed at the Peking Tariff Conference, which would mean duties averaging a little over 12½ per cent. But this proposal is not as simple as it sounds, for without the formal consent of the Powers concerned the schedules are unenforceable by legal process against foreigners with extraterritorial rights, as recent judgments in the British, American, and Japanese courts in Shanghai have illustrated. Some foreigners (the bulk of the foreign commercial community) could only be made to pay by some form of force majeure, which would mean a development of the system already described, whereby the so-called Washington surtaxes are collected. That, in turn, would mean the elaboration of a dual Customs duty collectorate, which would be likely to lead first to interference with and later to suspension of foreign supervision of assessment of duties. Tariff autonomy exercised in this form would, in fact, threaten all the arrangements described above.

On the other hand, agreement of the Powers, unless by way of informal acquiescence (which would not be a wise solution having regard to the maintenance, until altered by negotiation, of other treaty rights), presupposes some form of international decision, and hitherto opinions have been too conflicting to admit of any such decision. Japan's views and our own, for instance, differ very considerably.

Finally, a fourth issue presents itself—namely, how the revenue accruing from increased duties would be divided between the rival Chinese Governments—a domestic issue with, however, important foreign bearings. In 1919 it was agreed that Canton and five other Southern ports should receive 13.7 per cent. of the then surplus Customs revenue. What was a simple arrangement in dealing with comparatively small ports serving a definitely Southern area obviously becomes a much less simple matter when the ports concerned include Shanghai, which collects over 41 per cent. of the revenue, and Hankow, which collects over 6 per cent., some of the collection being in respect of goods destined for places outside Nationalist territory. Thus allocation or division of the surplus revenue between Nanking and Peking introduces two complications—first the permanence or impermanence of the present Nationalist territorial position, and secondly the question whether allocation is to be based on the locality of collection or that of consumption. This fourth issue confronts us at once with all the uncertainties of the Chinese political situation.

Special study courses in malaria, arranged by the Health Section of the League of Nations for the benefit of medical men who have specialised, or desire to specialise, in malariology, are being held during the spring and summer in London, Hamburg, Paris and Rome.

CHINESE ARRESTED IN SIBERIA. ALLEGED ANTI-SOVIET PLOT.

It is stated in Moscow that a "few hundred Chinese" have been arrested by the Soviet authorities in Eastern Siberia during the past few weeks, and that the Chang Tso-lin Government is "making an unduly loud noise" about the arrests, since 99 per cent. of the Chinese in the Vladivostok district are pursuing their avocations peaceably.

The arrested, says the Riga correspondent of "The Times," include Chinese banking agents and speculators, and the action of the Soviet authorities has a close connection with the depreciation of the Soviet currency in Manchuria, which has caused the Chinese representatives on the Chinese Eastern Railway to insist that the accounts of the railways should be kept in dollars in their recent negotiations with the Soviet representatives. The latter explained that the depreciation was not real, but had been artificially caused by Chinese "merchants" with the object of flooding Manchuria with Chervontsi notes from Siberia.

The arrests at Vladivostok and elsewhere were made with the object of giving substance to the allegations of this supposed Chinese anti-Soviet plot. As usual, the Soviet authorities claim to possess documentary proofs of the existence of secret banking organisations operating in millions of Soviet roubles and of a conspiracy of Chinese banking circles to undermine Soviet finances. Vladivostok, they assert, became the "breach through which Soviet valuables flowed abroad and destroyed the stability of the Chervonetz."

The fate of those arrested depends largely upon the course of the negotiations which are still going on between the Soviet and the Manchurian authorities. The "Izvestia" states that in undertaking the arrests the Soviet Government consulted the interests of the whole of the Chinese State and the overwhelming majority of the Chinese people.

LITERARY NOTES.

"My Nightmare Journey," by Mrs. Dorothy Fox, a notice of which appeared here two weeks ago, has now been published by Simpkin Marshall and Co., price 7s. 6d. It was originally printed for private circulation, mainly among China friends.

From the London office of the "Osaka Mainichi" we have received a copy of "Japan To-day and To-morrow," a special supplement of the English edition of Japan's most widely read newspaper and a publication which, in an age of such productions, compares most favourably with any of its European contemporaries. It is a bulky tome, brimful of information concerning political, social, and economic conditions in the Island Empire, and especially to the uninitiated constitutes a fascinating description of the manners and customs, business activities, and scenic attractions of a wonderful country. In view of the Coronation in November next, an article on page 18 is specially interesting, this being an excellent description of such ceremonies, as observed in Japan for hundreds of years. Some very fine reproductions of Japanese art in colour add to the value and dignity of the number, which, taken as a whole, is a credit to its compilers and its printers.

Mrs. Virginia Woolf, for her book, "To the Lighthouse," has been chosen by the French committee for the Femina Prize from the three books submitted by the English committee. The other books were Miss Stella Benson's "Goodbye, Stranger," and Miss Storm Jameson's "The Lonely Ship."

The Oxford University Press will shortly have ready "China and England," by W. E. Soothill, Professor of Chinese in the University of Oxford. The work deals with England's political history in China, extra-territoriality, tariffs, revolution and republic, etc. The author in his preface says the chapters were developed from a course of lectures given in Oxford, and whatever had been said in them had been said with a sincere affection for China and its toiling and tolerant masses. He continues: "I have spent nearly half my life in their midst, and most of my life in their service. That they have fallen once more on a period of disaster, and that their leaders have failed in the difficult task of guiding their great race into the peace and prosperity which the people deserve, calls for much patience and unflinching sympathy. There may be some who consider that the welfare of China and Britain can be separated. I am not of that opinion. At any rate, few will question that the two countries could work for each other's welfare better as friends than in any other relationship. Such is the spirit of Britain. It offers the right hand of ungrudging friendship to China and seeks nothing but a hand of friendship in return."

COMPANY MEETINGS.

CHARTERED BANK OF INDIA.

SIR MONTAGU CORNISH TURNER'S REVIEW.

The seventy-fourth ordinary general meeting of the shareholders of the Chartered Bank of India, Australia and China, was held on March 28 at the bank's premises, 38, Bishopsgate, E.C. Sir Montagu Cornish Turner, the chairman, presiding. The chief manager (Mr. W. E. Preston) having read the notice convening the meeting and the report of the auditors:

The Chairman said:—Gentlemen, the less favourable results as compared with previous years disclosed in our report and statement of accounts now presented for your adoption to-day reflect the unfavourable conditions with which we have had to contend during the year 1927. We have experienced a want of real vitality and push in trade in certain directions, making it difficult to work on remunerative lines, with the result that we have been unable to maintain the high level of profits to which we have grown accustomed in the past. It must also be recognised that competition in Eastern exchange banking grows wider and keener every year, resulting in sharp competition for any passing business and in the acceptance of rates which show very meagre profits. Differences in exchange are now reckoned by sixty-fourths, or even worse, as compared with the fair and reasonable differences which prevailed in happier days. This is especially the case in India and Burmah, where we certainly enjoy a good share of current business, thanks to the continued support of many old friends who can rely on our giving them the best rates ruling at the time. In India the fixing of the sterling value of the rupee at 1s. 6d. will make the year 1927 a memorable date in the financial history of that country. Now that stabilisation has become an accomplished fact and the rate is generally accepted as fair and reasonable, the rupee remains remarkably steady.

BOMBAY MILL INDUSTRY.

Attention has recently been called in Bombay to the abnormal increase in imports of cloth from Japan which has affected very appreciably the prosperity of the Bombay mills. The chairman of the Association of the Bombay Mill Owners recently remarked that in spite of the fact that more and more machinery was being kept idle, stocks continued to be very heavy. It is, indeed, difficult to realise the fact that Japan is able to beat Bombay in the matter of price in yarn and cloths manufactured from the cotton exported from Bombay and made up in Japan and re-shipped to Bombay.

During the past three years the depression in the Bombay mill industry has resulted in the closing down of eight mills, while seven mills are being reconstructed. In the face of such active competition from Japan it is difficult to see how prosperity can return to the mill industry unless drastic remedies are adopted. In other respects internal trade has been good throughout India. Jute mills in Bengal are prosperous and tea continues to show very satisfactory results. In Burma, Straits and Java the piece goods business has been affected by Japanese competition. In fact, this remark applies to nearly all Eastern markets, and it is very evident that Japan, faced with an ever-increasing population, is following out the policy of pushing her exports into every possible corner of the consuming world where cheapness is the main consideration. In point of quality Japan cannot beat Lancashire.

INDIA'S INTERNAL LOANS.

During the last five years the internal wealth of India must have increased very appreciably. The seasons have been quite good and crops on the whole excellent. Apart from occasional political effervescences, the country has been peaceful and prosperous. It is perhaps interesting to note that the following internal loans have been floated in India and have been generally absorbed by a public which in days of old hoarded rather than invested their savings:—

May, 1926. Government of India 4 per Cent. Loan was floated—Rs. 25 crores.
 July, 1927. A further Government Loan, 4 per Cent. was issued and taken—Rs. 24 crores.
 August, 1925. 6 per Cent. Debenture Loan for 125 lakhs of rupees was issued by the Commissioners of the Port of Calcutta.
 March, 1926. The same authority issued a loan of one crore.
 September, 1926. The Port of Calcutta issued 5 per Cent. Debentures Rupee one crore.
 September, 1925. The Calcutta Improvement Trust issued a loan of Rs. 50 lakhs 6 per Cent. Debentures.
 December, 1925. The Port of Karachi issued a loan of one crore of rupees 6 per Cent. Debentures.

The sum total being Rs 53½ crores, or about 40 million sterling. Cash certificates, or, as we should call them, War Savings Certificates, have been issued since 1917 to the extent of 40 crores of rupees, or £30,000,000, and this should be added to the 40 million sterling already referred to. It is interesting to note that shipments of gold coin and bar gold from South Africa to India direct in 1927 totalled £7,268,000, while shipments from London to India amounted to £2,500,000 only. Shipments of silver from all quarters to India amounted in value to Rs. 18,28,11,000, or, say, £13,710,000. About half of

this amount represented direct shipments from New York to India.

In the Straits and F.M.S. the prosperity which has marked recent years in those countries has declined for the time being owing to present conditions of the rubber industry. Both the export and import trade is suffering rather severely in consequence, though the tin industry is holding its own. Whatever the decision may be as regards rubber restrictions, the fact has to be faced that the result of native-grown rubber is a very marked factor in the sale price of rubber, whether grown in the F.M.S. or in the Dutch East Indies. It is perhaps unfortunate that this has not been recognised earlier.

CHINA.

As regards China generally, it is extremely difficult to judge what are the actual conditions. They are certainly no worse than they were twelve months ago, and they seem to be a little better, but the deadly canker of civil war still exists, with dire results to trade and industry. We read of atrocities committed by the Communist bodies scattered about the country. These reports may be exaggerated, but, in any case, the masses of the people suffer untold misery, and will continue to suffer so long as civil war continues. Our latest reports from Shanghai indicate that better business has recently been done both in imports and exports. At the same time, we hear that robberies and kidnapping have become so frequent that the business section of the Chinese are afraid to go about their affairs. I think we may feel assured that no opportunity will be neglected by our Government to regain the good will and co-operation of our old friends, the Chinese, to make trade feasible and the country more settled than it is at present. A striking result of the continuance of civil warfare has been the steady stream of migration during the past four years of the countryfolk—chiefly agriculturists—from the disturbed districts in North China to South Manchuria, where peaceful employment is offering. In this way the population of Chinese settled down in Manchuria, chiefly on the line of the Chinese Eastern Railway, has increased by two millions.

JAPAN.

In Japan the effects of the financial crisis early last year, when certain banks had to go into liquidation, are still felt, and she has to face the fact of a surplus of imports of 185 million yen over her export business, but, as I mentioned elsewhere, Japan is fully alive to the fact that her export business must be increased to keep pace with the demands of a population which shows an annual increase of about one million, and it is only by an increase in her industrial output that the position can be met. The unrest in China must be a severe handicap to Japan's trade with that country.

P. AND O. BANKING ACQUISITION.

Referring to the balance-sheet, you will notice that the entry, "Cash in hand and at bankers," which appeared in our report of last year at £10,013,953 10s. 8d., now appears as £3,552,479 2s. 6d. The difference is partly represented by an increased holding in bills of exchange, including Treasury Bills, which stands on December 31 at £19,761,881 2s. 10d., as against £17,392,620 0s. 10d. in 1926, and by the purchase of 196,059 shares in the P. and O. Banking Corporation. That transaction represents the acquisition of a controlling interest in the P. and O. Bank. Your directors, after careful consideration, decided that this investment was desirable and justified on several grounds. We regain control of valuable business connections which had rather passed away when the P. and O. Bank came into existence, such business covering India, Burmah, Ceylon, China and Japan, and we prevent the business getting into other hands. Further, we have a well-established business working in harmony with ourselves and ceasing to function as active opponents. To make effectual our control of the bank, our good friend, Mr. W. E. Preston, in whom we all have the greatest confidence, and of whom we have a very high opinion—(hear, hear)—has become vice-chairman, while Viscount Inchcape remains chairman of the P. and O. Bank. Of our directors, Messrs. Bateson, Colin Campbell and Mackay have joined the board, of which I was already a member. I am confident that the step thus taken will lead to the ultimate benefit of both the Chartered and the P. and O. Bank.

In conclusion, I desire, on behalf of the Court of Directors, to express our great appreciation of the conduct and management of the business of this institution by our chief manager, Mr. Preston, and his colleagues at head office. (Applause.) We also tender our thanks to the managers and to the staff generally at home and abroad for their devotion and loyalty to the interest of the bank. (Applause.) I now move:—
 "That the report now presented, together with the balance-sheet and profit and loss account, be approved and adopted."

Mr. L. A. Wallace seconded the resolution, and, after some congratulatory remarks by shareholders, it was carried unanimously.

(Concluded on page 242.)

MERCANTILE BANK OF INDIA, LTD.

IMPROVING PROSPECTS—DIVIDEND MAINTAINED IN A DIFFICULT YEAR.

The 35th annual general meeting of the shareholders of the Mercantile Bank of India, Ltd., was held on April 3 at Winchester House, Old Broad Street, E.C., Mr. J. M. Ryrie, the chairman, presiding.

The Chief Manager (Mr. J. Steuart), having read the notice convening the meeting and the auditors' certificate,

The Chairman said that the past year was one of recuperation from the effects of the coal stoppage of the previous year. There had been no large fluctuations in the value of money; prices generally had been stable, though slightly lower than in 1926; there had been no serious labour troubles; our good example in returning to the gold standard had been followed by several other countries; and we had seen not only an influx of gold but sterling at par with the dollar. As a result of the troubles in 1926, the accounts of industrial companies published during the year showed a decline in profits on the whole, but it was satisfactory to know that, while in 1926 the balance of trade, including invisible exports, was against this country, there was a balance of £96,000,000 to its credit in 1927, though, comparing this figure with pre-war figures and taking into account the rise in prices, it was clear there was much room for further improvement in our export trade.

Continuing, he said the hostile reception given to the Statutory Commission and the rejection of the Gold Standard and Reserve Bank of India Bill indicated the extraordinary mentality and irresponsibility of the extreme Indian politician, and made it very difficult to see how progress with the reforms is to be made. The chief points at issue over the proposed reserve bank were as to whether the bank should be a State bank or a shareholders' bank, and in the matter of the appointment of directors, and as Indian politicians in particular have so frequently complained of Government manipulation of currency, it is difficult to understand their rejection of a measure which proposed to place the control of currency and exchange in the hands of an institution independent of Government. But fortunately the rupee has been stabilised in terms of gold at 1s. 6d., and as the result of this we have had steady commodity prices and seen a consequent improvement in trade generally during the past year.

There was another good monsoon, and trade on the whole improved, though, as in Lancashire, many of the cotton mills in Bombay are still passing through a period of depression which necessitates the adoption of more efficient methods of operation. India naturally felt the effects of the banking crisis in Japan and the disturbed state of affairs in China. As compared with 1926 the exports of cotton declined both in quantity and value owing to floods and the comparatively low price of American cotton, the imports of which into India increased considerably.

CEYLON AND MALAYA.

The shipments of tea from Ceylon increased both in quantity and value, prices showing little variation as compared with 1926, the total value of the shipments being approximately £19,000,000. But with a further fall in the price of rubber to, say, an average of 1s. 6d. for the year and a decrease in the quantity shipped from 59,000 tons 55,000 tons, the value of the exports declined from, say, £12,000,000 to £9,500,000. Then, including imports from the Dutch East Indies, which last year amounted to 139,000 tons, the total shipments of rubber from Malaya in 1927 amounted to 371,000 tons, against 391,000 tons in 1926, the value of these shipments declining from about £83,000,000 to £60,000,000 in spite of restriction and the pivotal price of 1s. 9d. But with a larger output of tin, shipments increased from 75,000 tons in 1926 to 81,000 tons in 1927, and in spite of a slightly lower average price, the value of the quantity exported increased to some extent. The total exports from Malaya in 1927 were valued at the equivalent of £125,000,000, and the imports at £121,000,000, which figures do not compare favourably with those for the previous year. The value of the exports of cotton piece goods and yarns from the United Kingdom to Malaya last year was only £2,400,000, which is even less than in 1926, and the import trade as a whole was dull in sympathy with the decline in rubber.

SIAM AND JAVA.

In Siam there is a steady growth in foreign trade, but, while tin, teak, and rubber figure in the exports, as rice still represents nearly 70 per cent. of the total exports, the prosperity of the country depends largely upon the rainfall and a good crop of that commodity. Though trade generally suffered from the financial crisis in Japan, the unsatisfactory conditions prevailing in China, and failures in Java, there was a good crop of rice, which was easily marketed at prices slightly lower than ruled in 1926, the quantity exported, at about 1,700,000 tons, establishing a record. There was a small increase in imports generally, but otherwise there was no special feature of importance in the trade of Siam.

In Java conditions generally were disappointing, as whilst shipments of both sugar and rubber increased there was no corresponding increase in values, the decline in the price of sugar being just as severe as that of rubber. Then, owing to a large crop in Java, the imports of rice in 1927 from Burma, Siam and Saigon were much below those in 1926, and with

failures amongst the rice dealers these markets suffered. It is true that the value of shipments of cotton piece goods and yarns from the United Kingdom to the Dutch East Indies in 1927 at £3,900,000 show a small increase upon those in the previous year, but the advices we receive from our branches in Java, and, indeed, also from some of our other branches in the East, indicate that Continental and Japanese goods dominate the market.

CHINA.

It is as difficult as ever to see into the future of China and, until a Central Government is established, I am afraid civil war will continue, with the result that trade will be hampered by exactions on the part of the military leaders. Though the Communists have still to be entirely suppressed, it is clear that Bolshevism is now distasteful to the Chinese, and during the later months of last year there was an improvement in conditions generally, with evidence that anti-British feeling is dying down. There were no violent fluctuations in silver during the year, the highest and lowest rates being 28d. and 24½d. respectively, though when the Government of India announced the sale of 9,200,000 oz. in August a temporary decline took place. The variations in China exchanges were, therefore, moderate, the Shanghai tael, for example, fluctuating between 2s. 8½d., the highest rate touched, and 2s. 5¼d., the lowest.

As evidence of the poor trade conditions existing last year, I will quote a few figures. The receipts of the Chinese Maritime Customs declined from Tls. 78,100,000 in 1926 to Tls. 68,687,000 in 1927, the decrease arising entirely south of the Yangtze, and being largely due to the political situation at Canton, which of course reacts upon trade at Hongkong. The total British imports into China declined in value from £11,500,000 in 1926 to £8,500,000 in 1927, the imports of cotton piece goods falling from £6,500,000 to £3,500,000, the decline in these goods being due chiefly to Japanese competition, while the cheaper kinds of woollen goods are being supplied by Germany and Italy. The prolonged civil war has, of course, reduced the purchasing power of the Chinese, who now find it necessary to buy goods of lower quality than hitherto.

THE ACCOUNTS.

The accounts submitted showed that the net profit was over £6,000 better than in 1926, and, after paying the usual dividend and making the same allocations as in the previous year, they were able to increase the amount carried forward by more than £4,000. This result, in a year when their turnover in exchange operations had declined to some extent and conditions generally left much room for improvement, was very satisfactory. But for the unnecessary competition between the exchange banks the result would have been even better, as, after taking into account brokerage and heavy establishment expenses, the margin of profit in exchange operations was disappearing, and if other banks were able to limit competition he did not see why the Indian exchange banks should not do so.

Referring to the balance sheet, he said that current and fixed deposits were lower by about £500,000 than in 1926, dearer money in India during the late months of last year being responsible, though he confessed that the reduction in the bank's acceptances on account of customers was disappointing. Cash and bullion was lower by over £762,000, while investments also showed a reduction of £784,000, due chiefly to sales of sterling and rupee securities; but as there was an increase in bills receivable and loans receivable and advances together of nearly £1,200,000, it would be understood that their money was employed more profitably in their business. The total of the balance sheet was only £413,000 below the figures on December 31, 1926.

TRIBUTE TO STAFF.

That we are able to present such a satisfactory account of the results achieved in the past year is, however, as I am sure you appreciate, due to the work done and ability shown by the staff in London and at our branches abroad, and on behalf of the board I take this opportunity of expressing our thanks to all for their good and loyal service to the bank. Except to emphasise what I said at our last meeting about Mr. Steuart, our chief manager, and Mr. Crichton, the London manager, I have nothing to add to the appreciation of their services I expressed on that occasion, but as since then I have had the pleasure of meeting more of our managers in the East I am able to assure you of the interest these gentlemen take in their important work. Our late sub-manager, Mr. Paddy, has retired on a well-earned pension after serving the bank loyally for 40 years, and he has been succeeded by Mr. Linton, who was our manager at Singapore for 22 years and who, I am sure, will carry on in London the good work he accomplished for us in the East.

RUBBER RESTRICTION POSITION.

In Ceylon and Malaya the position, both as regards exports and imports, is so linked up with the future of rubber that it is impossible to take a hopeful view, the recent decision of Government to set up a Committee to consider the operation, and

effects of the restriction scheme having surprised and depressed the rubber market. At the time restriction was introduced as a temporary expedient it was no doubt of advantage, but as, owing to defects and the increase of production in the Dutch East Indies, the scheme has recently failed in its object, it was surely time to reconsider the position, if only to give the Netherlands India Government the opportunity of coming into line in some form. It is in the interests of nobody but speculators that the price of rubber should fluctuate violently, and to relieve the present anxiety it is to be hoped there will be no undue delay on the part of Government in announcing the result of their inquiry, as even if restriction is to be abandoned other than gradually, which seems unlikely, the sooner this is known the better, particularly as in the end rubber must find an economic level. In both Burma and Siam the new crop of rice is not expected to be so large as in the last season, while there is a large crop in Japan and a shortage in India, and this being so we cannot look for more than normal trade, the quietness in Eastern markets having restricted business in Burma so far.

The uncertainty as to the future of rubber is also affecting the trade position in Java, and as the exports of sugar, the crop of which is expected to exceed 2,500,000 tons this year, come next in value, you will understand that the present low price of sugar does not point to prosperity, but the exports of tea and coffee are also of importance and will, no doubt, give better results. In China, including Hongkong, there was a distinct improvement in trading conditions towards the end of last year, business having been resumed at Hankow, and as the Chinese are born traders, it is fair to expect that trade is more likely to expand than decline.

I have now to propose: "That the report of the directors with the audited statement of accounts and balance-sheet at Dec. 31, 1927, presented to this meeting, be and the same are hereby received, approved and adopted, and that a final dividend on the 'A,' 'B,' and 'C' shares of this bank of 8 per cent. be paid, making 16 per cent. for the year, less income-tax, as recommended in the report, and the same is hereby confirmed."

Sir David Yule, Bart., seconded the resolution, which was carried unanimously.

The retiring directors, Mr. P. R. Chalmers and Mr. C. J. Hambro, were re-elected, and the auditors, Messrs. Cooper Bros. & Co. and Messrs. W. A. Browne & Co., re-appointed.

A hearty vote of thanks to the chairman and directors and to the staff at home and abroad terminated the proceedings.

GULA-KALUMPONG ESTATES.

MR. F. ANDERSON'S ILLUMINATING "ALL-IN COST" OBSERVATIONS.

THE ELASTICITY OF RUBBER.

The eighteenth annual general meeting of the Gula-Kalumpong Rubber Estates, Limited, was held in the Council Room of the London Chamber of Commerce, 97, Cannon-street, E.C., on April 4, Mr. Frederick Anderson (Chairman of the Company) presiding.

After Mr. L. Kerr had read the notice convening the meeting and the auditors' report, the Chairman said:—The balance sheet shows fixed assets at £824,545, as against capital and reserve £875,000, including final call paid in January, and the £10,000 now recommended to be added to reserves. Liquid assets amount to £151,819, to which may now be added £46,924, the balance of the call paid in January. The market value of investments standing in the balance sheet at £94,563 is £13,000 in excess of this book value; after deducting cash liabilities, and the final dividend, there will remain approximately £145,000 of liquid assets, with which to face the future. During the past year the planting up of the Sungei Tawar Estate has been completed, with an area of 4,335 acres. For the development of this estate, 200,000 shares, now fully paid, were issued in 1920, and the capital so raised has now been spent. Further capital expenditure, spread over the next five years, to bring the whole estate to maturity, fully equipped with factory, buildings, etc., is estimated at about £80,000, of which about £30,000 will be spent during 1928. The actual cost including the £5 per acre paid for the land, will thus work out at about £65 per acre, which may be considered the bed-rock cost to-day of converting jungle into a rubber estate with its necessary equipment. I shall refer again to this question of capital cost.

Reference has been made to the grant of 668 acres on Gula Island, adjoining the estate. It is intended to plant up this area gradually, as opportunity offers. We undertook this work with the object of finding employment for the surplus of our indigenous labour force, in difficult times like the present. Gula is its native heath, and "if once destroyed it could never be supplied." I will now pass to the profit and loss account, a somewhat melancholy result compared with 1925 and 1926, but as you all know, we were obliged to work on short time, under restriction. We, in Malaya have had to bear more than our fair share of the burden of this policy, but if it had not been for restriction,

the result to us to-day would have been much worse than shown in the accounts.

I would like to say a word here about the practice of referring to the working and profits of rubber planting in terms of "all-in cost" per pound, in comparison with the market prices. The practice is misleading and has done a great deal of harm to the industry, both here and in America. One constantly sees references to the cost of production being 6d. to 7d. per lb.; if sale prices are 1s. to 1s. 2d. per lb., the inference is that the producers are making 100 per cent profit—or in America, that cost of production is 12 to 14 cents per lb., while sale prices are 25 cents, and the pivotal price under restriction 42 cents. per lb. The question is often asked, why do rubber companies want such enormous profits? When it is explained that enormous profits are not being made, and that the information about margin of profit is misleading, the question usually follows—why do producers continue to mislead the public to their own prejudice? It was because we were satisfied that information, stated in this way, was misleading, and not because we had anything to conceal, that we discontinued this practice many years ago, and instead, gave the profit earned per acre, which is a much clearer way of stating the results of working.

COST OF FULLY-EQUIPPED ESTATE.

I have already mentioned that the actual cost of converting jungle into a mature and fully equipped rubber estate is at the present time £65 an acre, spread over five or six years. In the sixth year a small return may be obtained at a high cost, but full production, at a normal cost is not obtained before the eighth year—in some cases not even then. By that time the capital spent is increased at compound interest to little less than £100 an acre. This has little relation to the book value based on a company's issued capital, when estates are developed partly out of revenue or reserve fund. The yield of rubber per acre varies considerably—this is not a matter of efficiency of management, but of the character of the trees, the fertility of the soil, the climate and the consumption of bark. Some areas can produce as much as 600 to 700 lbs. per acre, others no more than 250. Estate costs are largely standardised and are measured by acreage and not by yield. Therefore in calculating the cost of production per pound over the industry as a whole it is necessary to take the average production in pounds per acre and not only the yield of the most fertile estates.

Now, taking the capital cost per acre at £65, increased at compound interest to £100 by the time it is yielding a return in the form of dividends; and taking 360 lbs. per acre as an average production, each 1d. per lb. margin between the cost of collecting and marketing and the sale price represents 1½ per cent. on capital. Companies which can produce 600 lbs. per acre at 6d. and sell at a 1s. would make a profit of 15 per cent.; but on the average of 360 lbs. at 9d. and selling at 1s. 6d., the percentage of profit is no more than 13½. But, if the production of rubber were confined to the highly fertile areas, the rubber factories of the world would soon run short of raw material. A substantial reduction in the estate cost per pound of rubber can only be effected by increasing the average yield per acre; this is not possible with existing areas, but can only come from new plantings of higher productivity on full production. These new plantings will have to be on a very large scale to effect the existing average.

AMALGAMATIONS.

But these percentages on capital take no account of capital amortisation. A rubber estate is a wasting asset. The actual rate of wastage has not yet been definitely ascertained, but it is certain that a time must come when trees cannot be profitably tapped. On any sound basis of working provision for amortisation must be included in calculating cost of production. Any talk of rubber showing a fair profit at 1s. a pound is nonsense as applied to the industry as a whole. The American manufacturers were the first to recognise this. When the delegates of the Rubber Growers' Association went to the United States at the beginning of 1923, to explain the Stevenson Restriction Scheme, and to discuss the whole question, they were asked with some anxiety whether a pivotal price of 1s. 3d. would yield a sufficient profit to attract capital for the extensions necessary to meet the world's increasing requirements.

There is a belief in certain quarters that amalgamations of several companies will solve all our difficulties. There undoubtedly are instances where amalgamations would be beneficial, such as in the case of small companies, where administration charges are disproportionate to their output. But, generally speaking, amalgamations are not going to greatly reduce acreage costs, and the fractional saving in London charges is negligible. For selling purposes companies are already largely grouped, but if all

the companies operating from London were concentrated into one group, there would still remain, outside this combination, the product of the vast native areas; anything approaching a monopoly is out of the question.

There has been much talk of the use of reclaimed rubber. That, in my opinion, is largely a bogey. Reclaiming rubber is no new industry, and although it was no doubt encouraged by the unfortunate inflation of 1925, it is not going to be killed by low prices for the raw product. It is an industry which has come to stay, and will develop with the increase of available material. Its cheapness and comparative stability will extend the uses of rubber in directions which may be closed to the raw material, and these new uses may to some extent relieve the market of surplus stocks of crude rubber, should the latter become unwieldy, and the price fall to a very low unremunerative level. That factor may shorten the periods of depression, and may temporarily reduce the consumption of reclaim, but it will not kill that industry, without at the same time ruining producers of the raw material.

The potential production of rubber in the world to-day exceeds the world's requirements, and without some form of control, alternate periods of scarcity and excess are certain to recur. Any question of co-operation or control which does not take the native areas into account must fail in its object. These native areas are the crux of the whole question, and any inquiry, whether by Government or other committees, which does not deal exhaustively with this question cannot but be superficial, and therefore of qualified value.

RESTRICTION.

So much has already been said about restriction, and as the Prime Minister's statement on this subject will be made this afternoon, I do not propose to discuss this question now at any great length. But, if Government control of supplies is to be a pawn in the game of politics and diplomacy, and the subject of *ex parte* misrepresentation in certain sections of the Press, neither the Stevenson nor any other scheme will have fair play. If that scheme is brought to a premature end there will be an inevitable period—perhaps a long period—of depression, and hundreds of thousands of rubber shareholders, the bulk of them small investors, will suffer a serious loss of income. This company, at any rate, will not be the first to succumb. Colonial treasuries will also feel a draught, as they did in 1921 and 1922, and also our own Exchequer. The people who will benefit will be those exporters and American dealers in the East who will have 100 per cent. instead of a 60 per cent. turnover, to whom the price of rubber and the interests of plants and their labour are of small account. To these may be added capitalists who will be able to buy up derelict estates for the price of an old song.

Those who removed this question from the Colonial Office Advisory Committee, representing colonial, producing, and the manufacturing interests, who had a deep knowledge from long experience of the many sides to this question, and handed it over to another committee who have had to learn the A B C of the business, may live to realise that they have not been so very wise after all. What of the future? The prospects for 1928, as viewed at present, are certainly gloomy; and it is for that reason your directors have thought it prudent to declare a moderate dividend and to substantially increase the undistributed balance in profit and loss. But rubber is an elastic article in more ways than one, and should the future become clearer, that balance will be available, and will be used for future dividends. This company has never failed yet to pay a dividend, although some may have been of modest dimensions. Our endeavour will be to maintain that unbroken record. (Applause.)

After satisfactorily replying to a couple of questions the Chairman proposed that the report and accounts be adopted, and that a final dividend of 5 per cent., absorbing £30,750 (income tax will be deducted at the rate of 4s. in the £), leaving to be carried forward £67,366 18s. 7d. be passed.

Mr. E. L. Hamilton seconded, and the proposition was carried unanimously.

The Chairman proposed the re-election of Mr. E. J. Hamilton as a director. He said it required no words from him to commend such a proposal.

Major Oldfield seconded, and the resolution was carried unanimously.

The Chairman next proposed the re-election of Major Oldfield as a director.

This was seconded by Mr. Duncan, and carried unanimously.

The remainder of the business comprised the re-election of the auditors, and votes of thanks to the Chairman, the Board and staff in the East.

PEKIN SYNDICATE.

HOPEFUL FEATURES IN THE CHINA SITUATION.

STRONG SUPPORT OF BRITISH GOVERNMENT.

The adjourned ordinary general meeting of the Pekin Syndicate, Ltd., was held at the Cannon-street Hotel, Cannon-street, E.C., on March 29, Major Walter S. Nathan, C.M.G., the chairman of the company, presiding.

Mr. Charles Price (the secretary) read the notice calling the meeting and the report of the auditors.

The Chairman said: Ladies and gentlemen, I very much regret to inform you that one of your directors, Mr. Percy F. Heybourn, who had been unwell for some considerable time, died on Dec. 26, 1926. Your directors invited Brig-General C. R. Woodroffe, C.M.G., to fill the vacancy on the board, and I am pleased to say that he accepted. General Woodroffe has lived in the Far East for a number of years, and has had considerable experience in Far Eastern affairs. He is managing director of the well-known East Indian firm, Messrs. Gordon, Woodroffe and Co., and at the time we invited him to join the board we felt that his experience would be of great value to the syndicate—(hear, hear)—and I am glad to say that since he became a director of your company his advice and counsel have been much appreciated by his colleagues. I will later on ask you to officially confirm his appointment.

Referring to the various items in the profit and loss account and balance-sheet, the Chairman said:

INCREASED RECEIPTS.

The receipts amounted to £55,800, as compared with £29,927 last year, an increase of £25,873. The administration expenditure in London, Paris and China has been reduced by £3,543, and further substantial reductions in expenditure have been made since. Your board has also discussed possible means of economising in the future, and these will be brought into force when it is considered necessary. There is an amount of £876 in respect of depreciation in value of investments, and the sum of £9,000 has been reserved against certain debtor balances.

The loss incurred on the year's mining operations amounted to £23,163, but, as stated in the directors' report, the sum of £25,703 has been written off the value of the coal stocks, thus reducing them below actual cost and selling value at June 30, 1927. This policy was adopted to provide a fair margin of profit on the stocks when prices fall, rather than take the profits now and risk the possibility of facing a loss on valuation of the stocks when that time arrives. Had this policy not been adopted the collieries would have shown a small credit balance of £2,540 instead of a debit balance as shown in the accounts, which result, I venture to think, is much better than we could have been led to expect when one takes into account the chaotic conditions prevailing in the area in which the mines are situated during the whole of the financial year.

Our general manager in China experienced the utmost difficulties in attempting to carry on mining operations; not only was he very much handicapped by labour troubles directly caused by Communistic propaganda, but by the impossibility of obtaining the necessary transport facilities, due to the railways being occupied by the military authorities who were using the wagons for their own purposes. There was a good market for our coal, and had it been possible to get the coal carried to our various depôts and marts a large profit could have been realised. Although every endeavour was made to cope with the difficulties that beset us, very little progress could be made, with the result that, our coal stocks being ample to meet the limited requirements, the output had to be restricted. In January it had to be discontinued altogether.

ADVERSE CONDITIONS.

You will appreciate that the adverse conditions under which we had to work were beyond the control of your board, and we had to accept the position and do the best we could in the interests of the syndicate under most trying conditions.

With regard to the loss incurred in respect of the syndicate's participation in the Fu Chung Corporation, my previous remarks apply to that company, as they were naturally working under the same disadvantages.

The debit balance on profit and loss account of £29,703 is contra'd by the sum of £30,313, being the amount of accrued interest on the railway loans in China, which sum your directors decided should not be brought into the profit and loss account, but placed to the credit of a suspense account until the amount is received.

Turning now to the credit side of the balance-sheet, there is an increase of £2,891 in the item cash at bank, and an increase of £165,975 in investments as compared with last year.

CREDIT BALANCE OF £147,369.

There is a credit balance on profit and loss account in the balance-sheet of £147,369, which amount your directors propose to carry forward to next account.

When I addressed you at the last general meeting in December, 1926, I gave you a *résumé* of the political situation as it was at that time, and I endeavoured to forecast what was likely to occur in the near future. I foresaw that, lacking foreign intervention, we had only to rely on an indefinite hope that the Chinese themselves might abolish the elements which were doing so much injury to their country. I regret to say that that has not occurred, and to-day the political situation in Honan shows little improvement since I made my forecast.

There are, however, some features in the situation in China generally which give rise to the hope that, in the not distant future, a change for the better may be seen. The firm attitude of our Government in the matter of the defence of Shanghai, which led to the despatch of the Defence Force, has had a very great effect on the Chinese mind, by showing that, when a really great disaster was threatening, we made every effort to avert it. Since then the attitude of the Chinese of all parties has shown a tendency towards better relationship with the British Government and merchants.

HOPE AND DANGER.

The same men of the various political parties have come to recognise the danger of the Bolshevik influence, and on all sides we hear of the gradual elimination of that influence, even in the area in which our mines are situated, controlled as it is by Feng Yu Hsiang, the Christian General. Hitherto Feng has been looked upon as relying on the Russian influence for his existence, and the change is a very welcome one. Unfortunately, as a result of the chaotic condition in which the Province of Honan has been for so long, the hold of Feng's Government on the Province has not proved sufficiently strong to cope with the bandits, who, under various names, are still preventing the country from settling down to a peaceful state. It is possible, however, that this state of things may soon be remedied, and then it may be that we shall be able to resume work at the mines.

But there is another danger which must not be lost sight of, and that is the recrudescence of civil war which, in the spring, may develop over the whole country between the Yangtze River and Peking. General Chang Kai-shek as declared his intention of attacking the Fengtien party in the North, and if he does so, it is likely that the country may be disturbed for some time to come. On the other hand, the spirit of the Southern leaders seems tending to a wise administration, which may cause a revulsion of feeling against the continuance of military operations. If this occurs I expect we shall see a great development of the country, in which I hope the Peking Syndicate will take its part.

GOVERNMENT SUPPORT.

I may say that negotiations are now proceeding in China which have for their object the efficient protection of the Syndicate's mines in order to enable us to recommence work. I do not hold out any definite prospect that these negotiations will come to a successful end, but we are receiving the support of His Majesty's Government, and I have some hope that arrangements can be made to achieve our object.

In conclusion, I wish to place on record my appreciation of the untiring energy of our general manager in China, Mr. J. P. Kenrick, and Colonel Brooke, our late assistant general manager in China. (Hear, hear.) They have experienced most difficult times, but have always done their utmost to further the interests of the Syndicate under most worrying and distressing conditions. I also think that our thanks are due to the other members of the China staff for the hardships they have been called upon to endure in endeavouring to carry out their duties and for their unswerving loyalty at all times to the interests of the Syndicate. (Applause.) I now beg to move

"That the directors' report and accounts made up to the 30th June, 1927, be and the same are hereby received and adopted," and I will call upon Colonel Fitzgerald to second the resolution.

Colonel Brinsley J. H. Fitzgerald, C.B., seconded the resolution, which was unanimously carried.

The Chairman then moved

"That the appointment of Brig.-General C. R. Woodroffe, C.M.G., as a director of the Syndicate be confirmed, and this was carried unanimously.

Colonel O. C. Armstrong, D.S.O., and Comte de Férol were re-elected directors of the Syndicate.

Messrs. Cooper Bros. and Co. were reappointed as auditors of the Syndicate.

Cordial votes of thanks to the chairman, directors and management in China, and also to the staff of the company generally, closed the proceedings.

OUTLOOK IN CHINA.**THE ADVENTURES OF CHIANG KAI-SHEK.**

By J. O. P. Bland in the "Morning Post."

Judging by the latest cabled reports, the opening of the civil war season in China is likely to be later than usual this spring, and its prospects are apparently dull. The preliminary shouting, prescribed by immemorial usage, seems comparatively mild, and the movements of the Southern forces, concentrating for the long-announced advance on Peking, resemble those of the policemen in the "Pirates of Penzance."

General Chiang Kai-shek, the man of "push and go," youngest and most ambitious of the militant politicians arrayed against the Manchurian War-Lord, continues to announce that a campaign against Northern "Imperialism" is inevitably imposed by the obligations of his position and by respect for the memory of the late Sun Yat-sen, but his preparations for this sortie lack something of the enthusiastic energy which characterised his movements when these were directed and financed by Comrade Borodin.

His present manœuvres appear to be more concerned with political and financial strategy than with definite military objectives, and rightly so, for a Cantonese expedition against the North without the Russian money and munitions which constituted its driving force two years ago evidently depends for its success upon the adherence, or at least the benevolent neutrality, of the Model Tuchun of Shansi, the "Christian" General, and other chieftains *en route*. And the loyalty of these individuals is an expensive article of very doubtful quality. Hence much running to and fro of secret envoys, delegates, middlemen, and emissaries between the various camps, much buying and selling of allies and armies *in posse*, much giving and taking of solemn assurances, accompanied by clandestine reinsurances and intrigues. At the same time much marshalling and some movement, on paper, of imposing forces, *pour épater les bourgeois* at home and abroad. Above all, a feverish collection of taxes, imposts, and forced contributions for military purposes—and private ends.

INCONCLUSIVE.

In the light of all that has happened since the collapse of the Manchu dynasty it is manifestly absurd to expect that any real or permanent change in the situation (as it affects the Chinese masses or the interests of foreign traders) can possibly result from Chiang Kai-shek's advance on Peking, even if this adventure should prove successful. Journalists who after an interview with this or that Tuchun proceed to describe his military forces and chances of a victorious campaign usually forget the important and obvious fact that all those who have adopted civil war as a lucrative profession are equally concerned to prevent any one of their number from attaining to such a degree of power as might enable him to deprive them of their freedom of action and revenues.

Therefore, even assuming that, with the aid of the Model Tuchun or the Christian General, the Cantonese invaders were able to eject the Manchurian War-Lord from the capital—a large assumption, for the Southerners have few friends in the Central Provinces—it is safe to say that Chiang Kai-shek would never be permitted to consolidate his position. Professional etiquette and the instinct of self-preservation would compel his quondam allies to make common cause with his defeated antagonist. Therefore, whatever military manœuvres may now be impending will assuredly be as inconclusive as those which have gone before. Their only result, so far as the nation is concerned, must be to increase the impoverishment of the country and the misery of the masses.

UNCHANGING TRADITIONS.

The history of the Republic since 1912, everything in the record of the struggle between the rival aspirants for power, emphasise the transcendent force of unchanging traditions and deep-rooted instincts in the ruling class. Every Chinese knows in his heart that in this struggle all the influences of the West, the new political catchwords and imported slogans, are transient and superficial, alien means adapted to purely native ends. They know that when the Man of Destiny appears he will conform to these instincts and traditions by aspiring to the Throne.

The thing has happened so often in the past. When a dynasty has forfeited the Mandate of Heaven any and every bandit chief in the land knows that he may aspire to the Dragon Throne, and that if he attains to it the nation's sense of the fitness of things will not be violated. He who, by courage and brains, succeeds in establishing himself strongly at Peking would be lacking in both if he failed to claim the Great Inheritance.

It is true (though the Chinese as a nation are generally unconscious of the fact) that the influence and conflicting

(Continued on page 242.)

MONETARY AND COMMERCIAL

SILVER PRICES AND EXCHANGE RATES (Mar. 29 to Apl. 4).

Date.	Bars.	Singapore.	Manila.	Hongkong.	Shanghai.	Kobe.
	d.	s. d.	s. d.	s. d.	s. d.	s. d.
Mar. 29	26 7/16	2 3 3/4	2 0 1/16	2 0 1/16	2 6 3/4	1 11 3/16
.. 30	26 7/16	2 3 3/4	2 0 1/16	2 0 1/16	2 6 3/4	1 11 3/16
.. 31	26 7/16	2 3 3/4	2 0 1/16	2 0 1/16	2 6 3/4	1 11 3/16
Apl. 2	26 7/16	2 3 3/4	2 0 1/16	2 0 1/16	2 6 3/4	1 11 3/16
.. 3	26 7/16	2 3 3/4	2 0 1/16	2 0 1/16	2 6 3/4	Holiday.
.. 4	26 7/16	2 3 3/4	2 0 1/16	2 0 1/16	2 6 3/4	1 11 3/16

The silver market has been dull and receding. Selling by both China and India has weakened the market, and, with very few buying orders, prices have declined. The stock of silver in Shanghai on March 24 consisted of about 53,900,000 ozs in sycee, \$83,600,000, and 2,080 silver bars, as compared with about 53,400,000 ozs. in sycee, \$83,800,000, and 3,180 silver bars on March 17. On the stock market on April 3 Chinese bonds were neglected, sellers still existing. The Fives of 1912 gave way to 45 1/2, and Marconi and Vickers Notes dropped to

FAR EASTERN GOVERNMENT AND MUNICIPAL LOANS.

	Year of Issue.	Amount Issued.	Amount Outstanding.	Current Quotations.
Chinese Issues.				
4% Gold Loan of 1895	1895	£15,820,000	£3,061,419	91 to 92
5% Gold Loan of 1896	1896	16,000,000	4,186,400	93 1/2 to 93 3/4
5% Gold Loan of 1896, German Issue	1896	16,000,000	4,186,400	91 to 91 1/2
4 1/2% Gold Loan of 1898	1898	16,000,000	9,383,000	72 to 72 1/2
4 1/2% Gold Loan of 1898, German Issue	1898	16,000,000	9,383,000	72 1/2 to 73
5% Imperial Railway Gold Loan of 1899	1899	2,300,000	977,500	65 1/2 to 66 1/2
5% Shanghai-Nanking Railway Loan	1904	2,900,000	2,900,000	49 1/2 to 50 1/2
do. Net Profit Sub-Certificates	1904	580,000	580,000	84 1/6 to 85 1/6
5% Canton-Kowloon Railway Loan	1907	1,500,000	855,000	29 to 30
5% Tientsin-Pukow Railway Loan, British Issue	1908	5,000,000	925,000	28 1/2 to 29 1/2
5% Shanghai-Hangchow-Ningpo Railway Loan	1908	1,500,000	825,000	50 1/2 to 51 1/2
4 1/2% Gold Loan of 1908, London Issue	1908	2,500,000	1,126,060	45 to 46
4 1/2% Gold Loan of 1908, Paris Issue	1908	2,500,000	1,500,000	44 to 44 1/2
5% Tientsin-Pukow Railway Supplementary Loan, British Issue	1910	3,000,000	688,200	25 to 25 1/2
5% Hukuang Railway Gold Loan, London, Paris, and New York Issues	1911	6,000,000	5,385,780	29 to 29 1/2
5% Gold Loan of 1912 ("Crisp Loan")	1912	5,000,000	4,580,160	45 1/2 to 46 1/2
5% Lung-Tsing-U-Hai Railway Loan	1913	4,000,000	4,000,000	25 1/2 to 26 1/2
5% Reorganisation Gold Loan, London Issue	1913	7,416,680	7,101,490	61 to 62
5% Reorganisation Gold Loan, Paris Issue	1913	7,416,660	7,101,490	61 to 62
5% Reorganisation Gold Loan, Brussels Issue	1913	1,388,880	1,345,800	59 1/2 to 60 1/2
5% Honan Railway Loan of 1905	1914	800,000	414,800	30 1/2 to 31 1/2
8% 10-Year Treasury Bills ("Marconi's")	1918	600,000	600,000	36 1/2 to 37 1/2
8% Sterling Treasury Notes ("Vickers")	1918	1,803,300	1,803,200	26 1/2 to 27
Japanese Issues.				
Imperial Government 5% Sterling Loan, London and Paris Issues	1907	£11,500,000	£11,436,820	86 1/2 to 86 1/2
Imperial Government 4% Sterling Loan	1899	16,000,000	9,388,500	72 1/2 to 73 1/2
Imperial Government 4% Sterling Loan	1905	25,000,000	24,085,800	95 to 96
Imperial Government 4% Sterling Loan	1910	11,000,000	10,832,800	69 1/2 to 70
Imperial Government 6% Sterling Loan	1924	25,000,000	25,000,000	99 to 99 1/2
South Manchurian Railway 5% Sterling Bonds	1907	4,000,000	4,000,000	93 1/2 to 93 3/4
..	1908	2,000,000	2,000,000	93 1/2 to 93 3/4
South Manchurian Railway 4 1/2% Sterling Bonds	1911	6,000,000	6,000,000	88 to 88 1/2
South Manchurian Railway 5% Sterling Bonds, 1943-48	1923	4,000,000	4,000,000	86 1/2 to 86 1/2
City of Tokyo 5% Sterling Bonds	1906	1,500,000	843,620	89 1/2 to 90 1/2
City of Tokyo 5% Sterling Bonds	1912	5,175,000	4,163,300	81 1/2 to 82 1/2
City of Tokyo 5 1/2% Sterling Bonds	1926	6,000,000	6,000,000	91 1/2 to 92
City of Osaka 5% Sterling Bonds	1909	3,084,940	2,249,780	85 to 86
City of Yokohama 5% Sterling Bonds, 1924-54	1909	716,500	699,500	80 to 81
Industrial Bank of Japan 5% Debentures	1908	1,000,000	687,620	92 to 93
Imperial Government 5% Loan (Internal) (1908 March Ko-Ih (1909 March Ko-Ro))	1908-1909	Yen 476,318,800	Y.460,113,550	87 1/2 to 88 1/2
Siamese Issues.				
4 1/2% Loan	1905	£1,060,000	£670,440	93 to 94
4 1/2% Loan	1907	3,000,000	2,163,640	92 1/2 to 93
7% Loan	1922	2,000,000	1,985,500	105 to 106
6% Loan	1924	3,000,000	3,000,000	104 1/2 to 105 1/2
Colonial Issues.				
Hongkong 3 1/2%, 1918-43	1893-1906	1,485,733	1,485,733	84 1/2 to 85 1/2
Straits Settlements 3 1/2%, 1937-67	1910	6,913,352	6,913,352	77 1/2 to 78 1/2
Straits Settlements, 6%, 1936-51	1921	5,155,000	5,155,000	108 to 108 1/2
Straits Settlements, 4 1/2%, 1935-45	1922	4,200,000	4,200,000	96 1/2 to 97
Dutch East Indies Issues.				
6% Loan 1933-63	1923	5,000,000	5,000,000	103 to 104
5% Loan 1933-62	1923	6,000,000	6,000,000	99 1/2 to 99 1/2

STOCKS AND SHARES.

	Closing Prices.		Closing Prices.
£5 Chartered Bank of India, Australia and China	2 1/2 to 2 1/2	96 Perak River 7% Part Deb. Stock	(fully pd.) 106 to 108
10 Eastern Bank (55 paid)	7 to 7 1/2	1 Do. do. Ordinary	14 1/6 to 15 1/6
125 Hong Kong and Shanghai Banking Corporation	133 1/2 to 135 1/2	1 Rambutan Tin	1 1/4 to 1 1/4
Y.60 Industrial Bank of Japan	90 to 93	1 Renong Tin Dredging	1 1/4 to 1 1/4
26 Mercantile Bank of India, A...	(£12 1/2 pd.) 34 to 35	5/- Siamese Tin	23 3/8 to 23 9/8
25 Do. B...	(£12 1/2 pd.) 34 to 34 1/2	1 Southern Perak Tin	2 1/2 to 2 1/2
10 Do. C...	(fully pd.) 14 to 15	5/- Sungei Besi	12 9/8 to 13 3/8
10 P. & O. Banking Corporation	9 1/2 to 10	1 Teja Malaya Tin	17 9/8 to 18 9/8
5 British and Chinese Corporation, Ltd.	3 to 5	1 Tekka Taiping	22 6/8 to 23 6/8
1 British North Borneo Co.	7 1/2 to 8 1/2	1 Tekka Tin (new)	18 9/8 to 20 3/8
Stk. Do. 1st Deb. 5 per cent.	83 to 84	5/- Tronoh Mines	18 9/8 to 19 3/8
MINING, PLANTING, AND EXPLORATION.		5/- Yang-Tse Corporation	1 1/8 to 1 1/8
1 Ampang (Perak) Tin	(16/- pd.) 4 9/8 to 5 3/8 pm.	SHIPPING.	
£1 Anglo Eastern Finance Corporation	17 3/8 to 17 9/8	5 Indo-China S. N. Co. Def.	7 1/2 to 8 1/2
£1 Borneo Co. 7 1/2 per cent. Pref.	26 2/8 to 26 7/4	Stk. P. & O. S. N. Co. Prof.	(Co-rights) 97 to 98
1 Chinese Engineering and Mining Co.	3 1/2 to 3 3/4	Stk. Do. Def.	250 to 260
1 Do. (Bearer)	48 9/8 to 52 9/8	Stk. Do. 5 1/2 per cent. Deb. Stock 1930-40	100 to 100 1/2
100 Do. (6 percent. Mor. Deb.)	87 to 88	Stk. Do. do. do.	98 to 100 1/2
1 Chosen Syndicate "A."	1 1/4 to 1 1/4	1 "Shell" Transport Co. Ordinary	4 1/2 to 4 1/2
13/- Duff Development	11 1/2 to 11 1/2	1 Do. Pref.	9 1/2 to 10
£4. Do. 1st Debts.	86 to 91	1 Do. 7 p.c. 2nd pref.	24 1/6 to 25 9/8
1 Gopeng Consolidated	2 1/2 to 2 1/2	MISCELLANEOUS.	
5/- Idris Hydraulic	15 3/8 to 15 9/8	10 Eastern Extension Telegraph Co.	19 1/2 to 20 1/2
1 Ipoh Tin Dredging	2 1/2 to 2 1/2	Stk. Eastern Telegraph Co.	204 to 207
£1 Java Oil Exploration Company	19 9/8 to 20 3/8	Stk. Do. Pref.	59 to 61
5/- Kamunting Tin	18 9/8 to 19 3/8	10 Hongkong and China Gas	12 to 13
1 Kinta Tin	18 9/8 to 19 3/8	Stk. Kansai Railway, 1st Mor. Debts.	99 to 101
1 Kranat Pulai	18 9/8 to 19 3/8	1 Manila Railway (1908) 5 p.c. Pref.	4 1/4 to 4 5/4
1 Labat	1 1/2 to 1 1/2	Stk. Do. A. Debts.	65 to 65 1/2
1 Malay Tin Dredging	25 6/8 to 26 0 1/2	Stk. Do. B. Debts.	52 to 54
5/- Pahang Consolidated	13 1/2 to 13 6/8	Stk. Do. 5 per cent. Debts.	77 to 79
2/- Pakin Syndicate	5 6/8 to 6 6/8	1 Shanghai Electric Construction	39 8/8 to 39 10
1/- Do. Deferred	55 to 57	1/- Singapore Traction Limited	14 1/10 to 14 1/10
1/- Do. (Shans)	1 to 1	Stk. Manila Electric Railroad Corporation	31 1/2 to 32 1/2
		94 Tokyo Electric Light 6 p.c. Bonds	94 1/2 to 95 1/2

On a division the second reading was carried by 104 to 52.

HANKOW MUNICIPAL DEBENTURES.

April 2.—Mr. LOOKER (Essex, S.E., U.) asked the Secretary of State for Foreign Affairs if he was in a position to make any further statement as to the payment of the interest in arrear on the Hankow Municipal Debentures.

Sir A. CHAMBERLAIN: In a recent telegram His Majesty's Consul-General at Hankow reported that there had been no further developments as regards the 1927 Debenture interest. Provision will be made in the 1928 Budget for this year's interest; the Councillors, however, do not consider themselves justified in asking the ratepayers to vote a further provision for the 1927 interest, as funds were set aside for this purpose in last year's Budget, but were squandered through maladministration. The view of the Councillors is that last year's interest should be made good by the Nationalist authorities and not from the revenues of the municipality, as these revenues are barely sufficient in normal times, and there will also have to be heavy expenditure on roads during the current year. My hon. friend is, I think, aware that only a small proportion of these Debentures are in British hands, most of them being held by the Chinese Post Office and a French lottery bond company.

Mr. LOOKER: Is the right hon. gentleman aware that some British subjects put all their savings into these bonds and have been very hardly hit, and can he say to whom they are to look for the 1927 interest?

Sir A. CHAMBERLAIN: No, I cannot. So far as interest is concerned, I have given my hon. friend all the information of which I am in possession. I was not aware of any British subjects having put the whole of their savings into these bonds. I can only express my regret that they did so.

BRITISH CONSULATE AT NANKING.

Sir A. CHAMBERLAIN informed Mr. Looker that His Majesty's Consulate-General at Nanking had been intermittently occupied by Chinese troops since the outrages of March 24, 1927. The matter had been made the subject of frequent representations to the Minister for Foreign Affairs at Nanking, who had from time to time promised to take steps to secure their evacuation, but owing to the impotence of the civilian authorities in China where soldiers were concerned, any action taken in accordance with these promises had had only a transient effect. The question of what should follow on the outrages committed at Nanking was the subject of discussion now between His Majesty's Government and the Nationalist Government.

Sir A. CHAMBERLAIN also informed Mr. Looker that houses in the British Concession at Chinkiang had been occupied by troops of the 13th and 46th Armies moving towards the Northern front. A protest had been lodged, but he had not yet heard whether the troops had vacated the premises.

SMUGGLED RUBBER.

Mr. MARDY JONES (Lab., Pontypridd) asked the Colonial Secretary what was the estimated quantity of rubber smuggled from Malaya across the Straits of Malacca into the Dutch East Indies during each of the three years 1925, 1926 and 1927; and what was the total quantity of rubber captured from the smugglers in each of those three years by the preventive officers.

Mr. AMERY replied: The quantities of rubber captured from smugglers in the restriction years 1924-25 and 1925-26 were 395 tons and 84 tons respectively. The figures for 1926-27 have not yet reached me. Any figures relating to the total amount smuggled must necessarily be highly conjectural.

RUBBER STATEMENT.

RESTRICTION TO CEASE.

April 4.—Mr. BALDWIN, the Prime Minister, announced that rubber restriction would be removed altogether, the date of removal being Nov. 1. Mr. Baldwin said the House would have an opportunity of fully debating restriction.

Commander KENWORTHY gave notice to raise matter to-morrow.

Palle Huld, a Danish boy who hopes to complete a journey round the world in 45 days, left Copenhagen on March 2, and passed through London, thence travelling across Canada to Vancouver. He has now reached Yokohama, and left there on March 30 for Korea and Mukden to continue his trip on the Siberian Railway.

PERSONAL AND OFFICIAL.

Sir Denison Ross has been invited by the Hungarian Academy in Budapest to lecture before it on April 13. His subject will be the services rendered to Oriental studies by Hungarian scholars, especially Csoma de Körös.

Sir Edward Crowe represented Sir Austen Chamberlain, Foreign Secretary, at the funeral at Mickleham on March 30 of Mr. Bertram Giles, the former British Consul-General at Nanking, whose sudden death we announced last week. The service in the parish church was conducted by the Rev. A. W. Bedford, the rector. The family mourners were Mrs. Giles (widow), Mrs. T. Pollock, Mr. and Mrs. E. R. Crassweller, Mr. and Mrs. Geoffrey Hartcup, and Mr. and Mrs. Claud Lawrence. Others present included: Mr. H. A. Ottewill (representing the Department of Overseas Trade), Mr. and Mrs. E. P. Hudson, Mr. E. A. Stanton, Mr. Archibald Rose, Mr. J. T. Pratt, Mr. and Mrs. Dudley Norman, and Major Bulman and Mr. St. John Oliver (Middlesex Lodge of Freemasons).

Sir Frederick Whyte, who is shortly revisiting China, lectured last week at The Hague on "Political (British) India after the War." Dr. M. P. Rooseboom, chairman of the Hague branch of the Netherlands-England Society, returning thanks, expressed the views of all present when he asked Sir Frederick in broad Scotch (Sir Frederick is a Scotchman):—"Will ye no' come back again?" After the lecture, the Society entertained Sir Frederick and Lady Whyte to supper. Those present included Dr. M. P. Rooseboom, Mr. Koningsberger, the Minister for the Colonies, and Mrs. Koningsberger, Dr. D. Fock, ex-Governor General of the Dutch East Indies, and Mrs. Fock; Mr. Zuyderhoff, President of the "Oost en West" Society, etc.

Captain Arthur Mills, the novelist, after his tour round the world has gone to the country for a rest. He started off from Marseilles in a French steamer for Indo-China, and, except for three days, was the only Englishman on board. He travelled for a month in Indo-China, where he visited the Foreign Legion and lunched with the Colonel. Thence he proceeded on a little cargo boat to Hongkong and thereafter to 'Frisco on a boat that was officially "dry." Consequently liquor was brought on board by the crate, to be consumed in a series of cabin parties. "I have been at noisy cocktail parties in London," Captain Mills says, "but they are nothing to a cabin party on a dry ship."

The Japanese Ambassador and Baroness Matsui entertained at luncheon, at 10, Grosvenor-square, on March 29. Their guests comprised: The American Ambassador and Mrs. Hoghton, the Portuguese Ambassador, the Swedish Minister, the Polish Minister, the Hungarian Minister and Baroness Rubido-Zichy, the High Commissioner for Canada, Susan Duchess of Somerset, Colonel the Hon. Sir George and Lady Mary Crichton, Lady Cory, the Dowager Lady Boyle, Mr. J. B. Monck, Mrs. George Halahan, Mr. Sale, Mr. Horiuchi, Mr. and Mrs. Muto, Mr. Niiro, Mr. Narita, and Mr. Kita.

The Japanese Ambassador and Baroness Matsui were the guests on April 3 at a luncheon party given by Mr. W. W. Grantham, K.C., at the London County Council Hall. Among others present were Col. Levita, Chairman of the London County Council, and Mrs. Levita, Admiral Sir Arthur and Lady Leveson, Lady Arnold, Mr. Sheriff and Mrs. Davenport, the Mayor of Lewes, and Miss Matsui.

Miss Soume Tcheng, a woman barrister, delegated by the Nanking Nationalist Government "to convince European Governments that the Nanking Government, controlling 18 provinces to two controlled by the Peking Government, is the representative Government of China," has arrived at Marseilles. After a short holiday at Nice she will leave for Paris and London.

Sir John and Lady Buchanan-Jardine, who have been at Castle Milk, Dumfriesshire, almost continuously since last August, are entertaining there for the winding-up of the hunting season. After Easter they will be coming to town and will divide their time between London and Newmarket. Both are particularly interested in racing.

Miss Eva Ho Tung, M.B., B.S., Hongkong, daughter of Sir Robert and Lady Ho Tung, who has been studying at the London School of Hygiene and Tropical Medicine, was granted her diploma at the annual meeting of the Royal College of Physicians held on April 3.

CHINA ASSOCIATION.—In matters appertaining to China the Association is a recognised authority. It is the only medium in London for the united expression of opinion of British communities at the Treaty Ports of China. Merchants, Firms and others interested in the Far East should help to support its authority by joining.—Apply to the SECRETARY, 99, Cannon Street, E.C.4.

Colonel R. V. K. Applin, M.P., and Mrs. Applin, Mr. and Mrs. L. Baxendale, and Mr. H. W. Looker, M.P., and Mrs. Looker were among the guests of the King and Queen at their second afternoon party, held at Buckingham Palace on March 29.

The marriage of Major Richard Brougham Denny, Somerset L.I. (retd.), late Assistant Military Attaché, Peking, and Sybil Nina Evans-Freke, of 80, Philbeach Gardens, S.W., will take place on April 21 at St. Paul's, Knightsbridge.

Captain Kenneth Mackay is returning from Egypt with his parents, Lord and Lady Incheape. Mrs. Mackay, however, and her girl are going on to Sydney (Australia) for the sea voyage, and will not be returning until the end of May.

A marriage will take place quietly in July, between Cyril William Carter, Fellow of Queen's College, Oxford, and Dorothy Gertrude, eldest daughter of the Rev. S. J. and Mrs. Nightingale, of the C.M.S., Foochow.

The late Sir Walter Hillier, of The Oaks, Bracknell, an authority on China and the Chinese Language, a former Adviser to the Imperial Government of that country, left £35,228, net personally £28,687.

The following appointment was notified on April 3 in the "London Gazette": Mr. Chan Sze Jin to be a Nominated Unofficial Member of the Legislative Council of the Straits Settlements.

The engagement is announced between John Stuart Macpherson, M.A., Malayan Civil Service, and Joan, elder daughter of the late Dr. W. E. Fry and Mrs. Fry, of Broadstairs, Kent.

The engagement is announced between John Denman Barlow, elder son of Sir John and the Hon. Lady Barlow, and Diana Helen Kemp, younger daughter of Lord and Lady Rochdale.

The name of F. H. Kwok appeared in the pass list of the March examination of the Law Society. C. Y. Kwan was also successful in the legal portion of the Intermediate Examination.

Mr. Von Lear Black, of Baltimore, who last year flew by aeroplane from Croydon to Batavia and back, was host to about forty guests at this year's spring meeting at Aintree.

The Danish Minister and Countess Ahlefeldt Laurvig left London on March 30 for Denmark, where they will spend Easter. They are expected to return at the end of April.

Lord and Lady Incheape, who arrived at Marseilles from Cairo on March 29, left immediately for Hyères, for a short rest before continuing their journey to London.

Capt. Lancaster and Mrs. Keith Miller flew from Sydney to Canberra on April 3. They are the guests of the Commonwealth Government during their visit.

Rev. F. W. J. Reynolds, Curate of St. John's, Great Ilford, has been appointed S.P.G. Missionary at Kuala Lumpur, Selangor, diocese of Singapore.

Col. W. F. L. Gordon, C.M.G., D.S.O., Commandant of the Shanghai Volunteer Corps, arrived at Tilbury in the P. and O. s.s. *Macedonia* on April 5.

Mrs. Alec Tweedie gave a farewell luncheon to the Japanese Ambassador and Baroness Matsui at her flat in Devonshire House on April 2.

The Ranee of Sarawak is expected to sail on April 6 from Singapore with her daughters, Miss Leonora and Miss Elizabeth Brooke, for London.

Mrs. Mordaunt ("Elinor Mordaunt") has returned to her villa at Saint-Paul, Cannes, from a trip through Cambodia and Cochin-China.

The Bishop of Hokkaido was the speaker at the monthly meeting on April 3 of the Society for Promoting Christian Knowledge.

The Prince of Wales received his Excellency the Japanese Ambassador, Baron Keishiro Matsui, at St. James's Palace on March 28.

A gold watch was given to Dr. W. H. Brodie by Croydon public health staff on his departure for Penang.

CHARTERED BANK OF INDIA.

(Concluded from page 253.)

The Chairman next proposed: "That a dividend at the rate of 14 per cent. per annum for the half-year ended December 31 last, together with a bonus of 6s. 3d. per share, free of income-tax, be now declared, payable on and after the 4th proximo."

This was seconded by Mr. W. Foot Mitchell, M.P., and unanimously approved.

The retiring directors, Mr. Archibald Rose, C.I.E., Mr. E. F. Mackay and Mr. W. Foot Mitchell, M.P., were re-elected, on the motion of the Chairman, seconded by Mr. Colin F. Campbell.

The auditors, Mr. D. C. Wilson, F.C.A., and Mr. H. C. K. Stileman, F.C.A., were re-appointed, and the proceedings terminated with a cordial vote of thanks to the Chairman.

NAVAL AND MILITARY.

The new gunboat *Gannet*, one of the four built by Messrs. Yarrow on the Clyde and shipped in sections to Hongkong, has been commissioned to relieve the *Woodlark* in the flotilla on the Yangtze. In addition, the *Gannet* will take over the duties of senior officer's ship, in succession to the *Widgeon*, and Commander P. F. P. Berryman, who has been S.N.O. in the Upper River since June, 1926, will transfer from the *Widgeon* to the *Gannet*. When this change takes place, Lieut.-Commander H. B. Wollocombe, hitherto commanding the *Woodlark*, will move into the *Widgeon*. The *Woodlark* will be placed on the disposal list for sale locally.

The Army Council have written to Sir Arthur Yapp, national secretary of the Y.M.C.A., conveying their high appreciation of the services of that organisation with the forces in China. Major-General Sir John Duncan, they add, spoke very highly of those services on his return from Shanghai. The Army Council state that the work of the Y.M.C.A., in support of commanding officers and Army chaplains, in providing for the moral and physical welfare of the troops, is known and appreciated throughout the Army, and was never more welcome than in China during the present emergency. "The response of the Y.M.C.A. on this occasion," their letter concludes, "has been in accordance with the high tradition which they have established of helpful co-operation in the soldier's interest."

Capt. C. H. G. Benson, D.S.O., in command of destroyer flotillas, will shortly be succeeded by Capt. B. C. Watson, D.S.O., from the staff of the R.N. War College. In 1921-23 he commanded the sloop *Hollyhock* on the China Station.

SUPPLY OF ARMS TO CHINA. GERMAN GOVERNMENT MEASURE.

In the Reichstag on March 29 Dr. Stresemann announced the intention of the Government to submit a Bill in the present Reichstag forbidding trade in arms with China. He added that the Government was ready to collaborate in the international settlement of this question, and declared it was incorrect to say that Germany was one of the principal suppliers of arms to China. The weapons exported to China were mostly not of German origin, but were sent through Germany as transit goods. This would also be prevented by the new law.

The Reichstag adopted the Government's Bill, the introduction of which was announced by Dr. Stresemann in the Reichstag.

BIRTHS, MARRIAGES AND DEATHS.

(MINIMUM (4 LINES), 10/6. THEREAFTER 1/- PER LINE.)

BIRTH.

Hosking.—Mar. 31, at Birmingham, to the wife of Harold W. Hosking, Chinese Maritime Customs, son.

DEATHS.

Cuthbertson.—Mar. 31, at 8, Devonshire-place, W.1, Thomas Cuthbertson (late of Singapore), husband of Magdalene Lowe Cuthbertson, in his 81st year.

McClure.—Mar. 27, Andrew Johnstone McClure, Clairmont, Lockerbie (late of Kôbé), second son of the late William McClure, J.P., Bank Agent, Lockerbie.

Paterson.—April 2, Harry Paterson, Kinta, Woburn Sands, and Chendrong Estate, Batu Gajah.

OUTLOOK IN CHINA.

(Continued from page 257.)

interests of the Western world have raised new and formidable obstacles in the path of such ambitions, but, as Yuan Shih-kai's fate proved, the instinct behind them remains unimpaired. That Chang Tso-lin aspires to found a new dynasty goes without saying, and everything that we know of the character of Chiang Kai-shek justifies the assumption that, given the opportunity, he, too, would act in accordance with all the classical traditions of the race. He would shed the flimsy trappings of his Republicanism as easily as he has shed the borrowed garments of the Muscovite, and, like the Taiping Princes at Nanking, put on the Dragon robes.

Chiang Kai-shek, Chang Tso-lin, or another? Who shall say? But this much at least is certain: Until the Man of Destiny shall have come to the front the struggle must continue. It is also fairly safe to predict that the final issue will be decided more by the adroit use of brains and money à l'orientale, than by ordeal of battle à l'euro-péenne.

35 and 24 respectively. The 1896 Customs issue hardened to 93½.

The Yokohama Specie Bank, Ltd., announces that bonds of the Imperial Japanese Government 4 per cent. Sterling Loan of 1905, value £146,380 nominal, have been purchased on behalf of the Government, and are now cancelled.

In an announcement regarding dividends and coupons the Chinese Engineering and Mining Co., Ltd., informs holders of share warrants to bearer that coupons (No. 32) may now be presented for payment at the transfer offices of the company, No. 3, London-wall Buildings, E.C.2, or at the Banque d'Outremer, 48, rue de Namur, Brussels.

The Yokohama Specie Bank announces the numbers of 37 bonds of Y. 5,000 and 380 bonds of Y. 1,000 of the Imperial Chinese Government 5 per cent. Railway Loan of 1911 (Japanese issue), drawn in Japan on Jan. 16, 1928, for redemption at par on June 1, 1928.

The Java Sugar Syndicate, although its sales of the new crop up to the present are far behind last year's, refused a bid of fl.15.25 for a large parcel of "Superior." This was interpreted as a sign that the Syndicate expected a stiffening of the market. Large lots have since changed hands at only fl.15.

As to the new Sumatra tobacco crop, Messrs. Dentz and Van der Breggen, Amsterdam, estimate it at 228,800 bales.

The two tea auctions at Amsterdam in February resulted in somewhat lower prices, but when compared with London prices they seemed satisfactory.

Offering the Nanking Government's proposed tax on the profits of firms speculating in gold rates of exchange as a lesson to Whitehall, a writer in the "Evening Standard" remarks:—I know that some of our foremost tin producers would like to see a similar tax imposed on speculative dealings in their commodity on the Metal Exchange, where the business is also almost entirely in paper representing tin, while not a few gamblers would undoubtedly not recognise the metal if it came before their eyes.

A City Notes writer in the "Evening Standard" describes Shanghai Electric Construction shares at 42s. as a good purchase. He emphasises the fact, however, for the benefit of the uninitiated, that the company is a tramway undertaking only, and does not even own its own power stations. But it is not liable to any serious competition, and the concession can only be cancelled on the undertaking being acquired by the Council for the Foreign Community of Shanghai. In such circumstances the purchase consideration would be its fair market value as a going concern, and the earliest date the option can be exercised is Oct. 1, 1940.

The Eastern Telegraph Co., Ltd., announce payment by warrants on May 1 of interest for half-year ending April 30, on their Four per cent. Mortgage Debenture Stock. Transfer books closed from April 25 to 30, inclusive.

HONGKONG BANK SHARES.

Notwithstanding all the difficulties of the past year or so, the Hongkong and Shanghai Banking Corporation has emerged with its strength unimpaired, and "Gresham," the writer of "Hints for Investors" in the "Daily Mail," thinks that when the shareholders have perused the account of the annual meeting, which has already been held in Hongkong, they will feel that conditions in China are now improving and the future of the bank will prove one of expanding profits. At 135 the Hongkong and Shanghai Banking shares yield practically 6 per cent. on the basis of the £8 per share distributed for each of the past six years, and "Gresham" thinks that its future is now even more assured than in the past. While on the point it may interest holders of Chinese bonds and securities generally to mention that in seconding a resolution at the Hongkong and Shanghai Bank meeting Sir Robert Ho Tung, speaking as a Chinese, said that "As soon as her financial position permits, China will honourably meet all her pecuniary obligations. Time will show that her word is her bond." If this view is widespread it is evident that affairs in China may progress rapidly.

THE COTTON INDUSTRY.

Speaking last week of conditions in the East, Mr. J. S. Haskell, chairman of the Eastern Bank, Ltd., said last year's low level of cotton prices was of short duration, and the sharp advance to over 10d. a pound caused importers of Manchester goods to hold back. The financial crisis in Japan also had an adverse effect on its imports of Indian cotton, and the China market had not been at all helpful; on the contrary, instead of taking considerable quantities of cotton yarn from India, as was the case in former years. China imported only to the value of Rs.750,000 against over Rs.113 lakhs in 1926, and exported to India a very large amount of yarn of their own manufacture, totalling 11,000,000 lbs. in weight. The Indian cotton mills had not done well, and the situation there was

very difficult, but, in spite of this, it was reported that eight new mills were projected in districts adjacent to Bombay, which showed that there was still a belief in the future of the industry.

CHINESE ENGINEERING INTERIM RAISED.

An interim dividend of 10 per cent. actual, tax free, is announced by the Chinese Engineering and Mining Company, being double the interim payment made for each of the three preceding years. Payment will be made on May 1 to shareholders registered on that date. The company's year ends June 30, and for 1926-27 the final dividend on the capital of £1,400,000 was 10 per cent., as against 5 per cent. for the previous period.

SILVER AND YEN EXCHANGE.

Reporting on silver in their weekly letter dated March 28, Messrs. Samuel Montagu and Co. state: The market has continued to maintain a steady appearance, and prices have oscillated to and fro within narrow limits. Again, as last week, 26½d. for cash delivery proved the highest quotation. The remarkable firmness of the yen exchange—possibly connected with the United States loan to Japan—was accompanied by the rumour that the Japanese embargo upon the export of gold was to be removed. The Governor of the Bank of Japan, however, stated yesterday that for the time being there was no such intention. This appreciation of the yen did not, as customary, provoke China sales of silver, though, at limits slightly over the fixed quotations, there have been some such offers. America, on the whole, has been disposed to sell. Some explanation of the substantial flow of silver to China is afforded by a statement in the "Berliner Borsen Zeitung":—

"In order to alleviate the monetary stringency in Manchuria the local authorities intend to strike a large quantity of silver dollars. The necessary silver has already been procured in Shanghai from which five million dollars will be minted. The Mukden mint is able to turn out \$50,000 daily. Another order was placed in Tientsin for the striking of one million silver coins of 10 cents."

CRISP LOAN DEFAULT.

It is hoped the default in payment of the interest due March 30 on the Chinese 5 per cent. 1912 Gold Loan (the Crisp Loan) is only temporary. The Bank for Foreign Trade, the London agents, has up to the present received no news of the money to meet service of the Loan. It is not known exactly how much money has been received by the group banks in China on behalf of the Salt Administration, but at Feb. 29 the Administration's balances amounted to \$1,172,000, and there can be barely enough in hand since the Crisp Loan requires \$1,264,000. In addition to the Crisp Loan, there are two other claimants to the balances—the 1908 Anglo-French Loan, whose service calls for \$682,000 on April 5 and the international banks, which can demand a refund of the deposit against the Anglo-French Loan to an amount of \$2,519,000. It is not anticipated that the banks will press for their full rights, but they are unlikely to be content unless some portion of the deposit is refunded. In any cases, it is clear that the three claimants cannot all expect to be satisfied, unless the Chinese Government allocates money from other sources to meet their needs, a possibility that must be ruled out.

BRITISH MALAYA RUBBER EXPORTS.

An official cablegram from Singapore to the Malay States Information Agency states that the amount of rubber exported in March last totalled 27,813 tons. The amount of rubber imported was 10,508 tons, of which 7,935 tons were declared as wet rubber. The following are comparative statistics:—

	1927.		1928.	
	Gross Exports	Foreign Imports	Gross Exports	Foreign Imports
January	Tons 34,946	14,995	27,751	16,618
February	27,528	11,697	28,813	12,911
March	41,346	17,462	27,813	10,508
	103,820	44,154	84,357	40,037

The above figures represent the totals compiled from declarations received up to the last day of the month for export from and import to all ports of British Malaya, and not necessarily the actual quantity shipped or landed during that month.

The following shows the destination of exports during the past two months:—

	1928	
	February.	March.
United Kingdom	Tons 5,743	4,675
U.S.A.	19,842	18,694
Continent of Europe	1,209	1,634
British Possessions	544	696
Japan	1,454	2,088
Other foreign countries	21	26
	28,813	27,813

Shanghai Electric Construction.—Final divd. 8 p.c. actual (making 12 p.c.). Meeting May 2. Dividend payable May 3. (Final for 1926 was 6 p.c., making 10 p.c.)

Steel Brothers and Co.—Report for 1927, states that profit is £443,517. Final divd. on ord. shares £7 10s., making £17 10s. per share for year. (Previous year: Profit, £563,128; ord. divd. 20 p.c.)

Anglo-Eastern Finance.—Profit for 1927 was £11,496. Report states that company has substantial interests in well-managed rubber producing companies, but in view of uncertainty directors consider it advisable to deal with profit available by transferring £8,000 to contingency reserve, making total reserves £20,036, and carry-forward balance of £7,359. Company is retaining its interests in oil areas in Java pending results in development work by a company now operating in district. Profit for 1926 was £8,660. Dividend 7½ p.c.)

Malayan Tin Dredging.—Directors offer to shareholders at £1 15s. per share, 80,000 £1 shares of Southern Malayan Tin Dredging, in proportion of one share of Southern Malayan Tin to every complete multiple of ten Malayan Tin Dredging shares. Shares offered represent approximately half Malayan Tin Dredging Company's holding in Southern Malayan company.

Bell's United Asbestos.—Balance divd. 1s. 6d. per share on old ord. shares, making total of 12½ p.c. for year (the same), and a divd. of 7½d. per share on new ord. shares, being proportion for year calculated upon instalments as due. Directors state negotiations completed for the amalgamation of the British Fibrement Works, Ltd., with company.

Shanghai Waterworks Fittings Co.—Cablegram received announcing divd. of 7 p.c., payable in Shanghai, April 17.

STOCK EXCHANGE DEALINGS.

The undermentioned securities have been ordered to be quoted in the Stock Exchange Official List:—

Anglo-Malay Rubber.—37,500 shares of £1 each, fully paid, Nos. 375,008 to 412,507.

Applications have been made to the Stock Exchange Committee to allow the following to be quoted in the Official List:—

General Investors and Trustees.—£36,000 ordinary stock; £36,000 4½ p.c. cumulative preference stock; and £72,000 debenture stock (4 p.c.).

ARTICLES OF IMPORT.

RUBBER.

	s.	d.		s.	d.
SMOKED SHEET buyers ..	1	0½	STANDARD CREPE buyers 1	0½	
(Last year)	1	7½	April	1	0½
Apl. sellers	1	0½	May sellers	1	1
May sellers	1	1	June buyers	1	1½
June buyers	1	1½	July-Sep. buyers	1	1½
July-Sep. buyers	1	1½	Oct.-Dec. sellers	1	1½
Oct.-Dec. sellers	1	1½	PARA HARD (Spot)	1	0½

Maximum and minimum prices during the week have been:—
Maximum (Mar. 29), 1/1½; minimum (Apr. 3), 1/0½.

NEW YORK, Apl. 3.—Smoked sheet, 27½c; First latex crepe, 27½c.
SINGAPORE, Apl. 3.—Market steady, but quiet. Crepe and smoked sheet spot, 1/0½; Apl.-June, 1/1; July-Sep., 1/1½; Oct.-Dec., 1/1½, buyers.

Statistics for London for the week ended March 24 were:—Landed, 1,467 tons; deliveries, 2,914 tons; stock, 58,197 tons; against 62,631 tons a year ago and 13,750 tons in 1926.

Messrs. Sanderson and Co.'s market review, dated March 28, reports a steadier and a more confident market, although business generally has been quieter. Forward positions have been rather neglected. Business on the spot, however, has been good, particularly for off grades. Spot crepe is commanding a premium of ¼d. to ¾d. per lb. The absence of information from the Government regarding the future of the Restriction Scheme is having a blighting effect on the market, and business is gradually coming to a standstill. The general consensus of opinion is that the Restriction will probably be retained for another year or 15 months, with a sliding pivotal price of 1s. 3d. per lb. The basis of assessment may be changed to that operating during 1926-7. If the expected statement by the Prime Minister confirms this, then the outlook for the next few months should be distinctly hopeful. It is interesting to note that since the announcement on Feb. 9 the reduction in stock amounts to 6,325 tons.

Messrs. Symington and Sinclair, in their weekly market report of March 29, state: During the past week the rubber market has been steady to firm although rather inactive, pending the announcement of the Government's policy of restriction. Cables received from New York state that the Government's decision will be to continue restriction for eighteen months with the pivotal price reduced to 1s. 3d. Such a decision could not, of course, cover the whole ground as some provisions will probably be made for bringing the scheme to an end at some time or other, irrespective of price. Some writers in the Press refer to the announcement expected over the week-end as an interim or preliminary announcement. It is much to be

hoped that this will not be the case as the period of suspense in which the market has been kept has already lasted long enough. What is wanted now is a definite and binding announcement which will not be subject to variation one way or the other during the period for which it is decided to retain restriction. It is only on a basis such as this that confidence can be restored, and producers, dealers and consumers can conduct their business intelligently. Deliveries during the past week were the best for some months, and stocks have been further reduced by 1,389 tons to 59,644 tons. They are now under 60,000 tons for the first time for more than a year. We understand that shipments during the present week are continuing at a good rate. Evidence of continued manufacturing activity on the Continent may be taken from the Board of Trade export figures for the first two months, according to which all European countries, with the exception of Russia, have taken considerably more rubber than in 1927. Exports from the U.K. to the U.S.A. were 6,632 tons against 1,661 tons in the corresponding period of last year.

Reporting a slight improvement in prices, Messrs. Lloyd, Matheson and Carritt say the further improvement in the statistical position as shown by the reduction in stocks would in ordinary circumstances have been a "bull" point, but with the uncertainty as to the tenor of the statement to be made by the Government before Easter neither manufacturers or dealers feel inclined to take a decided view either way.

Messrs. Hartnett Lampard and Heilbut in their report of March 30 state:—We are of opinion that speculative positions, both "bull" and "bear," have been mainly closed. Trade business is small, but there has been a fair inquiry from the Continent. There is no doubt that the market is at the moment in a very receptive state, and any clear indication of the Government's attitude towards restriction should have a very quick and marked effect on prices. One can only hope that this time something will be said that can leave no doubt in anyone's mind as to the Government's ultimate policy.

SHARE QUOTATIONS.

Ampat S'tra (2/0) f.p.d.	4/6 to 5/6	Linggi Plts. (£1) f.p.d.	2 to 2½
Anglo-Java (2/0) f.p.d.	4/1½ to 4/7½	Lok Kawa (2/0) f.p.d.	3/11 to 3/7½
Anglo-Malay (£1) f.p.d.	25/0 to 27/6	Lumut (£1) f.p.d.	2½ to 2½
Batu Caves (£1) f.p.d.	1½ to 1½	Malacca Plants (£1) f.p.d.	2½ to 2½
Batu Tiga (£1) f.p.d.	1½ to 2½	Merlimau (2/0) f.p.d.	4/0 to 4/3
Bertam (2/0) f.p.d.	5/4 to 5/9	Paling (£1) f.p.d.	1½ to 1½
B. Mertajam (2/0) f.p.d.	4/11 to 4/4½	Pelepah Val. (2/0) f.p.d.	2/7½ to 2/9
Bukit Rajah (£1) f.p.d.	30/0 to 35/9	Sarawak Est's (2/0) f.p.d.	4/6 to 5/0
Cicely Ests. (2/0) f.p.d.	5/6 to 6/6	Selangor (2/0) f.p.d.	4/11 to 4/7½
Cons. Malay (2/0) f.p.d.	6/6 to 7/6	Seremban (£1) f.p.d.	1 to 1½
Golconda (£1) f.p.d.	17/6 to 32/6	Sonosekar (£1) f.p.d.	1 to 1½
Gula Kalumpang (£1) f.p.d.	11 to 2	Straits (£1) f.p.d.	1 to 1½
H'lds & L'lds (£1) f.p.d.	2½ to 2½	Sungei Buaya (£1) f.p.d.	1½ to 1½
Java Invest. (£1) f.p.d.	2 to 2½	Sungei Kapar (2/0) f.p.d.	4/0 to 4/9
Kapar Para (£1) f.p.d.	2 to 2½	Sungei Way (£1) f.p.d.	1½ to 1½
Kepong (2/0) f.p.d.	6/7½ to 7/11	Telogoreddi (£1) f.p.d.	2½ to 2½
Kuala Lumpur (£1) f.p.d.	3½ to 3½	Tremelbye (£1) f.p.d.	16/3 to 18/9
Langkat (£1) f.p.d.	14 to 14	Unt. Serdang (2/0) f.p.d.	5/4½ to 5/7½
Langkat S'mtra (£1) f.p.d.	1 to 1½	U. Sumatra (2/0) f.p.d.	2/9 to 3/11
Laukas (Srwk.) (£1) f.p.d.	11 to 2	Vallambrosa (2/0) f.p.d.	16/6 to 17/6
Lebury (£1) f.p.d.	11 to 2	Way Halim (2/0) f.p.d.	3/4 to 3/5

THE SHARE MARKET.

Idle and uninteresting conditions prevailed throughout the past week until April 3, when the market, on the strength of rumours regarding the Prime Minister's statement, developed a harder appearance. Mr. Baldwin's statement on April 4 had been timed to give the London market the first intimation of the Government's intentions, and it was anticipated that an excited market would develop in rubber shares in the afternoon. Arrangements were made by the committee of the Mincing Lane Rubber Exchange for a full session on April 5, and for the exchange to remain open until 5.30 p.m., instead of



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closing at 1 p.m., as is usual on the day before a public holiday. Mincing Lane will thus have a full day in which to transact business after it has seen the effect of the Government's announcement on the American rubber market.

REPORTS, DIVIDENDS AND NOTICES.

Batu Caves.—Profit £18,440; divd. 8 p.c.
Johore River.—Divd. 5 p.c. (Same as last year.)
Bantam (Java).—Int. divd. 4 p.c. (Last year interim was 5 p.c.)
British Rubber Estates of Java.—Net profit £46,148; divd. 25 p.c.
Rembau Jelei.—Final divd. 5 p.c., making 12½ p.c. for year (against 30 p.c.).
Ulu Rantau.—Final divd. 5 p.c. (making 10 p.c. for year. (Last year 20 p.c.)
Kapar Para.—Final divd. 10 p.c. (making 15 p.c. for year.) (Last year 42½ p.c.)
Trolak Estates.—Net profit £4,569 (against £21,288); divd. 5 p.c. (against 15 p.c.).
Bahru Selangor Rubber.—Final divd. 2d. per share, making 25 p.c. (against 50 p.c.).
Kimanis Rubber.—Profit £17,044 (against £28,381); divd. 7½ p.c. (against 12½ p.c.).
Bukit Cloh Rubber.—Directors recommend final divd. 2d. per share, making 25 p.c. (against 50 p.c.).
Pilmoor.—Profit for 1927 £21,661 (against £43,072); final divd. 8 p.c., making 18 p.c. (against 32½ p.c.).
Langkapoera (Sumatra).—Int. divd. 5 p.c. on pref. shares, and 4 p.c. on ord. shares. (Last year ord. interim was 5 p.c.)
Sumatra Para.—Directors announce that owing to uncertainty they have felt obliged to postpone consideration of interim divd. (Last year 12½ p.c.)
Batu Rata (Sumatra).—Directors announce that owing to uncertainty they have felt obliged to postpone consideration of interim divd. (Last year 7½ p.c.)
Jugra Land and Carey.—Profits for year declined from £326,762 to £287,800; int. divd. 2½ p.c. has been paid, but no further distribution is recommended. Carried forward £64,753, subject to Eastern staff bonus, against £12,847.

TEA.

The Tea Brokers' Association of London in their report dated March 28 state: Java.—March 22.—Prices moved with considerable irregularity and the market generally can be quoted ¼d. to 1½d. per lb. lower for most descriptions. Common and low medium kinds were the weakest feature; the few good liquoring parcels came to less inquiry at a decline from last rates. China.—This market remains quiet and sales can only be made in small quantities at lower prices. Keemuns have sold from 1s. 4d. to 2s. per lb., and Monings from 9d. to 10d. per lb.

TIN.

Messrs. Lewis Lazarus and Sons in their metal market report dated March 30 state that the market in New York has been very much quieter, and values gradually gave way to 52½ cents, at which price buyers showed more interest. Since then fluctuations have been very small. An attempt was made to establish the market on a higher basis, but this did not materialise, and the last reports indicate that the market there was firm with buyers at about 53 cents for all positions. In the East 1,150 tons have been sold at very high prices, the average price paid in Singapore being about £2 per ton above the value of Straits tin in London and New York. To-day the prices there gave way 10s. per ton. The London market has been nervous, and movements have been very restricted. The turnover has been somewhat lighter than of late, amounting to 2,350 tons, and final prices are lower by 22s. 6d. per ton cash and 35s. per ton three months. To-day the market is quiet and steady, and after a turnover of 450 tons cash was 7s. 6d. higher and three months unchanged on the day. Official quotations £239 to £239 2s. 6d. cash, £238 to £238 5s. three months. Settlement price £239.
 Stocks of tin, landing and afloat, in Europe and America, according to Messrs. Ricard and Freivald's statement, amounted on March 31 to 15,637 tons, as against 17,254 tons on Feb. 29, showing a decrease in the total visible

supply of 1,617 tons. Supplies from all sources amounted to 10,466 tons, as against 11,812 tons for the previous month, deliveries being 12,083 tons, as against 9,575 tons for February.

TEAK.

Messrs. Denny, Mott and Dickson, Ltd., in their Wood Market Report, for the quarter ended March 31, state that stocks of teak continue to be moderate, but sufficient for the quiet demand for consumption. Such demand, however, is increasingly supplied by direct shipments against important orders, so decreasing the need of holding stocks on this side. Timber traders have experienced an improvement in business for the first quarter of 1928, as compared with that of 1927, but the much-talked-of improvement in general trade can hardly be traced. Seeing that the period has been comparatively free from disastrous strikes, the turnover should have been greater.

PRODUCE MARKETS.

REFINED CAMPHOR.—On the spot 2½ lb. slabs Japan 2s 6d. For shipment 2s 3¼d c.i.f.
COFFEE.—The auctions comprised fair supplies. Kenya, owing to the common quality offered, was slow of sale, and only partly sold at prices ruling in favour of buyers. Costa Rica, however, met a good demand, and foreign cleaned commanded firm to dearer prices, whilst London cleaned brought steady rates.
COPRA closes steady, but quiet. Spot Market Prices fixed by the Committee of the London Copra Association, on the usual London contract terms.—Dated March 30. London: Java f.m.s. £28; D.E.I. f.m.s. £27 17s 6d; D.E.I. mixed no Padang £27 2s 6d; Straits f.m.s. £28 2s 6d; Straits f.m. £27 12s 6d; Philippines f.m.s. £27 7s 6d; Philippines f.m. £27 2s 6d. Liverpool, same as London; Hull, 5s over London; Antwerp, Holland and Germany, same as London.
GINGELLYSEED quiet. Chinese March-April £24 2s 6d, April-May £24 5s North Continent.
HEMP.—Manila: The market closes quiet, but steady. J No. 2 April-June £38 value, K £32 10s, L No. 1 £31, ditto No. 2 £29, M No. 1 £29, and No. 2 £28 c.i.f. The sales include K April-June at £32 10s, and Aug.-Oct. £33 c.i.f.
JAPAN ISINGLASS.—No. 1 Kobé Strips 3s 9d. For shipment 3s 5d. No. 2 on the spot 3s 5d. For shipment 3s 4¼d c.i.f. Yokohama No. 1 spot 3s 6d. For shipment 3s 3d c.i.f.
JAPAN WAX.—On the spot 84s. For shipment 79s c.i.f.
JAPAN PEAS.—On the spot 25s. For shipment March-April 25s, April-May 25s 3d, and May-June 25s 6d c.i.f.
MENTHOL.—Kobayashi and/or Suzuki on the spot 15s 6d (5 cases). For shipment March-May 15s c.i.f.
OILS—CITRONELLA.—Java 1s 7d and for shipment 1s 6d c.i.f. Japanese Peppermint.—Kobayashi and/or Suzuki on the spot 6s 3d (5 cases). For shipment March-May 6s 3d c.i.f. Coconut quiet. Cochin spot £55 hogsheads, for shipment usual packages £52 10s. Deodorised spot (in barrels) £48. Soya Bean steady. Oriental (bulk) March-April £35, April-May £35. Deodorised (in barrels £39 10s. Extracted (naked) £35. Hull: Crushed and Extracted £33. Deodorised £36 10s, naked, ex mill. Fish dull. Japanese (mixed) March-April £22 10s drums. Wood firmer. Hankow (barrels) spot £73, afloat £75. March-April £72, April-May £72, May-June £72 c.i.f.
RICE remains quiet. Burma No. 2: For shipment April-May 13s 7¼d c.i.f. U.K. and Continent shipping weights in singles. Burma No. 3 April-May 14s in doubles c.i.f. Alexandria. Saigon No. 1 Round Grain April-May 13s 3d in singles c.i.f. U.K. and Continent. Siam Garden No. 1 March-April 15s 3d in singles. Special 16s and super 16s 9d c.i.f. U.K. or Continent. Straits quality April-May shipment in doubles 13s 4¼d c.i.f. Cuban main ports.
SOYA BEANS firmer. Manchurian on passage £11 10s. March-April £11 10s Rotterdam and/or Hamburg.
SUGAR.—British Refined: A steady trade has taken place at the advance. Foreign Whites are quiet and easier. White Java: For shipment July-Sept. 14s 3d, Oct.-Dec. 14s 4¼d, and Jan.-March 14s 7¼d c. and f. Calcutta. White Java: May-June shipment 14s 10¼d and June-July 14s 9¼d c.i.f. U.K.
SPICES.—Peppers.—The market opened easier, but at the close a steadier tone prevails. Black Singapore on spot 1s 6¼d. For shipment f.a.g. March-May and April-June sold at 1s 5d c.i.f. delivered weight. Lampong spot 1s 5¼d. For shipment March-May sellers at 1s 4¼d, April-June 1s 4¾d, May-July sold at 1s 4¼d to 1s 4d, and Aug.-Oct. 1s 3d to 1s 3¼d c.i.f. delivered weight. Fair Tellicherry spot 1s 6¾d.

W. F. SADLER

offers advantages to a few reputable Overseas Houses in markets for which he is not engaged: 25 years' cumulative experience in first-class textile buying for Far East. An exceptional connection and privileges. No Permanent Home Charges. The best service at the lowest cost and Highest Credentials.

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Address: 8/10, Great St. Helens, London, E.C.3.

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FLACK, CHANDLER & CO.,

9, MINCING LANE, LONDON, E.C.

Brokers for the Sale of

HIDES, SKINS, LEATHER, FURS,

HORNS, BONES, HAIR, TALLOW, &c.

For shipment Jan.-March sold at 164s c.i.f. Continent. Aleppy spot 1s 6d. White Muntok on the spot 2s 3/4d. For shipment March-May sellers at 2s 2/4d, April-June 2s 2/4d, and Aug.-Oct. sold at 2s 0/4d to 2s 0/4d c.i.f. delivered weight. Cloves.—Zanzibar are steady. On the spot 7/4d to 8d. For shipment April-May 7/4d value c.i.f. Ginger.—Japan on the spot 60s. Tapioca steady. Singapore: Flake on the spot fair 23s 6d. To France: March-April shipment sellers at 22s 3d c.i.f. Seed: For arrival Penang March-April sellers at 18s c.i.f. Java Flake: Fine on the spot 27s 6d and March shipment 25s 6d c.i.f.

METALS.—Official quotations: Standard cash £61 17s 6d to £61 18s 9d, three months £61 17s 6d to £61 18s 9d. Settlement price £61 17s 6d. Electrolytic £66 10s to £67. Wire Bars £67. Best Selected £64 10s to £65 15s. Strong Sheets £92. Spelter.—Official quotations: For shipment the current month £24 18s 9d and third following month £24 18s 9d. Settlement price £25. Zinc Sheets steady. English quoted at £33 10s to £34 per ton ex works. Lead.—Official quotations: For shipment the current month £20 5s and third following month £20 12s 6d. Settlement price £20 5s. Aluminium steady, with ingots and bars for home delivery held at £105 per ton. Nickel unaltered at £170 to £175 per ton, home or export, according to quantity. Wolfram.—Chinese 14s 9d to 15s 3d per unit c.i.f. Platinum.—Refined steady at £17 to £17 2s 6d per oz. Quick-silver maintained at £22 5s to £22 10s per bottle ex warehouse. Ferro-Manganese firm. Home delivery quoted £13 10s and export £13 5s to £13 10s f.o.b. Tin.—Official quotations: Standard cash £239 15s to £240, three months £239 10s to £239 12s 6d. Settlement price £240.

ARTICLES OF EXPORT. MANCHESTER GOODS.

In the cloth market demand has not been very brisk during the week. There has been a fair aggregate of inquiry, but prices in the foreign markets do not yet appear to have caught up with those that are being quoted here, and negotiations have, in many instances, been broken off without bringing any orders. It has been a good week in fancies for China, and there have been some offers for grey shirtings for Hongkong. The prices mentioned, while not attractive to producers, are distinctly better than some which were received last week, and it is not unlikely that some business may be possible in the course of the next few days. The smaller Far Eastern markets have again been quiet.

Messrs. Robert Barbour and Brother, Ltd., in their monthly report, state there have been signs of late that the policy of abstention from buying, save for immediate necessities, which was inaugurated by overseas customers at a time when the raw material was soaring ahead in July and August of last year and has been adhered to ever since is in process of revision. For China goods have been moving off on a freer scale, the bidding at auctions has been quite brisk, and, combined with a fair business in fancies, substantial orders have been placed for Shanghai in white shirtings. Rather more has been done for Egypt in spite of stocks still too ample to warrant anything beyond moderate replacements, neither Java nor the Straits has taken much interest in matters, but most of the South and Central American markets have quietly gone on buying fancies and specialities.

Latest Advices and Mails.

From	From
Yokohama (via Siberia) Mar. 16	Hongkong (via Siberia) Mar. 2
Kobé (do.) " 16	Manila " 6
Tientsin .. (do.) " 19	Bangkok " 5
Hankow .. (do.) " 8	Batavia " 5
Shanghai . (do.) " 10	Singapore..... " 8
Foochow . (do.) " 6	Penang..... " 7

In. Siberia, due Apl. 7 and Apl. 9, from China and Japan.

In. American, due Apl. 7, from Japan, Shanghai, and N. China. per s/s Majestic.

In. Canadian, due Apl. 7, from Japan, Shanghai, and N. China. per s/s Melita.

In. English, due Apl. 7, from Straits Settlements, F.M.S., Sarawak, Siam, Hongkong, etc., per s/s Ranpura.

In. Dutch East Indies, due Apl. 10, per s/s Insulinde.

OUTWARD MAIL DEPARTURES.—CURRENT WEEK.

To Straits Settl., Siam, } Apl. 5, per s/s Rajputana, via Marseilles.
N. Borneo, French } Apl. 12, per s/s Narkanda and Delta via
Indo-China, etc..... } Marseilles.
To China and Japan, via Siberia—daily.
To Japan, Shanghai } Apl. 11, via Southampton, per s/s Majestic.
and N. China }
Dutch E. Indies, Apl. 11, via Marseilles, per s/s Tambora.

China and Japan Parcels Mail, Apl. 5, from Southampton, per s/s Aquitania.
Straits Settlements .. Parcels Mail, April 18, from London, per s/s Ranpura.

Time of posting at G.P.O. London in each case:—Letters 6 p.m., printed and commercial papers and samples 2.30 p.m.

LIST OF PASSENGERS.

PASSENGERS INWARD.

Per the N.Y.K. s.s. *Katori Maru*, arrived London, April 2.—From **Yokohama**: Mr. E. Obigane, Mr. S. Gunji, Mr. K. Ikeda, Mr. B. Ishiwataru, Mr. C. Kurita, Mr. R. Kobayashi, Mrs. G. S. Deveson, Master P. C. S. Deveson, Capt. K. Ohsachi, Miss K. Sugiura. From **Kobe**: Dr. K. Uchida, Dr. C. Aihara, Mr. L. Arishima, Miss A. Arishima, Lieut.-Com. M. Awaya, Miss C. Hara, Prof. S. Inouye, Mr. K. Miki, Mr. S. Morita, Prof. T. Munesada, Mr. K. Yamamoto, Prof. K. Yoshida, Prof. S. Kameo, Mrs. T. Okada, Mr. S. Kita, Capt. T. Akiyama, Mr. T. Asano, Mr. and Mrs. Y. Konno, Miss T. Konno, Master S. Konno, Mr. and Mrs. J. McMillan, Master J. McMillan, Miss J. McMillan, Prof. S. Usui, Mr. N. Yamamoto. From **Moji**: Dr. R. Ohno, Dr. H. Narita, Prof. T. Nagao. From **Shanghai**: Mr. and Mrs. R. Nicholson, Miss C. D. Malcolm, Mr. and Mrs. C. G. G. Pearson, Master D. G. M. Pearson, Master J. S. O. Pearson, Master W. M. Pearson, Miss D. A. Colgan, Mr. W. Daley, Mr. B. J. Ferris, Mr. W. S. Osborne, Mr. A. W. Osborne, Mr. A. E. Baker. From **Hongkong**: Mr. S. H. Chin, Mrs. N. E. Crawford, Mr. W. Wright, Mr. J. J. Gomes, Mr. A. Oliveira, Mr. J. M. Oliveira, Mr. F. G. Rato, Mr. J. J. Santos, Mrs. M. L. Macfie, Mr. and Mrs. P. E. F. Stone, Mr. I. T. Hughes, Mr. L. C. James, Mr. F. Garfitt, Mr. Yui Yu. From **Singapore, etc.**: Mr. and Mrs. A. Mannheim, Mr. O. Stehli, Miss L. Stehli, Mr. F. S. Von Wennerberg, Mr. R. Zaloziecki, Rev. G. H. DeKay, Mr. J. S. Berger, Mr. S. Karasawa, Mr. and Mrs. E. S. Nathan, Miss A. and Miss C. Nathan, Mr. M. A. Novomeysky, Mr. W. D. Wintle, Mrs. Y. D. Singer, Mr. J. Doss, Mr. and Mrs. R. Hindie, Miss H. Hindie, Mr. C. Homsy, Mr. H. A. Karakaya, Mr. H. A. Keshishian, Lady K. L. Marchant, Mr. A. S. Mills, Mr. Y. Vidal, Mr. S. Ohanessian, Mr. B. S. Salariya, Mr. F. J. Bryant, Mrs. C. B. Bryant, Mr. and Mrs. H. Giovannoli, Mr. M. P. Misciattelli, Mr. and Mrs. C. L. Rogers, Miss H. A. Baldwin, Miss B. A. R. Brazier, Mr. G. H. Chandler, Miss B. Cowley, Mr. and Mrs. S. N. Day, Miss A. H. Fraser, Mr. W. G. Gibson, Miss M. Ismay, Miss M. Luke, Mrs. M. D. Leitch, Admiral Sir A. G. H. W. Moore, Lady E. M. Moore, Mr. G. H. Nunn, Mrs. L. Phillips, Miss M. B. Robinson, Mr. A. W. M. Shorland, Mr. M. G. G. Rev. A. B. Gould, Mr. C. Trevor, Mr. R. G. Baker, Mr. J. T. McVitie, Mr. R. A. Hartnett, Mr. H. R. Johnson.

SHIPPING INTELLIGENCE.

(COMPILED FROM LLOYD'S LIST AND OTHER SOURCES.)

ARRIVALS AT

LONDON.—Mar. 28, Rhexenor, Kobé; 29, Radja, Batavia; 31, Soemba, Sourabaya; Melampus, Batavia; Lalandia, Bangkok; April 2, *Katori Maru*, Yokohama.
SOUTHAMPTON.—Mar. 30, Tjerimai, Batavia.
LIVERPOOL.—April 1, Telemachus, Saigon.
HULL.—Mar. 31, Bertram Rickmers, Vladivostok; April 2, Glenogle, Vladivostok.

(Continued on page 264.)

THE CHINESE ENGINEERING AND MINING COMPANY, LIMITED.

DIVIDEND No. 31.

Notice to Holders of Share Warrants to Bearer.

Notice is hereby given that an Interim Dividend of Ten (10) per cent, or 2s. per Share (free of Income Tax) has been declared on account of the year ending 30th June, 1928, and will be paid on the 1st May next to all Shareholders registered on that date. The Transfer Books will be closed from the 23rd April to the 1st May, 1928, inclusive.

Holders of Share Warrants to Bearer are informed that COUPONS (No. 32) may now be presented for payment at either of the following places:—

LONDON: At the Transfer Offices of the Company, No. 3, London Wall Buildings, E.C.2;

BRUSSELS: At the Banque d'Outremer, 48 rue de Namur.

Coupons must be left four clear days for examination, and must be listed on forms which can be obtained on application at either of the above addresses.

By order of the Board,

ALFRED W. BERRY, Secretary.

22, Austin Friars, London, E.C.2.

28th March, 1928.

THE MERCANTILE BANK OF INDIA, LIMITED.

(Registered in London, under the Companies Acts of 1862 to 1890, on 2nd December, 1892.)

Authorised Capital	- - - -	£3,000,000
Subscribed do.	- - - -	1,800,000
Paid-up do.	- - - -	1,050,000
Reserve Fund	- - - -	1,420,000

Head Office: 15, GRACECHURCH STREET, LONDON, E.C.3.

J. M. RYRIE, Esq., Chairman.
P. R. CHALMERS, Esq.
C. J. HAMBRO, Esq.

Chief Manager.
J. STEUART.

Board of Directors.

London Manager.
J. B. CRICHTON.

London Bankers.

J. O. ROBINSON, Esq.
W. H. SHELFORD, Esq.
SIR DAVID YULE, BART.

Sub-Manager.
A. R. LINTON.

BANK OF ENGLAND.

Agents in New York.—BANK OF MONTREAL, 64, Wall Street.

Branches and Agencies.

India, Burmah and Ceylon:—BOMBAY, CALCUTTA, DELHI, HOWRAH, KARACHI, MADRAS, SIMLA, COLOMBO, GALLE, KANDY, RANGOON. Malaya:—SINGAPORE, KUALA LUMPUR, PENANG, KOTA BHARU, KUANTAN. China:—HONG KONG, SHANGHAI. Dutch East Indies:—BATAVIA, SOERABAYA. Siam:—BANGKOK. Mauritius:—PORT LOUIS.

THIRTY-FIFTH ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS.

The Directors submit to the Shareholders of the Bank the General Balance Sheet and Statement of Profit and Loss Account for the year ending 31st December, 1927.

The Net Profits for the year, after providing for bad and doubtful debts, and including £160,666 11s. 8d. brought forward from last account, amount to £417,846 3s. 3d. From this sum has to be deducted £84,000 being the Interim Dividend of 8 per cent., less Income Tax on the "A," "B" and "C" Shares paid in September last.

The Directors have added £35,000 to the Reserve Fund (raising it to £1,420,000), £15,000 to the Officers' Pension Fund, and written £35,000 off Freehold Banking Premises. They now recommend a Final Dividend on the "A," "B" and "C" Shares of 8 per cent., less Income Tax (making 16 per cent. for the year), leaving a balance of £164,846 3s. 3d. to be carried forward.

The following Directors retire by rotation, but, being eligible, offer themselves for re-election:—Mr. P. R. CHALMERS, Mr. C. J. HAMBRO.

It will be necessary to appoint Auditors. Messrs. Cooper Brothers & Co. and Messrs. W. A. Browne & Co., the retiring Auditors, offer themselves for re-election.

LONDON, 20th March, 1928.

By order of the Board,
J. STEUART, Chief Manager.

THE MERCANTILE BANK OF INDIA, LIMITED.

Dr.		BALANCE SHEET, 31st DECEMBER, 1927.		Cr.	
To CAPITAL AUTHORISED:—		By Cash in hand and at Bankers	£1,915,167 9 1		
30,000 "A" Shares of £25 each	= £750,000	" Bullion	134,088 0 8		
30,000 "B" Shares of £25 each	= £750,000	" Securities and coin deposited against Note Issue	2,049,255 18 9		
300,000 "C" Shares of £5 each	= £1,500,000	" Government and other Stocks:—	283,025 0 0		
	£3,000,000	Treasury Bonds, National War Bonds, Indian			
" CAPITAL ISSUED:—		Government Rupee Paper and other Securities	5,755,531 12 5		
30,000 "A" Shares, £12 10s. paid	£375,000 0 0	" Bills Receivable	2,651,124 18 3		
30,000 "B" Shares, £12 10s. paid	375,000 0 0	" Bills Discounted	96,734 14 5		
60,000 "C" Shares, £5 paid	300,000 0 0	" Loans Receivable and Advances	6,737,136 6 10		
	1,050,000 0 0	" Freehold Banking Premises	322,017 12 3		
Reserve Fund	1,420,000 0 0	" Liabilities of Customers for acceptances per contra	188,317 5 8		
Notes in Circulation	234,536 3 4	" Sundry Accounts, including amounts due by Agents	304,032 19 3		
Current, Fixed Deposit and other Accounts, including					
Rebates and Provision for Bad and Doubtful Debts	14,442,526 1 11				
" Bills Payable:—					
Drafts on London Bankers against					
Cash and Security per contra	£29,238 5 7				
Drafts on Head Office and Branches	734,322 1 8				
Drafts on Continental Bankers					
and other Agents	39,440 6 5				
	803,000 13 8				
Acceptances on account of Customers, per contra	188,317 5 8				
Profit and Loss Account	248,846 3 3				
	£18,387,226 7 10				£18,387,226 7 10

Contingent Liability on Bills Receivable re-discounted £3,268,818 10s. 2d., of which up to 19th March, 1928, £2,621,276 5s. 0d. have run off.

Forward Exchange Contracts outstanding for Purchase and Sale of Bills and Telegraphic Transfers, £18,455,553 9s. 5d.

NOTE:—The Rupee Assets and Liabilities included in the above are converted at 1s. 6d. per Rupee.

PROFIT AND LOSS ACCOUNT, for the Year ending 31st December, 1927.

To Ad Interim Dividend of 8 per cent. on 30,000 "A" Shares, 30,000 "B" Shares and 60,000 "C" Shares	£84,000 0 0	By Balance from 31st December, 1926	£244,666 11 8
" Amount transferred to Reserve Fund	35,000 0 0	Less Final Dividend for year 1926 of 8 per cent. making 16 per cent. for the year on the "A," "B" and "C" Shares	84,000 0 0
" Amount transferred to Officers' Pension Fund	15,000 0 0		£160,666 11 8
" Amount written off Freehold Banking Premises	35,000 0 0		
" Balance	248,846 3 3		
	£417,846 3 3	" Not Profit for the year ending 31st December, 1927, after providing for bad and doubtful Debts	257,179 11 7
			£417,846 3 3

J. STEUART, Chief Manager.
WM. M. SHELDRAKE, } Accountants.
W. A. THOMS, }

J. M. RYRIE, } Directors.
D. YULE, }
W. H. SHELFORD, }

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the above Balance Sheet with the Books in London and the certified returns from the Branches. We have obtained all the information and explanations we have required. In our opinion such Balance Sheet is full and fair and properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the Books of the Company.

COOPER BROTHERS & CO.
W. A. BROWNE & CO. } Auditors.
Chartered Accountants, }

LONDON, 20th March, 1928.

ANTWERP.—Mar. 30, Cap Tourane, Indo-China; Ruhr, Rotterdam.

YMUJEN.—Mar. 27, Canton, Japan; Enggano, Batavia; 30, Radja, Batavia; April 1, Saarbrücken, Kobé; Hagen, Java.

ROTTERDAM.—Mar. 31, Khyber, Yokohama; April 1, Oldenburg, Genoa.

NIEUWE WATERWEG.—Mar. 30, Hindenburg, Yokohama; 31, Tjerimai, Batavia; Meinam, Haiphong; April 1, Oldenburg, Yokohama; Hector, Dairen.

HAMBURG.—Mar. 27, Meinam, Haiphong; 28, Atlas Maru, Kobé; Glenogle, Yokohama; 29, Albert Vogler, Kobé; 30, Glenshane, Vladivostock; 31, Kohki Maru, Vladivostock; April 1, Helenus, Yokohama; Tohkoh Maru, Vladivostock; Enggano, Macassar.

AMSTERDAM.—Mar. 27, Melampus, Java.

MARSEILLES.—Mar. 26, Cassel, Macassar; 27, Jacatra, Java; Aray le Rideau, Haiphong; 30, Nellore, London for Yokohama; General Metzinger, Yokohama; April 1, Naumburg, Macassar.

HAVRE.—Mar. 29, Soemba, Batavia.

GENOA.—Mar. 26, Oostkerk, Kobé; 27, Gemma, Manila; Kota Inten, Batavia; 30, Koningin der Nederlanden, Batavia.

TRIESTE.—Mar. 24, Viminale, Yokohama.

MALTA.—Mar. 31, City of Marseilles, Shanghai.

PENANG.—Mar. 27, Afrika, Oslo; 29, Benmaedhui, London; April 1, Glenshiel, London.

SINGAPORE.—Mar. 27, Dortmund, Hamburg; 28, Compiègne, Marseilles.

SABANG.—Mar. 29, Buitenzorg, Hamburg; Bondowoso, Rotterdam and London; April 1, Golden Sea, Hamburg.

BELAWAN-DELL.—Mar. 30, Trier, Antwerp; April 1, Steel Seafarer, Aden.

BATAVIA.—Mar. 27, Eurypylos, New York; 30, Vabentijn, Rotterdam.

SOURABAYA.—Mar. 31, Silberbelle, New York; April 2, Malayan Prince, New York.

MACASSAR.—April 1, Silvercedar, San Francisco.

MANILA.—Mar. 27, Liberator, New York; 28, West Cajoot, Los Angeles, Benvenue, London; President Cleveland, San Francisco; 30, Las Vegas, Portland (Oslo); 31, Grace Dollar, San Francisco; April 2, Carl Legien, Antwerp.

SAIGON.—Mar. 30, Cedarbank, U.S.A.; Compiègne, Marseilles.

HONGKONG.—Mar. 27, Menelaus, Clyde; Tenyo Maru, San Francisco; President Cleveland, San Francisco; 28, Resolute, New York; 29, Morea, London; 30, Wakasa Maru, Buenos Ayres; West Calera, San Francisco; April 1, President Madison, Seattle; Venezia L., Trieste.

SHANGHAI.—Mar. 28, City of Spokane, Vancouver; 29, President Madison, Seattle; Eurylochus, Newport; 30, Andre Lebon, Marseilles; 31, Pacific Maru, Portland (Ore.); Independence, New Orleans; Menelaus, Clyde; Lahore, London; April 1, Naga Maru, Vancouver; 2, Morea, London; 3, President Garfield, Boston.

NAGASAKI.—Mar. 27, Amur Maru, Antwerp; 30, R. C. Rickmers, Antwerp; 31, Toyooka Maru, Liverpool.

MURORAN.—Mar. 26, Pacific Maru, Portland (Ore.).

TIENTSIN.—Mar. 27, West Kader, Portland (Ore.); 29, West Himrod, Seattle.

TSINGTAO.—Mar. 30, Amalthus, San Francisco; April 2, City of Spokane, Vancouver.

CHINWANGTAO.—Mar. 27, Steel Mariner, Baltimore.

DAIREN.—Mar. 29, West Cayote, Portland (Ore.).

KOBÉ.—Mar. 26, Kaga Maru, Vancouver; 27, Nagpore, London; Teneriffa, Oslo; 29, West O'Rowa, Portland (Ore.); 30, Scheer, Antwerp; President Garfield, Boston; Port Said Maru, Antwerp.

YOKOHAMA.—Mar. 25, Paul Lecat, Marseilles; 27, Robert Dollar, Vancouver; Asaka Maru, Portland (Ore.); 29, J. B. Aug, Kessler, Los Angeles; Arabia Maru, Vancouver; Iyo Maru, Seattle; Hayo Maru, Vancouver; 30, Protesilaus, Seattle; Silverhazel, New York; April 2, Nagpore, London.

DEPARTURES FROM

LONDON.—Mar. 28, Saparoea, Sourabaya; 31, Glenbeg, Yokohama; April 1, Návra, Yokohama.

SOUTHAMPTON.—Mar. 29, Prinses Juliana, Batavia.

LIVERPOOL.—Mar. 31, Phrontis, Macassar; April 1, Durban Maru, Yokohama; Peleus, Yokohama; 2, Antenor, Dairen.

MIDDLESBROUGH.—Mar. 31, Benlomod, China and Japan via Antwerp; Pembrokeshire, China and Japan; Selandia, Bangkok.

YMUJEN.—Mar. 27, Prinses Juliana, Batavia.

NIEUWE WATERWEG.—Mar. 28, Trave, Yokohama; 29, Ruhr, Yokohama; 31, Kota Radja, Sourabaya.

HAMBURG.—Mar. 29, Polydorus, Sourabaya; Malaya, Far East; Aachen, Far East; 31, Vogtland, Yokohama.

ANTWERP.—Mar. 30, Ursula Rickmers, Shanghai; 31, Ruhr, Yokohama; Mapia, Batavia.

ROTTERDAM.—Mar. 30, Dupleix, Havre and Indo-China.

FLUSHING.—April 1, Mapia, Sourabaya.

OSLO.—Mar. 30, Nanking, Far East.

MARSEILLES.—Mar. 28, Chantilly, Haiphong; 30, Malwa, Yokohama; Slamet, Java.

GENOA.—Mar. 30, Gemma, Yokohama; 31, Ermland, Yokohama.

PENANG.—April 1, Karmala, London.

SINGAPORE.—Mar. 26, Amboise, Marseilles; 27, Ceylon, Gothenburg; Glenapp, Hamburg; Philoctetes, Hull; Thesous, Baltimore; 29, Uarda, Hamburg; Ouderkerk, Hamburg; 30, Sibajak, Rotterdam; Kashima Maru, Rotterdam; Karmala,

London; 31, C. Lopez y Lopez, Barcelona; Dacre Castle, prev. 31, New York; April 2, Dacre Castle, New York.

SABANG.—Mar. 28, Faxen, Alexandria; 30, Saarland, Hamburg; April 2, Uarda, Hamburg; Sibajak, Rotterdam.

PADANG.—Mar. 28, Roepat, Amsterdam; Eumeus, Amsterdam; 30, Rendsburg, Port Said.

BATAVIA.—Mar. 28, Sibajak, Rotterdam.

MANILA.—Mar. 27, West Togus, San Francisco; 27, Uden, San Francisco.

SAIGON.—April 2, Clan Morrison, Rotterdam and Hamburg.

HONGKONG.—Mar. 27, Porthos, Marseilles; 28, Empress of Asia, Vancouver; 31, Mantua, London.

SHANGHAI.—Mar. 27, Mantua, London; 29, Toyooka Maru, Liverpool; 30, Emil Kirdorf, Hamburg; Aeneas, London; 31, Romolo, Trieste; April 1, Oder, Hamburg; Mayebashi Maru, New York.

SHIMONOSEKI.—Mar. 28, Indian City, Vancouver; 30, Sumatra, Gothenburg; 31, Hakone Maru, London; Lornaston, Vancouver.

DAIREN.—Mar. 28, Oder, Port Said; 29, Sarpedon, Port Said; 30, Giessen, Port Said; West Cayote, Portland (Ore.); April 1, Alaska Maru, Port Said; Matsumoto Maru, Port Said.

KOBÉ.—Mar. 27, Chr. Knudsen, Vancouver; 28, Lima Maru, Liverpool; 31, West Hixton, Portland.

YOKOHAMA.—Mar. 27, Shoyo Maru, Los Angeles; Taketoyo Maru, New York; 28, Edmore, Seattle; Norwich City, Vancouver; Paris Maru, Vancouver; 29, Akera, San Francisco; Taiyo Maru, San Francisco; President Grant, Seattle.

STEAMERS PASSED SUEZ CANAL.

HOMEWARD.—Mar. 27, Matsuye Maru from Yokohama; 28, Alcinous from Sourabaya; Neleus from Yokohama; 30, Glaucus from Dairen; Lahn from Vladivostock; 31, Benedi from Vladivostock; Baron Carnegie from Saigon; Bessa from Yokohama; Insulinde from Batavia; April 1, Madoera from Batavia; Anhalt from Yokohama; 2, Atsuta Maru from Yokohama; Belgenland from Kobé; Khiva from Kobé; Dardanus from Manila; 3, Grelwen from Saigon; Java from Yokohama; City of Kimberley from Shanghai; Ermworth from Vladivostock.

OUTWARD.—Mar. 28, Athos II, Yokohama; 30, Madioen, Java; April 1, Thedeus, Batavia; 2, Kota Inten, Java.

MISCELLANEOUS.

GIBRALTAR.—Mar. 28, Malwa, Yokohama; Katori Maru, Yokohama; Steel Traveler; Texas Maru; 29, Memnon; President Wilson (pres.); Ramses; Ohio Maru; England Maru; Oostkerk; 30, Knowsley Hall; Cassel Benclench; Meonia; Medon; Delagoa Maru Bloemfontein; 31, Ajax (Du.); Silvermaple; April 2, Macedonfa, Yokohama; Prinses Juliana; Atlas (Gr.); Troilus; Karnak (Br.); Koningin der Nederlanden; 3, Nellore; City of Nagpur.

PERIM.—Mar. 28, Insulinde; Capitaine Faure; Nias; Preussen; Knight Companion, Liverpool for Yokohama; 29, Benalder, Vladivostock for Hamburg; Ranpura; Atsuta Maru; Belgenland; Jutlandia; Glenamoy; Dardanus; Khiva; 30, Java; City of Benares; Athelqueen; Esquilino; Kambangan; 31, Menado; Bowes Castle; Cap Lay; Johan de Witt.

ADEN.—Mar. 28, Polamhall for Saigon; Bianca, Vladivostock; Tungsha, Yokohama; 29, Elmworth from Vladivostock; Khiva from Kobe; Remo, Yokohama; 30, Esquilino from Yokohama; Bowes Castle from Singapore; April 3, Athos II, Yokohama.

COLOMBO.—Mar. 27, Mosel from Kobé; Glenshiel, Vladivostock; 28, Tsuruga Maru, Yokohama; Kashmir from Yokohama; Glenanda from Vladivostock; President Polk from Singapore; 29, Jan Pieterszoon Coen from Batavia; Frankwald, Yokohama; Angiolina, Saigon; 31, Etha Rickmers from airen; Jeypore, Yokohama; Kashgar, Yokohama; April 1, Tabanan, Batavia; Tajima Maru from Yokohama.

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Table with columns: Steamer, Tons, Sailing. S.S. Tambora 5,600 Apr. 6, M.S. Indrapoera 12,000 Apr. 20, S.S. Insulind 12,000 May 4

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Table with columns: Steamer, Leith, Mid'sbro, Antwerp, L'don. a BENDOMOND 7 Apr. 13 Apr. b BENDORAN 10 Apr. 17 Apr. 24 Apr. c BENVRACKIE 20 Apr. 27 Apr. 4 May

a Calling at Shanghai. b Calling at Manila and Keelung. c Calling at Shanghai and Dalny. London loading berth East India Dock.

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Table with columns: M'bro, A'werp, Lond, M'selles. Haruna M. 5 Apr. 14 Apr. 19 Apr. 28 Apr. Katori Maru 20 Apr. 28 Apr. 3 May 12 May. The above steamers call at Gibraltar and Naples. † Refrigerator space.

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Table with columns: Steamer, CLOSING AT. H'burg, M'bro, Rotterdam, Antwerp, London

PEMBROKESHIRE Apr. 7 Apr. 13 *GLENIFFER Apr. 13 Apr. 21 Apr. 27

GLENSHANE Apr. 27 May 5 May 11 CARDIGANSHIRE May 11 May 19 May 25

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Apr. 12—LECONTE DE LISLE Djibouti, Mombasa, Zanzibar, Dar es Salaam, Madagascar, Mauritius.

Apr. 18—ANGERS Naples, Piraeus, Constantinople, Smyrna, Larnaca, Beirut.

Apr. 20—GENERAL METZINGER Ceylon, Straits, China, Japan.

Apr. 25—AZAY LE RIDEAU Ceylon, Madras, Singapore, Saigon, Haiphong, Tourane.

Apr. 25—VILLE DE STRASBOURG Aden, Ceylon, Australia.

May 15—ANDROMEDE Papeete, Suva, Noumea.

CARGO SERVICES. Antwerp, M'bro, London. Apr. 28 May 4

MIN Port Said, Singapore, Saigon, Hongkong, Shanghai, Kobe, Yokohama, & Vladivostock.

From London, No. 1 Shed, Albert Dock. Apr. 11—TETUAN Marseilles, Piraeus, Constantinople, Syrian Coast Ports, Saigon, Haiphong, Madagascar.

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