

The exploitation of the tin, antimony and other mineral resources of South China will require the importation of mining tools and machinery. There is also to be considered the demand for tools, machinery and ship-chandlers' supplies in connection with the shipbuilding and repairing industry at Hong Kong. The pumps and pumping machinery and other appliances for use aboard ship have been almost entirely of British manufacture, but there are certain lines which Canada might be able to supply. Similarly in regard to road-making machinery the requirements in the past have been almost entirely for machines of British standard manufacture. There is a large trade with Hong Kong in marine motors, but the competition of Chinese manufacturers has lately become more effective. Canadian manufacturers of machines and appliances likely to be required in South China should communicate with the leading importers of machinery into Hong Kong, the names of whom may be obtained on application to the Department of Trade and Commerce, Ottawa.

Canadian and other exporters of machinery desirous of doing business with China should imitate the example of the German firms, who were successful in this particular field. A group of non-competing manufacturers should combine to establish a central office at Shanghai and a staff of native engineers and agents should then be organized to cover the whole country and investigate conditions. In this way the central office can be kept informed as to probable openings for the sale of machinery and the particular requirements of the various districts. There should be two capable engineers, one electrical, the other general, to travel about the country demonstrating the machines. It is not possible to sell machinery to the Chinese by catalogue or pictorial representation, since the Chinaman prefers to see the actual machinery in motion before purchasing. Manufacturers of machinery by co-operating and sharing expenses in the above way can most effectively cover the China market at the minimum expense to each participant.

LEATHER.

There is a good business done with Hong Kong in various kinds of leather. All grades of leather are imported, but the market has special requirements with regard to colour and weight. What is required is mostly leather suitable for the making by hand of the special type of shoe worn by the Chinese. In the case of uppers the market calls for leather of a light colour and of medium grade. North American sole leather is considered too heavy as a rule for the Hong Kong market. Most of the sole leather imported comes from Australia and weighs about 17 to 18 pounds. A large amount of split side leather is also imported, being considered good enough for the purpose required by the Chinese.

The United Kingdom, Germany and Australia were formerly the sources of supply for the leather imported into Hong Kong. Australia is now the chief supplier. Owing to the prohibition of the export of calf leather from Australia, box calf and willow calf leathers are obtained from North America. Other kinds of upper leathers, sole and split sides are also imported from the United States but in relatively smaller quantities. Importers expressed the desire of receiving quotations from Canada for all kinds of leather, but principally for box calf. It was stated that all kinds of leather will go in the market, but the bulk of the business is done in the leathers suitable for the special requirements of the trade as referred to above. Leathers are usually ordered by the exporter sending over samples, which are matched by the Hong Kong importer to ascertain which suit the requirements of his customers. Dealers do not understand the technical phraseology of the leather trade and hence prefer to order by sample. Importers lay emphasis on the necessity for the regularity of shipments in order that they may meet the demands of dealers without delays. The names of leading importers at Hong Kong may be obtained on application to the Department of Trade and Commerce, Ottawa.