

East. In addition to fast mail steamships, there are a number of large cargo carriers sailing between the two ports. The industrial progress of British Columbia must be influenced to an increasingly greater extent by the advantages for the shipment of products to the Oriental markets. In the development of the Panama Canal route, the eastern industrial districts of Canada will enjoy the same advantages as the eastern part of the United States. The Canadian overland route has long been regarded as the chief means of communication for the despatch of silk to the New York market and also plays a prominent part as a mail and passenger route to Great Britain. Hong Kong is therefore brought into close touch with Canada in a variety of ways.

The growing sentiment in favour of the purchase of British goods should have an important bearing on the development of Canadian trade with South China. Hong Kong is a British colony and the bulk of the business is in the hands of British firms. Canada competes with the mother country in only a very few lines. There is therefore a predisposition on the part of Hong Kong houses to establish connections with Canada for the importation of many goods.

Canada produces many articles which are required in South China but in certain lines difficulty is experienced in competing with the United States, Japan and Europe. On the other hand there are a number of Canadian products for which there is a good opening in this market, provided the proper steps are taken by Canadian firms to secure their share of the trade.

DEVELOPMENT OF BUSINESS.

Importing houses at Hong Kong complain that Canadian exporters do not devote enough attention to the special requirements of the China market. The commercial practices in this part of the world are peculiar to the Far East. They were established originally in the early days of the trade principally by British firms, and approach more nearly the practices customary in the United Kingdom. Canadian exporters should therefore exercise great care in the execution of orders fulfilling always the conditions stated in the indent. Quotations e.i.f. are highly desirable in doing business with the Far East, since in normal times the exporter is in a better position to estimate the freight and other charges to be incurred. The most common complaint against Canadian firms is that they do not endeavour to build up trade in a thorough manner, but often appear only anxious for such casual business as may be offering. Manufacturers and other producers in Canada who wish to develop an export business with South China, should carefully investigate the conditions, sending over a personal representative, where possible, and then make their plans accordingly. If it is desired to appoint representatives, there are a number of firms of good standing at Hong Kong who would be open to take on agencies or otherwise establish connections with Canadian exporters. The trade of Hong Kong is distinct from that of Shanghai and Canadian firms make a mistake to assume that they can do business with South China by establishing an agency at Shanghai for the whole of China. A list of the principal importing houses at Hong Kong and other ports has been prepared and forwarded to the Department of Trade and Commerce, Ottawa, and may be obtained on application. (Refer file No. 20069.) Canadian firms can also at all times secure information regarding the China market by writing to the Canadian Trade Commissioner at Shanghai.