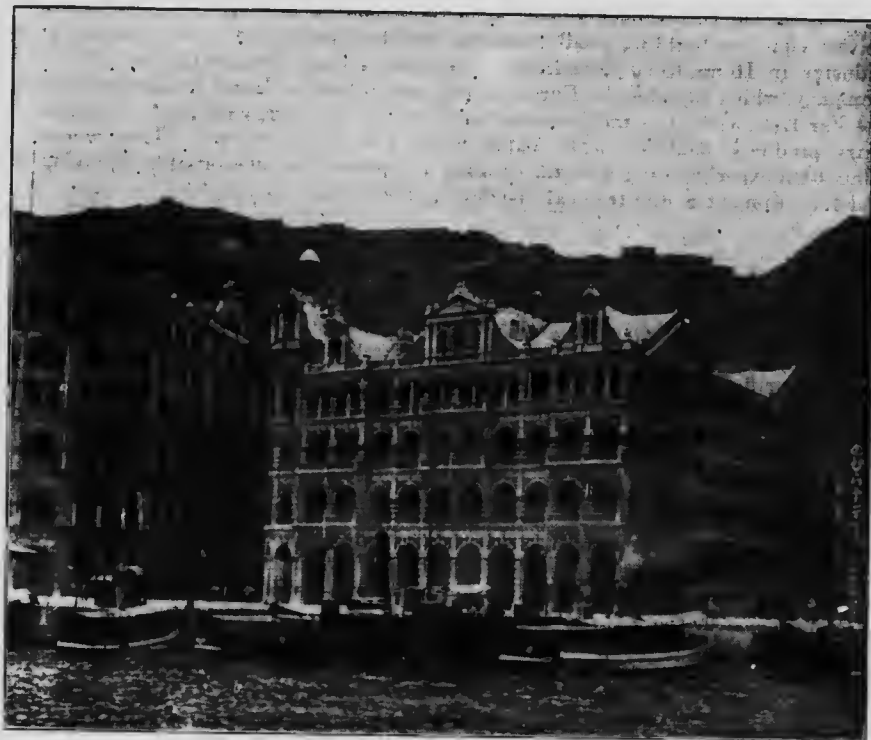


From the year 1856 the development of Hong Kong was rapid and the importance of Macao as a centre for trade declined. In 1860 the peninsula of Kowloon was definitely ceded to the British and in 1898 another agreement was concluded whereby China granted the territory behind Kowloon, together with the adjacent islands, for a period of 99 years, thus completing the defence system and assuring the fortifications of the colony. The area of this new territory is 376 square miles, thereby bringing the total area under the British flag up to 410 square miles.



City of Victoria, Hong Kong.

GOVERNMENT.

The Government of the colony is administered by a governor, assisted by an executive council of six official and two unofficial members. Ordinances are enacted by the legislative council, composed of seven officials and six unofficials, and presided over by the governor. One of the unofficial members is elected by the Chamber of Commerce and another by the justices of the peace. The other four, two of whom are Chinese of British allegiance, are appointed by the Government. The governor is appointed by and acts under the Colonial Office at London and holds office usually for a term of five years.

INDUSTRIES OF HONG KONG.

Hong Kong has several important industries, including extensive dockyard and engineering works, three sugar refineries, a rope factory, cement works, a glass factory; feather-cleaning works, soap factory, paper mills, a match factory and several ship-building establishments. In view of the advantageous situation of Hong Kong it is felt by many of its business men that many more industries could be attracted to the