

Kong for the use of the foreign community has hitherto been mostly of British manufacture, but the difficulty of obtaining supplies has led to certain articles such as hosiery, underwear, knitted goods and articles for ladies' wear being imported from the United States. Canadian firms should be in position to offer most of these lines.

#### SUGGESTIONS FOR CANADIAN EXPORTERS.

The following suggestions to be followed by Canadian exporters desirous of building up a trade with South China were given by leading importers interviewed at Hong Kong, Canton and other ports:—

*Quotations c.i.f. Hong Kong, wherever possible.* United Kingdom and German firms have been in the habit of so quoting and in normal times the exporter can estimate the laid down cost better than the importer.

*Careful execution of orders.* The conditions stated in the indent should be closely followed.

*Prompt execution of orders.* Failings in this respect on the part of United States exporters since the war due to congestion and other causes has greatly hindered development of trade with that country.

*Granting of discounts, avoidance of fixed prices.*

*Care in establishing agencies.* Canadian exporters should avoid granting agencies to firms already handling their particular line and who wish to disarm competition by taking on other agencies for the same line.

*Trade list in Chinese language.* Printed in simple language and in the Chinese style, illustrating what Canada can offer and giving the names of suppliers.

#### TRADE OF THE OUTPORTS.

The chief treaty ports of South China were outlined previously and it was pointed out that commercially they are subsidiary to the British colony of Hong Kong, which serves as the trade centre for all of that part of China lying south of Foochow. The importance of Hong Kong in this connection is not likely to be superseded. There is little tendency for other ports to establish direct connections with foreign countries. This especially applies to the trade in imported foreign goods. Dealers in Canton and other outports have the choice of a larger assortment of stocks through buying in Hong Kong. They usually have a broker in the latter city through whom they transact their business. One broker may act for as many as five dealers in the outports. The advantageous situation of Hong Kong gives the port a predominant position as a distributing centre. There are also many other advantages in favour of the British colony which make it doubtful if any other South China port will ever seriously challenge its supremacy in this respect. It is for instance comparatively cheap for commercial firms to operate in Hong Kong. Taxation is low, there is the relative security afforded by British rule, insurance rates are low and excellent and cheap banking facilities are available through several competing institutions. In regard to export trade there is a certain amount of business done direct with foreign countries in certain lines from the more important outports on the coast, such as Canton, Swatow, Amoy and Foochow, but this direct trade is insignificant as compared with the quantity of South China products handled through Hong Kong.