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*to C. Lane Poole
Conservator of Forests*

*by Geoffrey Drake-Brockman
Forests Department, 1921.*

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Report on sandalwood
trade in China and
Malay states

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

CONSERVATION OF FORESTS

In accordance with instructions received from you, dated 5/10/20, I proceeded to Hongkong by S.S. "Kanowna" to enquire into (1) the advisability of establishing a Western Australian Government Sandalwood monopoly, (2) the question of appointing agents at suitable rates if monopoly were formed, (3) the whole sandalwood trade in China generally.

I arrived at Hong Kong on 12/11/20 and called on the Governor almost immediately, presenting letter from Governor of Western Australia. As a result of this letter, the statistics etc. of the whole service were opened to me. In all departments assistance and information were most freely given, but it was by the Secretary for Chinese Affairs (Hon. Mr. E. R. Hallifax) that I was finally put on the right track. He handed me over to Mr. Jamieson, Commercial Secretary to H.B.M. Legation, and from then onwards my task became much simpler. Appointments were made for me with all the leading firms, in fact, Mr. Jamieson assisted me and simplified things in every possible manner. He was also in a position to give me valuable advice re standing of various firms. I should be glad if Mr. Jamieson could be officially thanked through H.B.M. Minister Legation, Peking.

After collecting data for a week (the most interesting and useful of which is attached hereto), I was in a position to state that 80% at least of the sandalwood consumed in China is imported from Western Australia (see page 3 of returns) and that 90% of the West Australian sandalwood was shipped to Hong Kong.

Thus, it was definite that a sufficient amount of the trade was in our hands to enable us to create our monopoly, and that our agent, whether a British firm, or a salaried man from Western Australia, must be centred in Hong Kong.

My next step was to get into touch with firms who could assist me, so I called on Reise & Co., Jardine, Matheson & Co. Ltd., Gilman & Co., the Mercantile Coy., Manners and Backhouse, W. G. Humphries & Co. and Bradley & Co. From these firms a lot of useful information was gained, but Jardine Matheson & Co., Gilman & Co., Manners and Backhouse and Bradley & Co. were the only firms seriously interested in sandalwood.

Each of these firms was of the opinion that, if a monopoly were created in W.A. wood, and output restricted to 6,000 tons per annum, that price could be considerably increased, but that it must be raised gradually. This being so, I asked these four firms to give me proposals on a commission basis for handling the whole of W.A. sandalwood, in the event of a monopoly being formed, saying that 6,000 tons was the proposed maximum for any one year. The agency to be for 5 years and to be for the East generally including Japan and Federated Malay States.

As Jardines had already submitted a proposal to us, they were verbally informed that the charges in their original proposal were considered excessive. They were also informed that, unless commission percentages etc. could be considerably reduced by some firm, it would be to our advantage to open up a West Australian Government Agency in Hong Kong instead of appointing a firm to act for us. Jardines finally agreed to submit with other firms a final bedrock quote.

I arranged that all proposals be forwarded to me through Mr. Jamieson (Commercial Sec. to Legation) and arranged with him to acknowledge receipt of letters, saying that he would hand same to me on my return from the North.

It seemed advisable to me to arrange a sort of a tender and bring in a third person, so as to prevent any possibility of being accused of corrupt methods in the future. This being arranged, the general enquiry into the whole trade was proceeded with (Result of enquiries given hereafter under heading of "General Report"). This necessitated going North before firms had completed their proposals. It really seemed advisable to arrange it thus, as it would give me an opportunity of seeing what Shanghai might produce before seeing the Hong Kong proposals.

After my return from the North on 4.1.21, Mr. Jamieson handed me four letters giving proposals from Jardine, Matheson & Co. Gilman & Co., Bradley & Co. and Manners and Backhouse. These letters were opened and perused by myself and Mr. Jameson.

Jardine's proposal was only received on 3.1.21, as, although their head office is in Hong Kong, the business partner is in Shanghai, and they would not submit final proposition without consulting him, and for this reason I paid several visits to Jardine at Shanghai, and only on the day I left Shanghai did they send final word to Hong Kong.

The four propositions received are attached hereto; all four proposals are interesting, as they contain additional information, but Jardine, Matheson & Co. offer us slightly the best terms, 1-1/10th % selling commission, as against Gilman & Co's 1% selling commission with provisos, the next best. But after taking the provisos in Gilman & Co's proposal into account, Jardine's proposal was considered much the better. All proposals were acknowledged by letter, copy of same attached to each firm's letter.

As I was prepared to recommend that Jardine, Matheson & Co. be appointed to our agency, they were called on again on 6/1/21, re loading and go-down rates, brokerage charges, arranging of charters, etc. As the result of my conversation with them, a further letter now attached to their proposal was received. This letter explains doubtful points and really agrees to reduce some of the minor charges. Brokerage will be reduced from 1% to 1/2% on all Hong Kong wood, provided business is over 200,000 dollars, which it will most certainly be. As Hong Kong takes 90% of W.A. wood, this is a considerable reduction. Charters will be arranged by them at no cost to us. Landing and go-down charges will be no greater at any time than public go-down charges. In their letter of 3/1/21 these points were not clear, whilst brokerage seemed excessive.

The terms offered by Jardine, Matheson & Co. as they now stand are, I consider, most satisfactory.

Below I will give extended statements showing what Jardine offered us before my visit to China, as well as the best proposals now submitted. For these statements I will take actually quoted costs from time wood arrives in Hong Kong till disposal of wood. 168 picule (10 tons) at average rate of 15 dollars with 3 months' storage will be the basis used.

JARDINE, MATHERON & CO. LTD. ORIGINAL OFFER SECURED THROUGH MR. DEEKS

Landing, boat & coolie hire on 168 piculs (10 tons)		\$	
@ 8 cents per picul ..	13.44		
Go-down rent for 3 months on 168 piculs @ 4 cents per			
picul per month ..	20.16		
Fire insurance on 168 piculs @ 15 dollars for 3 months,			
3/16% of \$2520	6.30		
Brokerage, 1/4% on \$2520	12.60		
Selling Commission 2 1/2% on \$2520	63.00		
Guarantee of sales 1 1/2% on \$2520	37.80		
Postage and Petties 1/10% on \$2520	2.52		
		Total	\$155.82

That is overhead charges and out of pockets, based on Jardine's original offer on sale of 10 tons of wood, valued at \$2520 would work out at \$155.82, or 6.18% of selling rate.

JARDINE'S FINAL OFFER (see letters 3/1/21 & 6/1/21)

Landing, boat & coolie hire on 168 piculs @ 8 cents			
per picul.. ..	\$13.44		
Go-down rent for 3 months on 168 piculs @ 4 cents			
per picul per month ..	20.16		
Fire insurance on 168 piculs @ 15 dollars for 3 months			
3/16% of \$2520	4.72		
Brokerage, 1/4% on \$2520..	6.30		
Selling Commission 1% on \$2520..	25.20		
Postages and Petties 1/10% on \$2520	2.52		
			\$72.34

That is overhead charges and out of pockets, with Jardine's final offer, on sale of 10 tons of wood, valued at \$2520, would be \$72.34, or 2.87% of selling rate, and no fee for arranging charter.

GILMAN & CO'S OFFER

Landing, boat and coolie hire 168 piculs @ 8 cents per picul	\$13.44		
Go-down rent for 3 months " " @ 4 " " "			
per month ..	20.16		
Fire insurance on 168 piculs @ 15 dollars for 3 months,			
3/16% of \$2520	4.72		
Brokerage @ 1/4% of \$2520 (have assumed that brokerage would			
be reduced according to proviso)	6.30		
Selling commission 1 1/2% of \$2520	31.50		
		Total	\$ 76.12

That is, overhead charges and out of pockets, with Gilman & Co's offer, on sale of 10 tons of wood, valued at \$2520, would be \$76.12, or 3.02% of selling rate. In addition, Gilman & Co. would collect 2 1/2% of freight money for chartering. This would amount to \$6000 per annum on 6,000 tons, with a 40 dollar freight. Gilman & Co. also wanted a guarantee of 12,000 dollars per annum as minimum commission.

The proposal from Bradley & Co. was based on 2 1/2% commission and 2 1/2% charters fee. That is Bradley & Co.'s proposal is much like Jardine's original proposal, with guarantee of sales omitted. Manners & Backhouse have also submitted somewhat similar terms. These two proposals are not extended herein, but details can be seen in letters attached hereto.

From the above it will be seen that the terms offered us by Jardine, Matheson & Co. are better than those offered by Gilman & Co., the next best. For Jardine's costs, on average value assumed, work out at 2.87%, with no provisos and no chartering fee, whilst Gilman & Co.'s costs work out at 3.02%, with a proviso that selling commission must be made up to \$12,000 by W.A. Government should it be less in any year. They also would collect about \$6,000 per annum from rebates on chartering of vessels.

Thus it will be seen that Jardine, Matheson & Co. have given us a far more straightforward proposal than have Gilman & Co., the selling charges are .15% cheaper, we have to give no guarantee that commission should reach any fixed amount, and on chartering of vessels there is about \$6000 per annum in Jardine's favour.

As Jardine, Matheson & Co. Ltd. are the largest and safest firm in the East, have had considerable experience in sale of sandalwood, are represented everywhere and have given us the cheapest terms they can, in my opinion, undertake the business better than any other firm. I strongly recommend that they be appointed our agents. Their terms really are out of pockets and 1-1/10% selling commission, and this is cheaper than we could hope to undertake the selling of wood by opening up an agency on our own account.

Now Jardine's original offer, based on sale of 6,000 tons of sandalwood at average price of 15 dollars per picul would have cost us \$93,492 for all charges from arrival of ship at Hong Kong to final sale. In addition there would have been a chartering fee approximating \$6000 per annum, making a total of \$99,492. This sum includes all costs beyond Fremantle, except freight and marine insurance. Our present offer from Jardines works out at \$43,344 for the same service.

It will thus be seen that my visit to China will have been well worth while, for on the financial side it will enable us to save \$56,088 per annum if monopoly be proceeded with. It really means that, under a monopoly, our selling

charges in the East on 6,000 tons of sandalwood will be 56,088 dollars less (or over 9 dollars per ton) than the selling charges are now for the same number of tons selling at the same rate, for Jardines originally offered us the rates now ruling.

If freight be taken at 40 dollars per ton and marine insurance $\frac{1}{2}\%$ on underdeck cargo and $1\frac{1}{2}\%$ for on deck cargo, or say 1% on whole cargo, we get the following additional costs:-

	<u>dollars</u>
Freight on 168 piculs (10 tons) @ 40 dollars per ton	400.00
Marine insurance on 10 tons valued at \$2520 @ 1%	.. 25.20
	<hr/> 425.20
All selling charges in Hong Kong from Jardine's final offer on sale of 10 tons 72.34
Add for telegrams and contingencies 2.46
	<hr/> 500.00
Less rebate of $2\frac{1}{2}\%$ on freight account 10.00
Total	<hr/> 490.00

That is, all charges from F.O.B. Fremantle to final sale in China would be 490 dollars on 10 tons, or, say, 50 dollars per ton, thus allowing freight rebate for further contingencies. All costs have been worked out for Hong Kong as at present most of the sandalwood is sold there, and it would be sold at Shanghai or elsewhere only when to do so would return profits at least equal to those of Hong Kong.

GENERAL REPORTWHOLESALE BUSINESS

The British firms of any note in the East who trade in West Australian sandalwood in any large quantity are Jardine-Matheson & Co.Ltd, Gilman & Co. Bradley & Co. and Manners and Backhouse.

These four firms, with the Japanese firm Mitsui Bussan Kaisha, make up the much heard of sandalwood ring. This so called ring only deals with wood brought by Paterson & Co. and John Stewart. These two W.A. firms work together and ship together, and, as far as can be made out, 64% of each shipment is owned by Paterson & Co. and the remaining 36% was up to the time of shipment owned by John Stewart. (It is though quite probable that John Stewart has never been anything more than a buying agent for Bradley & Co.)

The Moyatta, Rupara, Allinga and Hwah Hsin have in fairly recent times each taken to the East whole shipments of wood belonging to Paterson & Co. and John Stewart. Now the sandalwood from these ships was divided up approximately as is shown in statement below:-

Jardine, Matheson & Co.	20%	This is sold on commission of 2½%, 1½% guarantee of sales, ½% brokerage etc. for Paterson & Co.
Gilman & Co.	20%	This is sold on commission of 2½%, 1½% guarantee of sales, ½% brokerage etc. for Paterson & Co.
Manners & Backhouse	24%	This is sold on commission of 2½% for Paterson & Co, but is financed by Jardines and Gilman & Co.
Bradley & Co.	16%	This is taken over at a fixed rate F.O.B. from John Stewart.
Mitsui Bussan Kaisha	20%	This is also taken over F.O.B. Fremantle, as far as can be ascertained.

The whole trade is financed by the British firms themselves, except in Manners & Backhouse's case, and then Jardines & Gilman & Co. together take over the financial responsibilities; Manners & Backhouse thus get reduced commission, the difference being shared by Jardines and Gilman & Co.

From the above it will be seen that the profits of the sandalwood trade have for the greater part gone to Paterson & Co., whilst Jardine, Matheson & Co.Ltd., Gilman & Co and Manners & Backhouse have only made selling commission. That is 64% of the ring or pool profits have gone to Paterson & Co., whilst the remaining 36% has been shared in varying

amounts by John Stewart, Bradley & Co. and Mitsui Bussan Kaisha, the amount that each firm has made from time to time varying with price F.O.B. Fremantle, market and exchange rate in China.

Gilman & Co. are Paterson & Co's sandalwood agents in China. Thus Gilman & Co., Bradley & Co. and possibly Mitsui Bussan Kaisha are actually the people concerned with price fixing in China. Gilman & Co. keep Paterson & Co. well posted in sandalwood affairs (for which I understand they get a special fee) and in times of doubt, as at present, when price on offer for wood is only about 8 dollars per picul with low exchange, Paterson & Co. are consulted before sales are completed. Although the present exchange rate is 3/2, I rather think that Paterson & Co. have fixed exchange ahead at a much better rate than that.

It will be seen that the sandalwood ring is a ring in name only, for the firms in so called ring are really only a pool of Paterson's dealers. In other words, the ring is Paterson & Co. with a working arrangement with John Stewart and the crowd he buys for and trades with.

Outside Paterson's ring there are a number of firms (mostly Chinese) who have recently been trading in sandalwood. Harry Wicking, who receives Barrymore's wood, seems to be the only British one of any importance.

The statement below gives other firms in Hong Kong who trade in West Australian sandalwood, and the firms they deal with in W. A.

Ying Lee & Co.	have dealt with Fothergill,	but mostly deal with	John Hector,
Wing ON Coy. Ltd.	"	"	Lee & Co and Wing Hing, but mostly
Luen Wo Coy.	"	"	deal with Australian Overseas Coy.
Luen Chong Coy. Ltd	"	"	W. A. Sandalwood Coy.
Ying Wa Coy. Ltd.	"	"	J. A. Cheong
Tsun Fat Coy.	"	"	Eastern Agency Coy.
Luen Yick	"	"	W. A. Sandalwood Coy.
Wing Chung Coy.	"	"	J. Cheong
Sincere Coy. Ltd.	"	"	W. A. Sandalwood Coy.
Lam Fai Ting	"	"	Australian Overseas Coy., J. Cheong
J.M. Da Rocha	"	"	& W.A. Sandalwood Coy.
			McCorkill Ltd., Perth, Geo Evans
			& Co. & Copley & Dawson Ltd.
			Joyce & Watkins, Fremantle.

As the firms in Hong Kong mentioned above are practically all run by Chinese, it is impossible to find out exactly what arrangements they have with the people they deal with in Western Australia. But, as far as can be ascertained,

the W.A. representatives for the most part buy the wood at arranged prices for the Chinese firms in Hong Kong. That is, any large sums that may be made are mostly made by Chinese, whilst the firms in Western Australia where they are not direct representatives of Chinese firms make a certain fixed profit, provided market and exchange remain fairly constant.

At the present time, owing to excessive cutting in Western Australia, large stocks have been accumulated in Hong Kong and Shanghai by the merchants trading in sandalwood.

The following list gives approximate stocks held at beginning of December, 1920, by the bigger merchants:-

<u>HONG KONG</u>		
Wing On Coy.	1,000 tons	
Ying Lee	1,200 "	
Luen Cheong	700 "	
Cheung Fat	500 ")	Exactly what connection these firms have with original importers cannot be ascertained.
Cheong	600 ")	
Ying Wah	400 ")	
Sing Hing Hong & Yuick Tok Sing	1,000 ")	
Pool (Jardines, Gilman & Co., Manners & Backhouse, Mitsui Bussan Kaisha & Bradley & Co.) 1,000 "	
<hr/>		
6,400 tons in Hong Kong		

<u>SHANGHAI</u>		
Wing On Coy.	740 tons	
Cantonese Dealers	400 "	
Toochow Merchants	350 "	(Singapore shipments)
Pool (Jardines & Co.)	280 "	
<hr/>		
1,770 tons in Shanghai.		

That is the total held by large merchants is approximately 8,200 tons. For another estimate of stocks held, obtained from another source, see Return page 22.

The price offering at the present time for sandalwood is only 8 dollars per picul, and the exchange is about 3/2. Thus the large stocks held at present make the situation fairly serious for those merchants who are not able to hold out. At the best they could not get out without considerable loss. The pool, however, have on the whole got out with large profits, and Paterson & Co. must have made a considerable sum, for most of their wood was unloaded when price was high and exchange good. The Chinese firms, on the other hand, are landed with large stocks, on a falling market and a falling exchange.

The pool thus seem to have made a far greater financial success of their handling of W.A. sandalwood than have the Chinese.

The pool stocks at present are only about 1,280 tons, and that stock has not been held very long; in fact, practically all of it only arrived after the market became over stocked.

From this it will be seen that the present state of the sandalwood trade, with over cutting, over buying and too much competition, makes the whole industry from the puller in the bush to merchant hopeless, and, whilst the present method continues, slumps must occur and the only people who really benefit from all this competition are the Chinese consumers.

In addition to the large stocks held in godowns by the big merchants, all the dealers' shops and retail shops that were seen in many towns in China were well stocked. It will therefore be at least a year before a fair market can be expected.

SHIPPING.

When a shipment of wood is ready at Fremantle, the agent in the Orient arranges a charter at a fixed rate per ton for the firm at the other end. The freight is generally paid by the agent in the first instance, who charges bank rate of interest whilst his money is outstanding. In all charters arranged along the China coast, the rate is fixed at so much per ton, but a rebate of 2 1/2% is made to the charterers, but, as a rule, this goes to the charterer's agents to act as his commissioner for fixing up charter. A broker is almost always employed. He gets a commission of 1%, but this the owner of the vessel pays, as also does the owner of vessel pay the costs of drawing up charter agreement, stamps, etc. That is, the charterers simply pay the fixed rate per ton, unless demurrage on account of any unnecessary delay caused by the charterer, or some other such charge should crop up.

Freights. The Allinga in October, 1920, was chartered for sandalwood at 40 dollars per ton.
 Hwah HSin was chartered at \$55 per ton in June, 1920.
 Mau Sung " " " \$55 " " " Oct. 1920.
 In 1918 the Alstut Maru was chartered at £14 per ton. The pre-war freight on sandalwood from Fremantle to Hong Kong averaged about 25 dollars per ton.

Vessels can be chartered under two systems, time charter, or trip charter. Time charter requires a lot more

arranging, and then percentage will probably be as high as 5%, and 1% of freight money sometimes goes to owner of vessel. Trip charter would be the form of charter we would require for sandalwood, and then we would pay only so much per ton. The rebate of 2 1/2% may go to our agents, but that would depend on actual arrangement made.

At the present time it is estimated that a trip charter for sandalwood from W.A. to Hong Kong can be arranged at 40 dollars per ton, and probably in the near future, on account of the increase of the world's shipping and the decrease in freights, it will be possible to charter vessels at a lower figure.

For proformas for trip and time charter, see forms attached (Returns pages 23 and 24). These proformas were supplied by Snowden & Co., and, as they have arranged all Patersons' charters in the past, through Gilman & Co., we probably could not do better than get our agents to deal through same firm.

Nationality of Ships carrying sandalwood to Hong Kon

During 1919	72%	of wood was carried under	British flag
	23%	" " " " " "	Chinese "
	5%	" " " " " "	Japanese "
In first 3/4ths of 1920	72%	" " " "	British flag
	27%	" " " "	Chinese "
	1%	" " " "	Japanese "

For details of ships, see return attached hereto (Returns 6 & 7).

GRADING

The West Australian sandalwood is not graded at all till after it gets into the hands of the Chinese. When the W.A. wood reaches the godowns in Hong Kong and China, it certainly looks very broken about and second rate. Even so it would not be advisable to grade the wood in Western Australia at the present time, but the general appearance of whole shipments could be greatly improved by reducing the percentage of small wood in cargo. If no wood under 4" in diameter were pulled, the price would improve, especially so when output is restricted.

The Chinese merchants who buy in about 100 ton lots from the British firms are the people who run cleaning and grading shops. They have no very definite scheme for grading. Logs usually are divided into three classes - good, better, best, sort of business - then small pieces, smaller pieces, chips and sawdust. The logs are cut into lengths of about 3 feet, scraped free of all sapwood and made perfectly smooth, and varnished with a reddish dye. The logs are then put in bundles of about 200 lbs. and bagged up in bamboo matting. The wood is then ready for shipment to smaller merchants in other parts of China.

If we went in for a complete system of grading before selling to the Chinese, it would also be necessary for us to undertake the cleaning and polishing. In this

we could not compete with the Chinese cheap labour (about 50 cents a day), and if we attempted it in Hong Kong with Chinese labour, our loss of wood would be very great. Another drawback would be that once sandalwood was graded it would be necessary to dispose of same in small lots, probably in not more than 5 ten parcels.

It must not be forgotten that the Chinese are a very conservative people, and if one tries to alter their old routine the foreigner as a rule falls in. Everyone in China says it is impossible to get the Chinese to think like we do about saving in handling, re-shipping, etc. and, to illustrate what they mean, on one occasion an instance was quoted to me where Jardines had been buying Shanghai goods in Hankow, and to get nearer the market and save handling and shipping they opened up a buying agency in the particular line in question in Shanghai, but they could buy nothing and had to give up trying to get Shanghai goods in Shanghai, when the Chinaman wished to sell Shanghai goods in Hankow. Hankow is three days up the Yangtsiang by steamer from Shanghai.

It thus seems that the old routine of taking sandalwood to Hong Kong, grading, cleaning and polishing it there, and then re-shipping it to Chinese ports, can only be altered very gradually, for it seems certain that any material alteration in ports would upset the whole sandalwood trade.

It would, I should think, pay to send to Hong Kong from time to time a little well selected and graded wood in small parcels of about 25 tons to compete, if possible, with the higher priced Indian and Eastern States wood. These parcels could be bagged like Patersons do the wood they ship to Bombay. If handling up graded wood proved a success, the scheme could be extended and possibly at some date in the future the whole cargo would go over so graded.

Chips are the small pieces of wood that get broken off during handling and shipping, really the debris of a cargo. Anything under 2 lbs. in weight is called a chip. Each buyer has to take his share of chips, but gets them at half the rate of the rest of the wood.

WHARF AND HANDLING CHARGES

About 90% of the sandalwood imported into China is wood re-exported from Hong Kong. ~~Shanghai is the only port in China that imports any quantity of wood direct, but a very considerable additional amount is re-exported from Hong Kong.~~ Shanghai is the only port in China that imports any quantity of wood direct, but a very considerable additional amount is re-exported from Hong Kong to Shanghai. This being so, it will probably be easy enough to increase direct shipments to Shanghai from time to time, without upsetting unduly the sandalwood trade channels.

The charges from ship to store are according to godown company's tariff of charges; when a firm has godowns, lighters etc. the charges may work out at a little less. Pamphlet giving charges at Hong Kong is in my possession. In Hong Kong the present rate for landing, boat and coolie hire is 8 cents per picul, and in Shanghai 7 to 10 cents per picul.

In Hong Kong there are no wharf and harbour dues, but at Shanghai the duty is .43 Haikwan taels per picul.

and dues amount to 5% of import duty, i.e. .086 Haikwan taels per picul. A Haikwan tael is a customs tael and average price is fixed by Customs from time to time. In 1919 average price was equal to 6/4d. The weighing is carried out on ship, as it is being loaded into junks for godown, the sandalwood is again weighed into godown. It is stated that the loss of wood from ship to godown is only very small, but during voyage from Fremantle to Hong Kong the wood loses weight, so also does it whilst stored in godowns. Whether the wood is shipped on deck or between decks, general weather conditions, and length of time stored, all materially affect the weight. Jardines found on several shipments that loss of weight from ship to out of godown was about 1%. Backhouse, of Manners and Backhouse, says 2% would cover loss in weight from Fremantle to sale. But to be on the safe side we could assume a loss in weight of 3%.

The transshipping of the wood along the coast is arranged by the various Chinese dealers after the wood has been cleaned and graded and for the most part is sent in small parcels to small dealers. The wood is practically all shipped by the scores of liners trading up and down the Chinese coast, the majority of which are British. Very little sandalwood is shipped by junk, the returns 13-17 at back show how the distribution is performed by steamer, railway and junk. The steamship freights along the coast vary from time to time. Returns pages 19 and 20 give quotations recently obtained from Indo-China Steam Navigation Co. and China Navigation Co.

STORAGE

At present a full year's supply or more is stored in godowns. According to figures obtained, over 8,000 tons of sandalwood are held and stored at ports of Hong Kong and Shanghai by the importers or importers' agents. All the Chinese merchants who were carrying on the cleaning and grading appeared to be fairly well stocked up, so also were the retail shops seen. It however would be almost impossible to ascertain with any degree of accuracy what stocks were carried in the hundreds of sandalwood shops and factories, large and small throughout the country. As a guess, it could be put at half a year's ordinary requirements, say 4,000 tons.

These stocks are probably no more than normal, for the price has been exceptionally high, and not much wood has been unloaded by importers at a cheap rate as yet, but may be in the near future, for very possibly it will be necessary for Chinese to dispose of considerable stock before the Chinese New Year. The Chinese New Year comes in February, and then it is customary for the Chinese to square up all their debts.

As the dealers and retail shops probably have no more than the normal stock, it seems that the importers' stocks are all that need concern us, viz. Foreign Importers' stock of 2,000 tons and Chinese Importers' stock of 6,000 tons.

The cost of storing sandalwood at Public godown is 4 cents per picul per month.

SALES

The British merchant sells his wood to the Chinese merchants in a hundred or so ton lots. The buyer is generally given about 3 months to take delivery, and he pays cash for the quantity he takes delivery of from time to time. These sales are arranged for British firms by firms' broker, who in the past has been getting a commission of 1%. The firms' Comptadore merely approves or otherwise of the sale to be arranged. In some firms the Comptadore actually himself guarantees the sale, for in a large firm the Comptadore is always a sound man financially. The Comptadore very often gets a squeeze from the merchant buying wood, but what it may be in any particular case is never gone into, for the Chinese merchant pays to British firm the arranged sum, and no further enquiries are made. Such is the custom between firm and Comptadore.

In Hong Kong no rebate is made to the dealer, but in Shanghai it seems customary to reduce the sale price arranged by 1% as a squeeze to the dealer, part of which may go to firm's comptadore.

The merchants who buy from the British firms are the people who carry out the grading, cleaning and general preparation of wood. These merchants in their turn pass on the prepared wood in smaller lots to smaller merchants and dealers. Such parcels of wood vary from about 1 picoul to 100 piculs.

Between the British firm who sells in the first instance, and the Chinese firm who buys, there is no middleman unless the firm's broker, who is generally a Chinaman, can be considered as one.

The Chinese importers seem to deal in a somewhat similar manner, but they very likely on the whole get a little nearer to the consumer, for many of them, no doubt, sell in small lots. My opinion is that we cannot with advantage get nearer the consumer than the British firms do at present. For to do so would mean selling in smaller lots, and this would necessitate selling to small men with little or no financial backing, and that is better left to the Chinese who understand their kind better than any foreign firm can be expected to. Selling to small Chinese dealers also means giving credit, and that we must avoid.

In the past the British firms have paid the owner of wood directly sales were arranged, and before delivery was taken. For this they have charged the owner 1%, and they called it guarantee of sales. The only risk they took was of dealer failing to take delivery. Under a Government monopoly we would want no guarantee of sale, for, if dealer failed to complete contract, we would still have wood which could be resold. As the Chinese pay cash on delivery, the only loss there could be would be loss of market. For form for sales of sandalwood used by Jardines, see Returns page 21.

RETAIL BUSINESS

Joss sticks, pieces of polished wood, chips of all shapes and sizes, are sold in small retail shops all over the country. Incense powder is also sold in some places. It however seems to be considered an inferior joss. There are many shops where sandalwood can be bought in Hong Kong, Canton, Shanghai, Tientsin, Peking, Hankow and all the smaller towns visited by me. In some of the larger towns there are shops in which nothing else but sandalwood is for sale, either short lengths of wood or chips of all shapes and sizes. Such shops were observed in Hong Kong and Shanghai and in the Chinese cities of Canton and Hankow. In the other towns visited no shops were seen where sandalwood only was sold, but scores of shops were noticed in which joss sticks and pieces of sandalwood were for sale, along with papers or other articles of daily use.

In Canton and Hankow there are quite large stores of nothing but joss sticks. These, no doubt, are more or less warehouses for the joss stick factories, where dealers could buy large quantities for export to non-manufacturing centres. Even so, one packet or a thousand could be purchased from such stores.

The actual prices are difficult to determine, for in the large warehouse shops they would give me a few sticks when any attempt was made to purchase, for, generally speaking, my guide was one of Jardine's Comptadores and a man of standing amongst the Chinese, and we would be treated as visitors and given tea, etc. On the other hand, in the smaller retail shops, seeing a foreigner, the price asked for would be a very high one, but with comptadore's assistance the figure finally arrived at would probably be somewhere near the ruling rate. A number of samples were purchased and these are available with prices paid attached.

Joss sticks are sold at all sorts of prices. At the Canton factory I was told that the small packets were 4 cents a packet retail, and for large quantities a reduction of 4% was made. The actual value of joss sticks per packet in retail shops seems to vary from 5 cents to 20 cents per packet, according to size of stick and locality of shop.

The sandalwood itself is sold at so much a piece, no weighing takes place, and, if you ask for 25 cents worth, they will cut off a piece to that value. The chips and incense are sold in a similar haphazard way.

In Canton there are a number of shops where sandalwood ornaments are being made, and, as a rule, they are sold on the same premises. At one shop I purchased several carved boxes, fans, etc. Although no similar ornament shops were seen outside Canton, it is very likely that they exist in numbers in other towns. In a great many of the retail shops pieces of Indian sandalwood are also for sale. This wood is larger, sounder and is prepared differently. While the West Australian wood is polished smooth, the Indian wood is dressed with a series of diamond facets. The price asked for Indian wood is a great deal more than West Australian wood.

In one shop at Hankow, I saw a lot of bundles of sandalwood covered with bamboo matting. These bundles were exactly similar to those seen by me in the preparing and grading shops in Hong Kong. After some questioning it was learnt that these bundles had been imported from Hong Kong, so a direct connection was established from British merchant to Hong Kong (cleaning, polishing and grading) merchant, and from Hong Kong merchant to retail shop in Hankow.

MANUFACTURE OF JOSS STICKS.

The only joss sticks factories seen by me in China were in Canton and Hankow. These towns are probably the two largest joss stick manufacturing centres in China. In Canton several factories making joss sticks right in the heart of old native Canton were inspected. Whilst in Hankow only one factory was located by me. It, however, was a great deal larger than those seen at Canton, and joss sticks were being turned out there by the million.

The method of manufacture was slightly different in these centres, but in neither town did they use any tools or plant worthy of the name. The only utensils used were of the most primitive kind, just simple bamboo basket basins for mixing joss powders, stone files, wooden mallets and trowels. Although no factories where joss sticks were manufactured other than those at Canton and Hankow were seen, it can safely be assumed that they do exist, and it is certain that joss sticks are made at in a small way in many places; at Tientsin I purchased a packet of joss sticks and found they were made at Macao, but at Macao no factories were seen by me.

Bamboo was being used for the cores of all joss sticks that were being made at the time of my visits to the Canton and Hankow factories, and, as far as I could learn, nothing else but bamboo was ever used in these factories. The bamboo was in all instances prepared elsewhere, in fact was brought some distance so the Chinese gave me to understand. The bamboo was sawn into lengths, sliced with a knife to required sizes, tied into bundles and forwarded to the various joss stick manufacturing centres. Scores of such bundles could be seen in the factories.

The chief ingredients used in manufacture of joss sticks are bamboo, red and blue pigments, sandalwood, three varieties of Chinese medicinal herbs, and a medicinal bark. These herbs and bark, samples of which have been obtained, have a most powerful scent.

In the actual manufacture of sticks at Canton, the first operation was to colour one end of the strip of bamboo to serve as the handle end of the stick when completed. This was accomplished by dipping the ends of sticks in a red, muddy liquid (probably a red oxide native pigment). The second operation was to grind sandalwood chips and refuse from sandalwood shops into a powder. This was done by rubbing with stones. The herbs and bark were similarly powdered up. A wooden mallet in a stone dish was the means by which this was accomplished. The third operation was to mix sandal powder and medicine powder together in a basin, and add water and churn up mixture till a dough was the result.

The final operation was to roll the dough on to the stick of sliced bamboo with a wooden trowel. The joss stick was then put aside to dry, and after drying the sticks were counted out and put into paper sleeves. The packets of sticks after being packed in cases were ready for export.

In the Canton factories some joss sticks were made of Chinese medicines only, in others Chinese sandal was used instead of the imported sandalwood. At one factory they had a considerable quantity of Chinese wood. It was very straight and sound and was from 3" to 8" in diameter and reddish in colour. The Chinese, however, said it was very inferior and was only worth 2 or 3 dollars per picul. The wood seemed to have a sandal smell. Other than at the one factory this Chinese sandal was never met with by me during my whole visit. I have secured a small sample of this wood.

In the factory I went over at Hankow the method of manufacture was slightly different. The sandal and medicinal herbs and bark were powdered up in much the same way, except that tools were slightly better. Logs of sandalwood were used, and to grind them into powder a large stone file was used. A lever device which was worked by foot was arranged for raising and lowering the wooden mill on to stone dish containing herbs. The sandalwood used appeared to be logs of fair average quality.

The powdered materials were put into a number of basket dishes in a dry state. The moistened pieces of bamboo were twisted about in bundles in each basket of joss mixture. A coolie manipulated a bundle of sticks over each basket. He shook and sprinkled the sticks with powder in turns. This process of moistening, shaking and sprinkling was continued till sufficient joss material had adhered, when sticks were put aside to be dried and packed.

If the stick was to be a large one, they then resorted to rolling on the dough mixture as was done in Canton. The paper sleeves were made on the premises at Hankow.

The drying yard at Hankow was quite a sight, for hundreds of thousands of sticks of all sizes and colours were drying at the same time. At this factory the joss mixture was coloured as well as the bamboo in some instances.

As far as I could learn, there would be no religious disability in the way of our making joss sticks in Western Australia, but I am quite sure we could not manufacture joss sticks as cheaply as can be done in China. I have not been able to trace any joss sticks of Japanese origin in China, but even so it does not prove that the Japanese do not export joss sticks to China, for during my visit the Japs were out of favour, and Japanese goods had been boycotted, and, although boycott had been officially removed, Japanese goods were still avoided.

Before concluding this, my general report on the sandalwood trade, I would like to point out that for a stranger unacquainted with China or Chinese to collect information that for the most part can only be obtained from the Chinese themselves is a somewhat difficult matter.

The information that has been obtained by me was largely secured owing to kindly assistance given me by the firm of Jardine, Matheson & Co.Ltd. They have assisted me to a very large extent indeed, in every town of any size visited I was received most cordially by their representative and in Hong Kong, Canton, Shanghai, Tientsin, Peking and Hankow, as well as being greatly assisted by their British staff, I was given the senior member of their Chinese staff, by whom I was shown sandalwood shops, factories, godowns etc. He acted as interpreter with the Chinese for me. Without the assistance given me by Jardine, Matheson & Co.Ltd., I would probably have found out but little, but now I feel that my knowledge of sandalwood in the East generally is probably as large as any other white man's. I would further add that Jardines assisted me, even though at the time we were only asking them to put in proposals and so compete with other firms.

SINGAPORE

It seemed advisable to get particulars of the sandalwood trade in the Federated Malay States, so I decided to return to Fremantle via Singapore, arranging my bookings so as to have a week in Singapore. Jardines gave me a letter to their Agents, Boustead & Co. (the No. 1 British firm in Singapore). From Mr. P. Boustead an introduction to British Trade Commissioner was secured, and through him access to Customs returns was obtained.

Boustead and Co. gave me all the information they could and then arranged for their No. 1 Chinese Import clerk to take me around the various Chinese dealers and retail shops and to act as interpreter for me.

From Chinese dealers it was ascertained that market was glutted and that wood was now worth only from 7 to 9 Singapore dollars per picul, and that at the present time Singapore stocks were 500 tons approximately, 300 tons of which were held by British firms and 200 tons by Chinese dealers.

McAlister and Co. seem to be the largest British holders of wood. The largest Chinese dealer seen, Guan Chin Hong, said he bought his wood through Overseas Coy.

From the Import and Export Returns (see pages 3, 4 and 5) it is shown that Singapore imports in normal times about 2,000 tons per annum and exports about the same quantity. But in the first three quarters of 1920, 43,343 piculs were imported from Australia and only 2,150 piculs from neighbouring islands and countries. During the same period 39,455 piculs were exported to Hong Kong and China, whilst only 5,200 piculs went to India and adjacent countries.

The one retail shop seen was really a paint shop with sandalwood as a side line. Chips and pieces of all sizes were for sale, just as they were in many of the Chinese retail shops.

Singapore is only a clearing house for sandalwood like Hong Kong, but on a much smaller scale. The local requirements would be nearly supplied from adjacent countries, for the local consumption is probably not 5,000 piculs per annum.

Under monopoly the Federated Malay States could be treated as a side line, but must not be neglected altogether, as Singapore supplies many places with small quantities in addition to the larger quantities that are re-exported to Hong Kong and China.

Our agents in Hong Kong could arrange for their agents in Singapore to take orders for wood at ships side, thus saving handling and storage costs. Selling wood in such a manner would enable the Chinese to keep existing markets open if they wished. The selling price at Singapore would be fixed by Hong Kong price and would be determined by Hong Kong agent.

The fact that wood at Singapore and Hong Kong was in the first instance sold at the same rate should eliminate most of the trade in sandalwood from Singapore to Hong Kong and China, but, as the traders are Chinese, it will not follow as a necessary sequence, for they do not work on quick, regular profits, but gamble on big increases in value of wood or favourable exchanges.

The freight on sandalwood by the regular lines from Fremantle to Singapore has been in recent times 28 per ton. Practically all the Singapore sandalwood traders except McAlister & Co., who deal with Henry Wills & Co. (Henry Wills & Co. is most probably only acting as Paterson's agent for Geraldton wood) and John Stewart or Bradley & Co.'s agents, seem to be Chinese. Joyce and Watkins have traded with A Lee & Co., Australian Overseas with Guan Chin Hong, Geo. Evans & Co. with Yong Ngiep, W.A. Sandalwood Coy. with Yong Ngiep and Yeo Wee Chang, Wing Hing & Co. with Wing On & Co. The ships manifests seen at Import Office show that nearly all the wood coming from W.A. to Singapore is consigned to the different Banks (see Return page 11).

The registrations of exports and imports are not kept at Singapore in the same exact manner as they are in Hong Kong. Singapore does little more than record totals, so exact information of countries, exporters and importers cannot be obtained.

SUMMARISED STATEMENTS

The following summarised statements are the main facts and conclusions on which my final recommendations are based.

- (1) At least 80% of the sandalwood imported into China comes from Western Australia, that is, we have sufficient control of the market to create a monopoly, especially so, as sandalwood imported from other countries is a much more expensive wood, and is sold in China for a much higher figure than West Australian wood. That is, we have almost an absolute monopoly of the cheaper sandalwood.
- (2) About 90% of the W.A. wood goes to Hong Kong in the first instance. Our agency must therefore be centred in Hong Kong although the firm appointed must be represented in Shanghai and Singapore.
- (3) Practically all the British firms in the East trading in sandalwood consider 6,000 tons per annum to be about the right figure, for they consider that such a quantity can be sold readily at an optimum price.
- (4) The British firms in Hong Kong and their compradores consider that under a monopoly 15 dollars per picul would be the cheapest rate at which sandalwood ever need be sold, and that price could be gradually increased to about 25 dollars per picul.
- (5) British firms have handled the sandalwood trade with better financial results in the past than have the Chinese firms.
- (6) The market is overstocked at the present time as Hong Kong and Shanghai importers' stocks amount to about 8,000 tons. The Chinese importers, small firms outside pool, hold about 7,000 tons, and the pool, or Patersons, about 1,000 tons. The Singapore stocks are about 500 tons, 300 tons being held by British and 200 tons by Chinese.
- (7) Stocks other than importers' are probably a little below normal. Therefore importers' stocks are all we have to consider.
- (8) It is not advisable to send sandalwood to China under monopoly scheme for at least a year, on account of the oversupplied state of the market.
- (9) The proposal for handling and selling our sandalwood in China finally submitted by Jardine, Matheson & co.

is better than any other proposal received. Jardines' terms are at least 8,000 dollars per annum better than Gilman's, the next best, and, in addition, theirs is a much more straightforward and workable proposition.

- (10) Jardine, Matheson & Co. is the best and most highly thought of firm trading in the East. It is represented throughout China and has considerable experience in handling and sale of sandalwood.
- (11) Jardines offer to give office room to a W.A. representative to look after State's interests.
- (12) We could not open a Government agency in Hong Kong and sell our own sandalwood at a figure as low as Jardines have offered us.
- (13) All costs from F.O.B. Fremantle on 6,000 tons to final sale in the East will be 56,000 dollars cheaper under Jardines' terms than they are at present. That is, a direct benefit of 56,000 dollars to W.A. per annum in handling costs alone.
- (14) The actual selling commission paid by Paterson & Co. at present time, based on a 15 dollar picul is 11.6 dollars per ton. With monopoly and Jardines as our sole agents, selling commission will only be 3.5 dollars per ton.
- (15) Under monopoly, and with Jardines as agents, the chartering of vessels will be arranged without cost. That is, we will actually receive a rebate of 2 1/2% on charter account.
- (16) The out-of-pocket expenses in connection with rates on sandalwood in China now are 4 dollars per ton, and will be the same under monopoly as they are at present. Therefore all costs in China under monopoly will be 7.5 dollars per ton, whilst at present they are 15.6 dollars per ton.
- (17) Freight and marine insurance from Fremantle should cost not more than 48.5 dollars per ton, and at present time can be arranged for 37.5 dollars per ton.
- (18) All costs (based on 15 dollar picul and a 40 dollar freight) from F.O.B. Fremantle to final sale in China will be 50 dollars a ton under monopoly.
- (19) If sandalwood only sells at 10 dollars per picul and the dollar is only worth 2/9d, the monopoly can be run with a nominal profit after allowing wood at 215 F.O.B. Fremantle as proposed in my original scheme.

- (20) When sandalwood sells at 15 dollars per picul and the dollar is worth 2/9d, the monopoly can be run at a profit of £11 per ton, after allowing wood at £15 F.O.B. Fremantle, i.e. there would be 266,000 available for profit sharing between getter and State on year's turnover of 6,000 tons.
- (21) When monopoly had been running for some time and wood could be sold for 25 dollars per picul, and with exchange at only 2/9d, there would be a profit of £30 per ton after allowing wood at £15 F.O.B. Fremantle, i.e. there would be £180,000 available for profit sharing between getter and State on year's turnover of 6,000 tons.
- (22) During the last 12 months exchange has ranged from 3s. to 6/2d. With a high dollar the yearly profits would be enormous.
- (23) The loss of weight in wood from Fremantle to final sale in Hong Kong is said to be covered by 2%, but the results in this summary have been worked out on the basis of a 3% loss in weight. For Fremantle costs and all freight and selling expenses in China 100% has been used, but for sales only 97% has been reckoned on. To illustrate this quite clearly an actual example is given hereafter.
- (24) To undertake the grading and preparing of sandalwood in West Australia would upset the existing trade channels through which sandalwood is now passed. It would also make the wood more expensive, for labour in W.A. cannot compete with the cheap Chinese coolie labour, which is only 50 cents a day.
- (25) We cannot manufacture joss sticks etc. in W.A. to compete with those made by Chinese labour.
- (26) All costs have been based on Hong Kong sales, as sandalwood would only be sold elsewhere when it was more profitable than selling in Hong Kong.

Example showing method of arriving at figures quoted in summarised facts and conditions.

100 tons of wood ex Fremantle, sold in China at 15 dollars per picul, when dollar was at 2/9d.

Wood for which payment would be received in China	= 100 tons - 3% = 97 tons
	= 97 x 16.8 piculs
Value received for wood sold @ \$15 per picul	= 97 x 16.8 x \$15
	= 24,444 dollars
Selling costs, out of pocket expenses, freight and marine insurance	= 50 dollars per ton
On 100 tons ex Fremantle	= 5,000 "
Hong Kong profit on sale	= Sale price - freight &
	= 24,444 - 5000 doll
	= 19,444 dollars
With dollar at 2/9d, 19,444 dollars	= 19,444 x 2 $\frac{2}{9}$ dollar
	= £2,673.11.0
Advance in Western Australia and cost up to F. O. B. Fremantle	= £100 x 15 = £1,500
Amount available for profit sharing on 100 tons ex Fremantle	= £2,673.11.0 - £1,500
	= £1,173.11.0
	or £11.14.0 per ton

Say £11 per ton

SUMMARISED RECOMMENDATIONS

My recommendations, which have more or less been given in previous pages, summarised are :-

- (1) That a Government sandalwood monopoly be created.
- (2) That all details of scheme be approved as early as possible
- (3) That steps be taken to establish necessary machinery, so that monopoly can become a going concern without undue delay.
- (4) That Jardine, Matheson & Co. be appointed our sole selling agents in the East.
- (5) That Jardine, Matheson & Co. be given 6 months' notice of appointment immediately, so as to enable them to get free of existing contracts.
- (6) That necessary agreement embodying Jardines' terms be drawn up in readiness for signature.
- (7) That agency be for 5 years, based on 6000 tons per annum or less.
- (8) That no sandalwood be sent to Hong Kong under monopoly for a year, or a longer period if it be necessary.
- (9) That, as it is not advisable to stop the getting of sandalwood altogether, the Government agree to take and hold about three thousand tons during the next financial year, advancing £8 per ton, or sum agreed upon, to the getter. Failing the Government agreeing to this, that all getting of sandalwood from Crown Lands be prohibited for one year.
- (10) That removing of sandalwood from Crown Lands for or on behalf of any persons other than W.A. Government be prohibited by proclamation as early as possible.
- (11) That under monopoly the trade in China be passed through the same channels as at present, except that wood be sold through one British agency only.
- (12) That with first shipment of sandalwood under monopoly a few tons of graded and bundled up wood be shipped as an experiment to try and compete with small lots of high priced wood from India and elsewhere, and that at commencement no other wood be graded.

- (13) That we do not consider the question of manufacturing joss sticks etc. in W.A.
- (14) That, when scheme gets going, either a representative from W.A. be sent to China to push our interests (see Jardines' offer) or a responsible officer visit Hong Kong at frequent intervals. At the commencement of scheme the latter would be necessary, but later perhaps a permanent representative would be more satisfactory.
- (15) That Singapore market be not neglected altogether, but be treated as a side line, and be worked by Hong Kong agent through their agents in Singapore; selling price at Singapore to be fixed from Hong Kong and wood to be sold on ships slings if practicable.
- (16) That immediately after it has been decided to proceed with monopoly and details have been approved, a conference of sandalwooders be called and that present position of industry and proposals for future working be thoroughly explained.

In conclusion I would add that I am absolutely convinced that a Government monopoly is the one and only satisfactory solution of the sandalwood industry. I am confident that the monopoly can be run so as to return large profits.

The only possibility of a failure would be (1) If the Chinese gave up using sandalwood, and this is not, it seems, in the least likely in the near future; (2) If sources of supply other than those being drawn from at present be discovered; (3) If value of dollar absolutely collapses.

The variation of the value of the Hong Kong dollar in sterling will be an uncertain element we will always have, but even with dollar at only 2s. and picul of sandalwood at 15 dollars, the monopoly can be run with a balance available for profit sharing of at least £20,000 per annum, whilst with dollar at 3s. - and this is considered the more likely value by import people - a figure approximately a million sterling should be available for profit sharing during the first 7 or 8 years. If the dollar approached the recent high values, the profits would be very large indeed.



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MD

Return
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IMPORTS OF SANDALWOOD INTO CHINA FOR 1917, 1918, 1919.

Imported from	1917		1918		1919	
	Piculs	Value Hk. Tls.	Piculs	Value Hk. Tls.	Piculs	Value Hk. Tls.
Hong Kong	83,465	802,020	98,588	1,438,045	136,371	1,445,174
Macao	17	233	1	5	13	177
French Indo-China	14	210	81	1,314	-	-
Singapore St. Sett.	2,037	17,559	5,468	81,975	17,236	165,216
Dutch Indies	43	371	35	325	29	280
British India	26	358	43	2,219	36	1,880
Great Britain	46	450	-	-	-	-
Japan (incl. Formosa)	28	241	4,483	67,245	3,214	53,242
Australia, N.Z. &c.	14,377	123,930	12,350	165,250	2,328	22,400
Direct Gross Import	100,053	945,372	121,046	1,776,578	159,226	1,668,369
Re Imports	119	1,111	29	385	57	609
Total Net Import	99,934	944,261	121,017	1,776,193	159,169	1,667,761

Average value of Hk. Tl. for 1919 is given as 6/4d.
Therefore, total of 159,169 piculs valued at 1,667,761 Hk. Tls. is
equivalent to 9,474 tons valued at 2578,128 = 261 per ton app.

HONG KONG IMPORTS OF SANDALWOOD FOR 1918, 1919

	1918		1919	
	Piculs	£	Piculs	£
Queensland	3,278	198,119	Australia	187,174 598,102
N. F. W.	1,993	Australian	New Zealand	53 153
Thursday Island	7,494	values not	India & Ceylon	93 958
West Australia	64,983	kept separ- ately.	Strait Settlements	26,484 83,591
India	289	3,884	British North Borneo	58 1,387
Strait Settlements	27,083	68,961	Netherlands East Indies	728 3,670
British N. Borneo	12	381	Indo-China	206 3,938
Netherlands East Indies	4,347	16,618	North China	17 82
Indo-China	20	80	Siam	269 1,432
Siam	424	2,745	Japan	18 65
			Philippine Islands	8 213
Total	109,893	289,988		215,108 683,482

IMPORTS OF SANDALWOOD INTO HONG KONG FOR FIRST
THREE QUARTERS OF 1920.

Place	1st Quarter		2nd Quarter		3rd Quarter	
	Piculs	£	Piculs	£	Piculs	£
Australia	27,458	80,984	73,652	139,715	52,087	94,112
Straits Settlements	9,394	20,990	7,769	16,333	10,467	19,381
Middle China	2	7				
Netherlands N. Indies	290	2,483	165	1,176	64	376
Indo-China	1	110	17	471	3	64
Siam	159	1,073	525	3,119	117	584
Other Foreign Countries (Houma)	161	1,628	2	23		
India			44	500		
British N. Borneo			4	28		
North China			4	26		
	37,458	107,268	82,202	161,591	62,706	114,407

Totals for part of 1920	1st quarter	37,453 piculs valued at £107,268
	2nd "	82,202 " " " 161,591
	3rd "	<u>62,706</u> " " " <u>114,407</u>
Totals from Australia for 3 quarters		<u>182,203</u> £383,083
		<u>153,147</u> " " " <u>314,791</u>
Other countries, including Straits Sett. which is largely W.A.		29,216 " " " 268,262

Australian wood is distributed as follows
(first 3 quarters of 1920)
Prices not separated in returns.

Queensland	1,476 piculs
N. S. W.	1,600 "
Victoria	84 "
Thursday Is.	4,028 "
W. A.	<u>145,859</u> "
	<u>153,147</u> "

IMPORTS OF SANDALWOOD TO STRAITS SETTLEMENTS FOR
1918 and 1919.

From	1918		1919	
	Piculs	£ = 2/4d	Details not available	
	Piculs	£ = 2/4d	Piculs	£ = 2/4d
Australia	19,786	251,805	1st quarter	4,493 69,808
Other British Possessions	14	371	2nd "	5,809 85,785
Java & other Dutch Islands	675	4,760	3rd "	6,509 84,821
Siam	213	1,002	4th "	15,891 217,803
Other Foreign Countries	21	467		
	20,709	268,405		32,702 458,217

Now, from the Returns of Imports into China, Hong Kong, and the Straits Settlements, given in previous pages, it appears that about 97% of all the sandalwood imported into China comes from Hong Kong and Singapore and of the sandalwood into Hong Kong about 60% comes from Western Australia and about 25% from Singapore.

It appears from the Import Return into Straits Settlements given above that most of the wood shown as coming from there is really only wood that is transhipped at Singapore, about 90% of which comes from Australia and, I take it, Western Australia. From this it seems that at least 80% of all the sandalwood imported into China comes from Western Australia, the remaining 20% coming from the other Australian States, India, and from the Islands of Java, Siam, N. Borneo, Indo-China, etc. (It is thought locally in Hong Kong that 80% is a conservative figure).

Values of Wood

From the values given in the Import returns, Australian wood, it would appear, is inferior to the small parcels from the Islands & India. Australian wood is generally only shown as valued at about £2.10.0 per picul, whilst wood from other countries is from £4 to £30. S.A. wood is also inferior to the small parcels from the Eastern States and Thursday Island.

SANDALWOOD IMPORTED INTO STRAITS SETTLEMENTS DURING 1919
from Blue Book

Country Imported from	Singapore		Penang		Malacca		Labuan	
	Piculs	Value Stra.	Piculs	Value	Piculs	Value	Piculs	Value
Australia	30,650	428,086						
Other British Possessions	153	1,161	2	150				
Borneo	114	1,550						
Java	554	6,500						
Sumatra	154	2,711						
Siam & Siamese States	274	5,650	321	2,122				
Totals	31,899	445,644	323	2,272				

SANDALWOOD EXPORTED FROM STRAITS SETTLEMENTS FOR 1919

Country Exported to	Piculs	Value	Piculs	Value
British India & Burma	1,049	16,533		
Ceylon	105	2,055		
Hong Kong	17,521	321,813		
Fed. Malay States	136	4,082		
Non-Fed. Malay States			95	1,011
Other British Possessions			39	1,102
China	19,505	342,442		
French Indo-China	115	2,131		
Java	310	5,784		
Other Dutch Islands	34	704	17	520
Siam and Siamese States	539	9,891		
Other Foreign Countries	8	170	3	28
Totals	39,220	705,605	154	2,661

The above was obtained from Registrar of Exports and Imports, Singapore.

IMPORTS OF BANDALWOOD TO SINGAPORE FOR FIRST
THREE QUARTERS OF 1920.

Imported From	Piculs	Value Str. 1/2 = 2/44
Other Dutch Islands	2	40
Sumatra N.O.	56	1,036
Dutch Borneo	53	650
Australia	43,343	826,983
Sarawak	108	660
British North Borneo	196	2,859
Java	1,027	15,080
Siam Proper	167	7,948
Malantan	4	74
Penang	20	500
Sumatra S.O.	254	2,068
Siam S.O.	250	3,750
French Indo-China	7	70
Totals	45,495	861,720

EXPORTS OF BANDALWOOD FROM SINGAPORE FOR FIRST
THREE QUARTERS OF 1920.

Exported to	Piculs	Value
Perak	32	1,280
Selangor	25	930
Negri Sembilan	4	128
Siam Proper	281	4,661
Penang	348	6,944
Java	183	2,624
China	10,061	204,459
Celebes	2	52
Bombay	3,617	77,550
Hong Kong	21,394	367,676
Madras	202	4,124
Ceylon	124	2,320
Barma	220	2,860
Dutch Borneo	2	32
Aden	4	80
Ohio	2	29
Sumatra S.O.	6	172
Malacca	6	123
Calcutta	72	1,200
French India	10	169
U. S. A.	84	2,460
Johore	1	10
Totals	44,749	769,850

DETAILS OF IMPORTERS OF SANDALWOOD INTO HONG KONG AND W.A. SELLERS FOR 3 QRS. 1920. Page 9

Importer in Hong Kong	Address	Seller in Fremantle	Value in dollars.	Value in Piculs.	Name of ship.
Ying Wah Co. Ltd.	222 Des Voeux Road, H.K.	Eastern Agency Co. Fremantle.	48870	4887	Amherst.
Ying See Co.	82 " "	John Heeter.	102410	8952	Chefoo.
Ying on Co.	104 Connaught Rd.	Wing Hing, Perth.	1680	168	Swah Ping
Harry Wicking & Co.	Princes Buildings.	Barrymore	2800	421	St. Albans
Tsun Fat Co.	16 Hillier St.	W.A. Sandalwood Co.	42633	4738	Amherst.
Wing on Co.		Aus. Overseas Co.	7929	793	Lindsay Hollar.
Leen Yick	30 Proya East	J. Cheong, Fremantle.	9660	2029	" "
Bradley & Co.	Hong Kong	John Stewart	21420	1714	Merisalta.
Jardine & Mathieson	" "	Patterson & Co.	40320	3360	" "
Milwei Bossan Kalsha	" "	M.B.K. Perth.	21000	1680	" "
Gilman & Co.	" "	Patterson & Co.	41884	3351	Rapara.
Jardine & Mathieson	" "	" "	26208	2184	" "
Bradley	" "	Stewart	17220	1378	" "
Gilman & Co.	" "	Patterson & Co.	25625	2050	" "
M.B.K.	" "	M.B.K.	16880	1344	St. Albans.
Harry Wicking & Co.	" "	Barrymore	2060	535	" "
Arnhold Bros.	14 Chester Road.	Wardskog Dug & Turner, Fremantle.			
Ying Wah Co.		Eastern Agency	895	12250 lbs.	Rao Jan Maru
Ying Lee Co.		John Heeter	46080	4853	Amherst
Luen Cheong		J.A. Cheong Fremantle	110200	9257	Chefoo.
Wing Cheong Co.	30 Proya East	W.A. Sandalwood Co. (ships)	45000	450 tons.	Phra Wang
	38 Rosling St.	Aus. Overseas Co.	39000	325 "	Phra Wang
		Barrymore	1300	28 "	" "
		Barrymore	14677	1054	" "
		M.B.K. Fremantle	26936	191 "	" "
		John Stewart	710	324 Piculs	St. Albans.
	86 Connaught Rd.	M.B.K.	39240	3024	Allinga.
	Hong Kong	John Stewart	5100	504	" "
	" "	Patterson & Co.	1590	199	" "
	" "	" "	25327	5090	" "
	" "	" "	46658	5489	" "
	" "	" "	1713	202	" "
	" "	Eastern Agency Co.	39020	4877	Amherst.
	" "	Barrymore	6710	531	Eastern

Name of Importer in Hong Kong.	Address.	Seller in Fremantle.	Value in dollars.	Piculs.	Name of Ship.
Harry Vicking.	Hong Kong	Barrymore.	11480	1037	Eastern
J. B. De Roche	2 Connaught Rd.	Joyce & Watkins Fremantle.	25300	201 tons.	Ralph Hedder.
Wing on Co.	Hong Kong	Aus. Overseas.	646	86 "	"
Harry Vicking	"	Barrymore	3900	1282	Kanowna.
"	"	"	3795	1000	"
Ying Wai. Co.	"	Western Agency	48902	4890	Amherst.
Luoh Yick	"	J. A. Cheong	70000	500 tons.	Phra Hang.
Chan Tai Ting	250 Des Voeux Rd. Cent.	McCorkill Ltd. Perth	17400	2931 Piculs	"
"	"	George Evans & Co. Perth	19600	5307	"
"	"	"	6400	1075	"
"	"	Copley & Dawson Ltd.	20100	3381	"
Bradley.	"	Stewart	26400	4070	Hwai N Sin
"	"	"	2500	370	"
M. B. K.	"	M. B. K. Fremantle.	51609	3226	"
"	"	Gerraldton	4610	288	"
Jardine & Mathieson	"	Paterson & Co.	39780	7050	"
Gilman & Co.	"	"	76737	7628	"
Win Cheung Co.	"	J. Cheong	16000	3360	Phra Hang.
Win Cheung Co.	"	W. A. Sandalwood Co.	24240	5090	"
Tsun Fat	36 Des Voeux Rd. Cent.	Wing King	33550	105 tons.	"
Wing on Co.	"	"	8410	841 piculs.	Samarang Hara

Whilst only 8 firms were importing Sandalwood into Hong Kong during 1919, the number increased to 16 firms who imported wood into Hong Kong during first three quarters of 1920, and practically all the new importers are Chinese firms.

IMPORTERS OF SANDALWOOD FROM AUSTRALIA
DURING 1919.

Importer	Imported from
(1) Yink Lee & Co., 325 Des Voeux Rd. C.	Rothergill, Fremantle, John Hector
(2) Sing On Co. Ltd., Connaught Rd. C.	Wing Hing & Co, Fremantle Lee & Co. Australian Overseas Co. Wing On & Co., Sydney. Cheong Yuen, Townsville.
Wing Yee Fung, 55 Connaught Rd., W.	Chee Kong, Sydney.
Quan Yick Tai, 29 Des Voeux Rd., C.	See Yick, Thursday Island.
(3) Luen Wo Co. Ltd.	Western Australian Sandalwood Co., Fremantle.
(4) Luen Chong Co. Ltd. 30 Praya East Road, Cheong Lung, 183 Wing Lok St. San Sing Cheong, 136 Des Voeux Rd. W. Kwong Tai Yuen, 118 Connaught Rd. C. Wan Yick Tai, 29 Des Voeux Rd. C. Wenters & Backhouse Ltd. 5 Que. Rd. C. Sibb, Livingstone & Co., St. George's Buildings	J. A. Cheong, Fremantle, Thursday I. & Townsville Cairns A. E. Abel, Cairns, Thursday Island W. Hagen, Sydney. Burns, Philp & Co., Sydney.
(5) Mitsui Bussan Kaisha, Princes Bldgs.	M. B. K., Fremantle.
(6) Bradley & Co. " "	J. Stewart & Co. Fremantle.
(7) Jardine-Matheson & Co.	Paterson & Co.
(8) Gilman & Co. Ltd. 8a Des Voeux Rd.	" "

The above return shows that during 1919 only eight firms were importing sandalwood from Western Australia into Hong Kong. They are marked (1) to (8). The others are importers from Eastern States and Thursday Island.

IMPORTS OF SANDALWOOD INTO SINGAPORE IN 1920.

Steamer and date	Shipper in Australia	Importers	Quantity Tons cwt. grs.		
1920 May, Minderoo	John Stewart & Co.	Order	47	10	0
" "	Dalgaty & Co.	"	1	0	0
" Ban Hong Ling	Paterson & Co.	"	20	0	0
	do.	Manfield & Co.	45	0	0
	Geo. Evans & Co.	Mercantile Bk. of India	47	19	0
	do.	Hongkong & Shanghai Banking Corpn.	100	18	3
	do.	Chartered Bank	101	5	2
	Wing Hing & Co.	Wing On & Co.	50	1	1
	Joyce & Watkins	International Bank- ing Corp.	16	19	2
	do.	Chartered Bank	31	16	0
	W.A. Sandalwood Co.	do. do.	11	0	2
June, Gergon	Henry Wills & Co.	Chartered Bank	104	7	1
	Joyce & Watkins	Mercantile Bank	103	6	2
" Charon	John Stewart & Co.	Order	10	0	0
	Joyce & Watkins	Mercantile Bk. of India	99	9	3
July, Ban Hong Ling	Paterson Simons	Order	35	0	0
	McCorkhill Ltd.	Duncan Roberts	163	11	2
	do.	Guan Chin Hong	50	0	0
August, Rajah of Sarawak	Paterson Simons	Order	50	0	0
	McCorkhill Ltd.	Francis Peck & Co. Ltd.	260	0	0
August, Gergon	Henry Wills & Co.	Chartered Bank	100	4	0
	Joyce & Watkins	Mercantile Bank	105	14	0
" Charon	do.	do.	106	15	3
	do.	Bk. of Australia	50	0	0
	John Stewart & Co.	Order	3	10	0
	do.	do.	10	10	0
Sept. Rajah of Sarawak	McCorkhill Ltd.	do.	300	0	0
	Joyce & Watkins	Mercantile Bank	100	0	0
	McCorkhill Ltd.	Order	39	15	2
" Minderoo	Henry Wills & Co.	Chartered Bank	104	6	0
<u>i.e. for 5 months in 1920</u>			<u>2,278</u>	<u>9</u>	<u>3</u>

SANDAHOOD EXPORTS FROM HONG KONG FOR
1918 & 1919.

1918			1919		
Amount Piculs	Value in £	Destination	Amount Piculs	Value in £	Destination
2	4	Canada	3	21	India
13	51	Straits Settlements	28	54	Straits
4	8	British N. Borneo	3	5	British N. Borneo
75,142	272,023	North China	1	61	West Indies
6,017	17,817	Middle China (by steamer) & Formosa	110,949	344,929	N. China
134	406	Middle China (by junk)	9,470	25,612	Middle China (steamer)
11,290	24,842	S. China (steamer)	69	178	Middle China (junk)
878	2,057	S. China (junk)	11,550	23,994	S. China (steamer)
147	187	S. China (rail)	1,070	2,585	S. China (junk)
903	1,075	Japan	102	225	S. China (rail)
23	22	Netherlands N. Indies	2,372	5,195	Japan, Corea, For- mosa
1,597	4,979	Indo-China	28	109	Netherlands N. Indies
125	353	Siam	3,670	9,667	French Indo-Chin
4	7	Phillipine Islands	13	36	Siam
5	19	U. S. A.	2	8	Phillippine Is.
			54	331	U. S. A.
			5	13	Central America
			4	13	South America
98,986	2323,840	Totals for 1918	139,184	212,056	Totals for 1919

-X- Further details of ports and quantities given in another return

N.B. It will be seen from above that very little is carried by junk along coast.

DETAILS OF SANDALWOOD EXPORTS FROM HONG KONG DURING 1919 TO CHINESE PORTS
TOTALLED ON PAGES 12 AS NORTH CHINA.

Ports	January	February	March	April	May	June	July	August	September	October	November	December
Shanghai	2,712	1,478	9,610	3,982	6,384	6,359	12,922	8,445	7,855	3,486	3,566	4,530
Hankow	67	103	567	292	535	831	1,561	2,599	1,605	549	789	1,429
Tientsin	-	123	164	131	63	21	102	40	18	12	69	-
Tsingtan	176	25	142	61	75	79	60	140	95	49	156	195
Chinkiang	634	918	1,509	104	1,371	1,032	2,332	3,993	1,734	157	812	4,303
Changsha	-	-	-	-	50	97	86	19	5	-	-	-
Siangtan	-	69	50	50	-	169	179	190	70	-	-	-
Ichang	72	-	10	41	-	-	19	13	267	34	-	40
Chefoo	107	-	39	71	16	-	37	252	149	38	20	16
Newchwang	-	-	67	140	20	-	70	43	58	90	91	-
Hingho	-	-	5	-	4	24	-	215	8	-	3	-
Kuhn	-	-	-	-	3	-	-	-	1	-	-	-
Kinkiang	9	-	-	-	96	-	-	-	-	-	8	2
Dairen (Dalny)	-	-	-	-	-	-	-	-	-	-	10	35
	3,777	2,714	12,159	4,890	8,617	8,624	17,393	15,879	11,635	4,423	5,524	10,550

DETAILS OF SANDALWOOD EXPORTS FROM HONG KONG DURING 1919
 TO CHINESE PORTS TOTALLED ON PAGE 12 AS BEING
 SHINA AND FORMOSA (BY ESTIMATE).

Ports	January	February	March	April	May	June	July	August	September	October	November	December
Santon	106	496	291	142	203	276	552	146	140	192	335	372
Away	44	86	97	41	23	13	52	4	19	27	111	109
Peochow	266	522	751	586	1,486	504	91	303	160	167	97	614
Kakang	1	3	3	-	49	22	-	-	-	-	14	9
Shan Hi	4	10	-	3	15	3	-	-	-	15	30	19
Changsha	-	-	-	-	-	6	6	-	-	-	6	-
Total	421	1,112	1,142	766	1,776	824	742	453	319	400	593	923 Piculs
Koelung	70	35	51	35	75	65	11	100	15	70	30	117
Taino	106	63	22	58	50	38	37	40	-	63	55	211
Tamsui	-	25	-	-	-	-	-	-	-	9	-	20
Taipeh	-	-	6	-	10	10	10	-	-	-	-	-
Total	176	123	79	94	143	113	58	140	15	142	85	348 Piculs

DETAILS OF BANSAIWOOD REPORTS FROM HONG KONG DURING 1919 TO CHINESE PORTS
 TOTALLED ON PAGE 12 AS WINDS CHINA (BY JUNE).

Ports	January	February	March	April	May	June	July	August	September	October	November	December
Shan Xi		3										
Yu Hen			3	15			8	7				
Suatoe												
Changsha												11
Ha Tung												9
												2
Total	-	3	3	15	0	-	8	7	-	-	-	22 people

DETAILS OF SANDALWOOD EXPORTS FROM 1860 TO 1919 TO CHINESE PORTS
 TOTALLED ON PAGE 12 AS BOUNTY DUTY (BY STEAMER).

Ports	January	February	March	April	May	June	July	August	September	October	November	December
Canton	306	512	548	211	229	94	209	182	26	61	225	72
Kobe	144	132	309	272	163	192	345	358	269	314	253	192
Kangsoo	30	126	3	35	65	21	39	13	41	28	36	14
Yuehew	183	226	311	166	85	272	323	379	170	148	163	253
Helbow	13	2	4	-	-	-	-	-	-	25	5	-
Fakhai	7	-	8	7	2	20	18	16	-	3	-	10
Kwong Chew Shan	19	6	47	10	27	-	29	22	7	12	35	14
Port Bayard	8	2	6	3	5	-	4	3	-	3	4	-
Rehow	-	83	144	127	192	79	129	88	182	14	192	248
Semahai	-	39	311	122	61	18	199	1	58	201	17	-
Miscellaneous small ports	-	-	3	6	-	-	-	2	-	2	-	8
Total	710	1,128	1,694	957	792	699	1,263	1,064	761	811	860	811 piculs

DETAILS OF SANDALWOOD EXPORTS FROM HONG KONG DURING 1919 TO CHINESE PORTS
 TOTALLED ON PAGE 12 AS FROM CHINA (BY JAPAN)

Ports	January	February	March	April	May	June	July	August	September	October	November	December
Canton	14	16	45	26	1	7	2	42	3	23	172	43
Yung King	4		2	30							10	68
Shakki	5	45		20	46	3	27	20	10	25	10	15
Taiying	1											
Wushow			20	14	45		49				40	46
Sin Tung				1	3	15		9		4		
An Tan						10						
Tung Kwa							3				1	
Chan Chuen							2			14	12	4
Total	24	62	67	91	95	34	83	72	13	71	245	176 months

DETAILS OF BALANCED EXPORTS FROM HONG KONG DURING 1919 TO CHINESE PORTS
 TOTALLED ON PAGE 12 AS BEHIN CHINA (BY RAIL).

Ports	January	February	March	April	May	June	July	August	September	October	November	December
Canton	29		28									39
Shanghai							6					
Total	29		28				6					39

piouls

RATES ON SANDALWOOD FROM HONG KONG

(China Navigation Coy.)

	<u>In bags</u>	<u>Pieces</u>
Hong Kong to Shanghai	70 cents per picul	\$1.20 picul
do. " Hoihow	48 " " "	
do. " Pakhoi	50 " " "	
do. " Haiphong	50 " " "	
do. " Tientsin	70 " " "	
do. " Wei Hai Wei	90 " " "	
do. " Chefoo	60 " " bag of 90 lbs.	
do. " Newchwang and Tsingtao	75 " " " " 90 "	
do. " Singapore	50 cents per picul	
do. " Bangkok	50 " " "	
do. " Amoy	45¢ p.picul or \$7.00 per ton	
do. " Swatow	36¢ p.picul or \$6.00 " "	

For Yangtze River Ports with transshipment at Shanghai

Shanghai to Kiukiang) Hankow)	63 cents per picul
do. " Changsha) Sianston)	42 " " "
do. " Shasi) Ichang)	69 " " "
do. " Hanking	46 " " "
do. " Wuhu	56 " " "
do. " Chinkiang	38 " " "
do. " Ningpo	5 " " "

INDO-CHINA STEAM NAVIGATION CO.Rates of Freight on Sandalwood

	Sents per picul
Hoihow	48
Hai phong	50
Shanghai (in bags and bundles) Sandalwood pieces	58 / 1.20
Weihswei	90
Chefoo	60
Newchang	75
Tientsin (Direct)	70

Hongkong, 3rd January, 1921.

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"Shromma"

or "Shromma"

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STOCKS OF PANDALWOOD IN HONGKONG

Ying Lee & Co.	1,400 tons (Including 240 tons ex "Phranang")
Cheong Fat & Co.	600 " ex "Phranang"
Ying Wah & Co.	300 " (Buyers: Kai Tai Yuen)
Woller & Co.	300 " (And also 300 tons to S'hai)
Wang On & Co.	600 " " " " " " "
Mok Hing S.S. Co.	100 "
Shing Hing Hong	200 ")
Yue Tak Shing	300 ") Han Pak Hong
Ping Kee Hong	70 ")
Ping Kee (Swatow dealers)	70 "
Luon Cheong & Co. (Proprietors:- Tai Yau Shing & Lam Foo)	600 "
Wing Cheung & Co. (Proprietors:- Fing Shing Shun & Ching Foo (How Fung & Co's dealers)	500 "
Chun Cheong & Co. (Proprietors:- Yuen Kw. (How Fung & Co's dealers.	100 "
Heung Kai & Co. (Swatow dealers)	70 "
	<hr/> 5,210 tons <hr/>

H. & O.S.
Hong Kong, 13th November 1920.

Pool wood about 1,000 tons sold, left for forward delivery	1,000 "
Shanghai stocks estimated at	2,000 "
	<hr/> 4,000 "
Hong Kong stocks as above	5,210 "
	<hr/> 9,210 " <hr/>

Total wood held up in the East
generally.

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LIST F SAMPLER OF VARIOUS GOODS OBTAINED IN
CHINA.

	<u>Value</u>
A. Piece of prepared burning wood	0.25
B. Bundle of filed sticks	0.35
C. Small burning chips	0.01
D. Incense powder	0.05
E. Incense sawdust	.02
F. Omea dice	.10
G. Packet of Joss sticks (Canton)	.04
H. " " " " "	.15
I. Packet of Joss sticks (Canton)	.05
J. " " " " "	.10
K. Circular Joss sticks (Canton)	.10
L. Samples of Joss sticks from Hankow factory	.05 to 20 cents per packet
M. Small packet of Joss sticks made in Macao and purchased in Tientsin	.02
N. Carved beads	3.00
O. Carved Sandalwood box, large	4.00
P. " " " small	2.00
Q. " " Card Case	1.00
R. Carved child's blocks with book of drawings	.30
S. Carved Sandalwood fan (fancy)	1.50
T. " " (plain)	.60
U. Carved Sandalwood serviette ring	.50
V. Chinese Sandal used in inferior Joss sticks	-
X. Medicine Bark used in manufacture of Joss sticks	-
Y. Chinese Medicine No. 1 (mixture)	-
Z. Chinese Medicine No. 2	-