

COTTON MILLS IN HONG KONG.

Hong Kong has been hitherto a great distributive centre. The changed conditions in China, may, in the near future, turn it into a busy industrial centre, so far as that is possible in the limited available space. Such ports as Shanghai, no doubt, have many recommendations for industrial enterprise, but the fact that Hong Kong is British territory will, in itself, give it a superior attraction to capitalists. The sugar industry has already taken a firm hold in the colony, and now, encouraged by the success which has attended the establishment of cotton mills at Shanghai, Messrs. Jardine, Matheson, and Co. lately floated on the Hong Kong market a company to be known as the "Hong Kong Cotton Spinning, Weaving, and Dyeing Company, Limited;" and so eager were the people of Hong Kong to take part in the undertaking that the original plans have been considerably extended. The capital proposed in the original prospectus was 1,200,000 dols., divided into 12,000 shares of 100 dols. each. Of these it was proposed to issue only 9000 at first, and of this number 6000 had already been allotted by the promoters, leaving 3000 for public subscription. A few days after the concern was placed on the market, it was found that the shares had been applied for three times over, and this success induced the promoters to increase the number of spindles in the proposed factory from 50,000 to 100,000. The proposed mill will thus be on a larger scale than any of those erected at Shanghai, where the total number of spindles in five or six mills is only 317,000. The Shanghai mills have only been in operation a short time, and it is too early to say much about them, either as regards the quality of the yarn produced or the financial results. So far, however, it has been found that the Shanghai yarn is of very good quality, and has been so favourably received by the native buyers that it commands prices about 3 per cent. above the best Indian spinnings. The climate of Hong Kong is believed to be admirably suited for cotton spinning on account of its humidity during the greater portion of the year, and geographically it is favourably situated, both for the import of the raw staple and for the disposal of the manufactured article. The Hong Kong correspondent of the *Times*, writing on this subject, said: "The continued fall in exchange will give the Far Eastern concerns a great advantage over the home manufacturers, and although the "cheap labour" of the East is not so cheap as many people in England imagine, it is, nevertheless, a factor in considering the probable success in the China cotton mills. An excellent site has been obtained by Messrs. Jardine, Matheson, and Co., in the neighbourhood of their sugar refineries, where water is plentiful and where storage can be provided to maintain an equable water supply throughout the dry season. Work will be pushed ahead at once, and as soon as the accommodation is ready, the machinery, which will be of the best quality and selected to suit the short staple obtainable in the East, will be imported from England. With silver nearing 25d., rupees at 14d., and the Japanese yen at 7½ per cent. premium, cotton mills here would appear to have every prospect of cutting out the Indian mills in the markets of Southern China, and competing successfully with the Japanese mills. If the present venture succeeds, as there is every prospect of its doing, it will inevitably be imitated." He concludes his communication with the disheartening sentence "More gloomy than ever does the prospect for British and Indian cotton imports into China become." The British Minister at Peking, in his report, however, says: "The cotton spinning factories at Shanghai are at present only turning out the coarser kinds of yarn, and compete with the mills of Japan and Bombay rather than with those of Lancashire," and he expresses the hope that the pioneers of industrial enterprise in China, will be rewarded for their boldness.