



# THE HONG KONG GENERAL CHAMBER OF COMMERCE

## BULLETIN

### In This Issue

No. 18 15th September, 1966

**Page 1.**

**Introducing a new Page One.**

**Page 2.**

**An appeal for more use of arbitration in disputes, and the Chamber's visitor from Mauritius.**

**Page 3.**

**A report on the Rt. Hon. Frederick Lee's private talks with the Chamber.**

**Pages 4/5.**

**Export Credit Insurance  
—The full report.**

**Page 6.**

**Money matters.**

**Page 7.**

**Introducing the Staff.**

**Page 8.**

**Trade with Canada.**

**Page 9.**

**Land proposal objections.**

**Page 10.**

**D.C. & I. news.**

### THE PACESETTERS



Setting a fast pace in Hong Kong earlier this month were three who made news, the Secretary of State for the Colonies, the Rt. Hon. Frederick Lee, M.P. (right), the Hon. D. R. Holmes, Director of Commerce and industry, who had earlier been involved in textile talks with United States representatives and Mr. D. C. C. Luddington, Deputy Director, D.C. & I, (left) leader of the Hong Kong ECAFE delegation.

Members are reminded that the contents of the Bulletin are confidential.

## APPEAL FOR MORE ARBITRATION

The benefits of commercial arbitration were explained to the Chamber secretariat by Mr. Walter G. Seinsheimer, a leading American authority on the subject.

Mr. Seinsheimer, a management consultant who was passing through Hong Kong on a holiday tour, had been invited to speak on arbitration by the Hong Kong Economic Association.

At the lecture, Mr. Seinsheimer claimed that in the United States 50 per cent of businessmen would prefer to go to court rather than arbitrate because they thought they got better protection. But many trade associations, both national and international, were employing arbitration successfully, he said.

The United Nations Committee of Trade and Development was interested in it, and the International Chamber of Commerce, which might be the best venue for spreading its use round the world.

It was up to businessmen to encourage its usage by helping their fellows, organisations and governments to understand it.

Main reason why lawyers seemed suspicious of it — apart from the fact that they might not earn so much if commercial litigation were avoided — was a fear it could lead to a concentration of power which could be misused. On the other hand, lawyers found it difficult now to handle all their business, and more arbitration would give them more time to handle other cases.

### Costly Litigation

Mr Seinsheimer said: "It's going to be up to businessmen to bring pressure to bear on legal counsel to accept commercial arbitration."

He said: "Long-drawn out litigation can be costly. It can cause bitterness between the parties. Arbitration leads to better relationships. And it often takes a shorter time."

But whether a businessman should have recourse to one or

the other depended on the particular issue. Most issues involved failure of performance in meeting a delivery date or providing the quality ordered. In any case, there had to be a contract between the parties before a dispute could go to arbitration.

Commercial arbitration was gaining more worldwide acceptance — and more acceptance among lawyers.

Said Mr Seinsheimer: "Hong-kong should be an ideal centre for this. Your whole lifeblood is international trade."

"The Japanese are doing a good job in commercial arbitration — even better than we in the U.S., I regret to say."

### Chamber's Role

At the conclusion of the talks with the Chamber, Mr. Seinsheimer was asked to send information to Hong Kong on the American Arbitration Association. The present role of the Chamber in dealing with arbitration was explained to Mr. Seinsheimer, who personally regretted that the method was not more popular in Hong Kong.

The Chamber's Arbitration and Surveys sub-committee is composed of Mr. M. A. R. Herries, M.C., Mr. R. P. Parcell, M.B.E. and Mr. E. J. S. Tsu.

## STOP PRESS

The Chamber has just received news that the mission representing Norwegian wholesalers will visit Hong Kong at the end of this month. Arrangements will be made to circulate members when further information is available. A similar mission visited Hong Kong in 1965, when they were entertained by the Chamber.

## Visitor From Mauritius

The Secretary Designate of the Mauritius Chamber of Commerce & Industry, Mr. Roland Hein, has started a three-month training course with the Chamber. He will study the various aspects of the Chamber's activities and have direct experience of the day to day work in Hong Kong.

Mr. Hein who is a Mauritian, has been in England for the past three years where he was studying politics, philosophy and economics at Exeter College, Oxford. On completing his studies in July this year, he was introduced to Chamber of Commerce work when he spent a month at the London Chamber of Commerce.

This is Mr. Hein's first visit to the East, but he says he has been fascinated by it ever since as a child he read the letters of an ancestor who paid a visit to the royal court in Bangkok, shortly after the court had moved to that town early in the nineteenth century.

Later on during his stay in Hong Kong, Mr. Hein plans to visit a number of commercial and industrial organisations. He also hopes to meet people who have trade and other connections with Mauritius.

## ECAFE DELEGATES

The Hong Kong delegation to the first meeting of the Asian Industrial Development Council held under the auspices of the United Nations Economic Commission for Asia and the Far East, (ECAFE), returned from Thailand.

The delegation was led by Mr. D. C. C. Luddington, Deputy Director of Commerce and Industry, and consisted of Mr. James M. H. Wu, Managing Director of China Cold Storage and Engineering Co., Ltd. and a member of the Trade and Industry Advisory Board, and Mr. S. K. Chan, Trade Officer of the Commerce and Industry Department.

### Secretary of State's Visit

## Private Talks With Chamber Members

The Rt. Hon. Frederick Lee, M.P., Secretary of State for the Colonies, completed his successful six-day visit to Hong Kong, which included talks with Chamber representatives.

For the Chamber, the highlight of the visit was a luncheon in the Peninsula Hotel where Mr. Lee addressed representatives from almost every part of Hong Kong's business community.

After the luncheon confidential talks were held with Mr. Lee. Representing the Chamber at this private meeting were the Chairman, the Hon. G. R. Ross, the Vice-Chairman, Mr. J. Dickson Leach, the Hon. S. S. Gordon, Mr. H. J. C. Browne, the Hon. J. A. H. Saunders, Mr. R. C. Lee and the Executive Director, Mr. G. Archer.

One of the principal themes of the talks was the Common Market, a subject introduced by the Chairman. Here, Mr. Lee promised that Hong Kong would be kept informed of developments.

Afterwards the Chamber issued the following statement:

**Dr. the Hon. Sir Sik-nin Chau, C. B. E. Chairman designate of the Trade Development Council, who presided at the meeting, introduced points on United Kingdom and Hong Kong relations and also spoke of domestic and international assistance for Hong Kong.**

**The Hon. G. R. Ross, Chairman of the Hong Kong General Chamber of Commerce, referred to Hong Kong's position in relation to Britain's entry into the Common Market.**

**Dr. the Hon. S. Y. Chung, Chairman of the Federation of Hong Kong Industries, spoke of wider representation in Hong Kong official affairs.**

**Mr. Wong Tok-sau, former President of the Chinese Manufacturers' Association, discussed the subject of local labour conditions.**

### Too Hot to Hold

In his luncheon speech Mr. Ross welcomed Mr. Lee and said: "High on the list of our trading interests comes textiles

and to many of us Lancashire is synonymous with Britain. Mr. Lee comes from Lancashire! Admittedly there was a time some years back when the Lancashire hot pot was almost too hot to hold, but there has since emerged a large measure of mutual understanding and co-operation. I venture to suggest that with Mr. Lee on our side we might even do better!"

"In the sporting field, we in Hong Kong lay claim to one activity that knows no open or closed season. The Chinese have been flying kites for centuries and this afternoon representatives of the Committees of our three associations will have the opportunity of playing this game with Mr. Lee. I have no doubt he will pick up the strings quite readily and we are grateful to him for giving us so much of his valuable time."

"I understand Mr. and Mrs. Lee have wanted to come to Hong Kong for some time. They have a most exhausting programme and little time for their own amusements. However it is said that the eye is more receptive than the ear or as an old Chinese proverb says 'that which enters the eye will never leave the heart'. I hope this will be so in your case, Sir, and that you will take back with you many happy memories of your stay with us in Hong Kong."

### Printing Publication

The Chamber has received a copy of a publication issued by the Association of the Italian Manufacturers of Printing Machinery in relation to machinery and equipment for composition, graphic reproduction, printing, bookbinding and paper and cardboard processing. Interested members may read it at the Chamber's library.

## U. K. STORE FESTIVAL

Sir Sik-nin Chau, Chairman-Designate of the Hong Kong Trade Development Council opened the "Hong Kong Festival" in Selfridges Department Store in London on Sept. 6, with the traditional Chinese custom of dotting the dragon's eyes before crowds of interested onlookers.

In his speech Sir Sik-nin said that while the main purpose of the exhibition was to sell Hong Kong goods and to provide a shop window for the high quality merchandise which Hong Kong hoped to sell in increasing quantities to Britain, it was also hoped that the Festival would promote interest in the Colony itself through colourful displays of Hong Kong crafts and culture.

The Managing Director of Selfridges, Mr. E. A. McClean, said that when he was approached to stage the Hong Kong Festival, he recognised that Britain, who had traded so well with Hong Kong, had an obligation to promote the entirely new label "Made in Hong Kong".

"The merchandise we have in the store," he said, "bears out the achievement of Hong Kong in producing top quality goods."

Mr. McClean said that Selfridges already accounted for an annual turnover of Hong Kong products amounting to about £100,000.

### Guests Present

Many lunch-time shoppers hurried to the third floor exhibition area covering some six thousand square feet to watch Sir Sik-nin painting in the dragon's eyes accompanied by the boom of a Chinese gong.

After touring the exhibition, Sir Sik-nin and Lady Chau were entertained to lunch by Mr. McClean.

Among those present were Mr. T. D. Sorby who will shortly be taking over as Director of Commerce and Industry, Sir Alexander Grantham, Chairman of the Hong Kong Association and former Governor of Hong Kong, Mr. H. J. Collar, Secretary of the Hong Kong Association, Mrs. I. M. Ward, Resident Representative in Britain of the Trade Development Office, and Mr. P. C. M. Sedgwick, Director of the Hong Kong Government Office in London.

## EXPORT CREDIT INSURANCE

*At the invitation of the Chamber, Mr. K. D. Robertson, Commissioner Designate of the new Export Credit Insurance Corporation spoke on the new scheme before a record turn-out of more than 500 members. This was the largest audience that any of the Chamber's presentations had attracted. He was introduced by Mr. P. G. Williams.*

I am very pleased to report that good progress is now being made towards the establishment of an Export Credit Insurance Organisation. My technical Manager, Mr. Hill, from the Export Credits Guarantee Department, has completed his training course for our locally recruited executives and we will have an overall staff of twenty when we open for business probably some time in November on the 23rd floor of the International Building where we are now in residence and where we are already having preliminary talks with interested exporters.

Our legislation has been agreed and drafting is proceeding — we hope that enactment will take place next month, in which case we shall be constituted as a statutory corporation with an authorised capital of HK\$10 million and with a statutory limit for underwriting purposes of HK\$300 million. After enactment an advisory board will be appointed drawn from leaders in the fields of finance, commerce and industry.

Most countries in recent years have found that an "independent" Government-owned Corporation is the best manner in which to launch and promote an export credit insurance scheme to cover exporters against political, economic and commercial risks, but this is by no means the universal method. In most European countries it is a joint venture between private enterprise and government where, broadly speaking, private enterprise covers the credit risk and the government covers the political and economic risks.

The problem of giving credit, allied with the terms on which credit should be given, is as old as the hills; many attempts have been made over the centuries and are still being made today to minimise the credit risk. Solomon in the Bible warns us not to be one of them that are sureties for debts, but times they are a-changing and today it is, I hope, quite a respectable profession; at least countries as far apart both geographically and

economically as Sweden and India have considered it in their interests to sponsor export credit insurance schemes.

### Prudent Cover

Political and economic risks nowadays take more or less equal place with the credit risk and all three risks have been on an ever-increasing scale since World War II, so that it seems logical for any new government-sponsored scheme to offer a package deal whereby exporters can insure their total export business against those risks which it is practicable to insure and which they cannot insure with commercial insurance companies. If you count up the number of countries that are currently making life difficult for their own importers because of balance of payments problems of one sort or another, then I think you must conclude that provided insurance is available at a reasonable cost, any prudent exporter who gives credit should cover himself. Premiums vary from country to country, from client to client, from policy to policy, but the rates can be as low as 1 per mille and seldom rise beyond 2%. Few traders would hesitate one moment in raising the commissions paid to an agent from, say, 5 to 6% if that agent — of undoubted financial solidity — agreed to guarantee up to 85% of any losses accruing through business placed by him. Yet that is the very proposition against which

resistance sometimes arises when it is put forward on behalf of an export credit insurance organisation.

Hong Kong's fantastic industrial development over the past fifteen years and the urgent necessity to remain competitive in all aspects of international trade has led to the introduction of three government-sponsored organisations which complement each other's activities, namely, productivity, trade promotion and Export Credit Insurance. The legislation for all three is due to be enacted before this year is out although much preliminary work has already been done, particularly by the Trade Promotion Office who have been operating for some time — nevertheless, as far as Government support for manufacturers and exporters is concerned, the year 1966 should go down in the history of industry and commerce as the year of the great leap forward.

### Premium Rates

Our basic policy with a Chinese translation is ready for the printers. It will be called a comprehensive shipments policy and will cover consumer goods from date of shipment to date of payment for 85% of loss caused by any of the following risks: War, revolution, civil disturbances; imposition or cancellation of import licence after the goods are shipped; non-availability of foreign exchange after the export bill has been paid by the buyer in his own currency (which we call for short the transfer risk); Insolvency of the buyer; protracted default after delivery to and acceptance of the goods by the buyer.

The premium rates we charge will depend on the quality of the business offered to us and we will take into consideration the spread of countries, goods and buyers. The better the overall spread, the lower the premium rates.

Our premium rates will be based on assessment of the risks associated with exporting to the country concerned. Naturally the longer the period of credit extended, the higher the premium. We will control the

*Continued on Page 5*

## Export Credit Insurance

*Continued*

commercial or credit risk by approving credit limits for individual buyers with appropriate terms for payment. In other words, the standing of the overseas buyer will not affect the premium rate but will affect the credit limit and terms of payment we are prepared to insure for a particular transaction. In common with other credit insurers, we will have very comprehensive sources of credit information and this credit limit procedure should prove a most valuable reinforcement of every exporter's own system of credit control. I must emphasize, however, that credit insurance is not designed to encourage exporters to give unrealistic credit. Its aim is to protect them against the ever-increasing hazards of non-payment in their normal run of business, and to help them to increase business by guiding them in credit giving to customers to whom the extension of credit presents a reasonable risk.

Our basic policy will cover exports from date of shipment to date of payment provided of course the exporter has complied with all the terms and conditions of his policy, which brings me to the mechanics of obtaining cover.

A proposal form (which will form part of the policy) has to be completed and in this you will give us a description of the goods exported, your export turn-over by countries for the previous year and your estimate for the year to be insured with terms of payment. You must also disclose details of any bad debts, losses and overdues, as well as the number and size of your accounts with your present systems of credit control. I would mention here that complete confidentiality is guaranteed and that all our employees have sworn oaths of secrecy — the penalties that will be written into our legislation are severe for any breach of confidence.

### Good Risk Countries

With this information, we can give you a quotation which will list the countries with whom you expect to deal and against each country will be our premium rate per HK\$100 for

D/P business, up to 60 D/S D/A business and up to 120 D/S D/A business. In other words, each country will have three different rates against it, the lowest being for D/P business and the highest for 120 D/S D/A business. Good risk coun-

## Mr K. D. Robertson

**After two years with Lloyds Bank in England, Mr. Robertson joined the Hongkong and Shanghai Banking Corporation, London, in 1937 and was working in New York on the outbreak of war in 1939.**

**During the war he saw service with the Eighth Army in the Western Desert, Sicily and Italy and rejoined the bank after the war when he was posted to the Philippines. Since then he has served the bank in Malaya, Thailand and Ceylon. In 1962 he was appointed manager of the bank in Colombo and in 1964 became manager in Kuala Lumpur.**

**In November, 1965, he was seconded to the Hong Kong Government and did a three months' course with the Export Credits Guarantee Department of the Board of Trade in London, which included visits to the Trade Indemnity Company in London and also visits to Holland and Belgium to study the credit insurance systems employed in those two countries.**

**Mr. Robertson arrived in Hong Kong in February this year to set up an export credit insurance organisation along the lines recommended by Mr. R.A. Freeman of the Export Credits Guarantee Department in his report to the Hong Kong Government of 25th November, 1964. Mr. Freeman's two months visit to Hong Kong in 1964 followed the recommendations made by the Working Party on export credit insurance in their 1963 report to Government.**

tries such as in North America and Europe will attract the lowest premium rates, whereas poor risk countries that are prevalent in South America and Africa will attract the highest premium rates. These rates will range from about ¼% up to about 2%. We hope that at

the end of our first year the average rate for all policy holders will be about ½%, but this can only be achieved if we get a good spread of business following the present pattern of Hong Kong's export trade.

With our quotation the exporter can determine the cost and decide whether to proceed. If he accepts, he will have to pay a small refundable deposit premium on receipt of which we will issue our insurance policy. It will then be necessary for the exporter to apply to us on the forms we will provide for credit limits on his overseas buyers and our approvals will be returned to the exporter as quickly as possible, but they will in any case be retroactive to the date of the policy.

It will then be necessary for the exporter to make declarations on or before the tenth of each month in respect of his exports during the previous month. We will work out the premium due and send our invoice for settlement within seven days.

These procedures have been followed in some twenty other countries who have already established credit insurance schemes. They have been found to be workable in practice without putting an undue burden of paper work and form filling on the exporter.

### Additional Security

I would like to mention here that our policies can be assigned to banks if the exporter so wishes, thus creating an additional form of collateral security, but quite apart from this, banks generally will be more amenable to discounting their customers' export bills that are backed by Export Credit Insurance.

When a bank makes an advance against property, they insist on the building being insured against the major risks with the bank's interest noted. In a similar manner many banks in Britain either insist or strongly recommend that their exporter constituents take out Export Credit Insurance as a normal businesslike precaution, particularly when discount facilities are being made available.

Any recoveries made after we have paid a claim are of course divided in the same ratio as the loss suffered — that is to say,

*Continued on Page 6*

Continued from Page 5

we take 85% and the exporter 15%.

Insolvency claims are paid immediately and for other causes of loss we normally pay claims four months after the occurrence except for protracted default when we pay six months after the due date for payment.

In the ultimate the individual exporter is going to ask quite simply what is in it for me? So, let me summarise as follows:

(a) Protection against happenings outside the exporter's control — every time an exporter parts with his goods without receiving payment in full he chances his arm — no buyer is so strong that he can never go bust — no country will guarantee never to impose new restrictions suddenly.

(b) The chance to satisfy the increasing demand from overseas for credit terms which opens up new possibilities for increasing his business — with us shouldering 85% of the risk.

(c) A built in system of credit vetting of his overseas buyers as part of the credit insurance scheme — a point to remember when considering the very low premium rates.

(d) The premium he pays is fully allowable for tax purposes as also is his 15% share of any loss suffered.

(e) Above all, the security of government-backed export credit insurance obviates the necessity of taking any sleeping pills!

### Busy Time

We have to date received 127 firm enquiries regarding the facilities we can offer so that it looks as if we are going to be very busy when we open our doors for business, bearing in mind that each exporter has an average of about twenty overseas buyers that we will have to vet after he has accepted our premium rate quotation.

We will naturally have to give service first to those exporters who have expressed an interest in the scheme prior to our opening date and in this connection, we are available now for preliminary discussions with any exporters who wish to have their names registered in our records. Consultations can be conducted either in English or Chinese, for we now have a trained staff of eight Chinese Executives. Contact can be made either with me, Mr. Hill or Mr. Huie, telephone numbers 24-3091 and 23-6678.

## Hong Kong Feels Tight Money Pinch

Hong Kong's bustling business community has been feeling the pinch of a tightening money market that is expected to seriously thin out its competitive ranks.

This was reported in an article in the International Edition of The Journal of Commerce. The article stated:

This has been partly by design, for the British authorities in the Crown Colony have been concerned by the excessive proliferation of small firms in recent years.

Interest rates have been climbing, with the prime rates maintained by the large British banks raised recently from 6.5 to 7 per cent. On July 1 the colony's business income taxes — among the world's lowest — were raised from 12.5 to 15 per cent.

### Out of Hand

Both these changes are likely to add to the number of business failures, which have been increasing significantly. Helped by easy access to bank credit in recent years, a lot of entrepreneurs got into business on a pretty undercapitalized basis.

While most of them have been involved in export or manufacturing for export — the colony's building boom got out of hand a year and a half ago, and thousands of luxury apartments are empty today because of it.

With both the export and real estate sectors therefore being forced onto more realistic bases, the British territory is likely to be financially stronger than ever, once the current business shakeout has run its course.

Meanwhile, though its ranks are thinning, Hong Kong export trade is moving steadily onto fresh high ground. Last year's \$1.1 billion total was somewhat more than double the \$523 million registered in 1958, according to International Monetary Fund statistics.

During the early months of 1966, exports were rising at a 7 or 8 per cent annual level which is sluggish by Hong Kong stand-

## "TEA MONEY"

The Commerce and Industry Department has asked the Chamber to draw members' attention to their appeal for cooperation in combatting corruption.

Many industrialists, say the Department, offer "tea-money" to D.C. & I Industrial Assistants visiting factories in the course of their duties. During 1965, 22 such attempts were reported.

In the first seven months of 1966, a further 18 attempts were made and warnings were given in all cases and in some instances police prosecutions followed.

The amounts offered varied from \$30 to \$200 and in almost every case, say D.C. & I, the factory could have gained no advantage whatever from the payments.

D.C. & I now appeal again to the managements of all factories to help eliminate the practice of offering payments of "tea money" and other inducements to officers.

## Money Matters

A total of HK\$1,751,062,858.90 was in circulation during July. In the same period, there were 54,272,360 one-dollar cupronickel coins and 15,225,487 dollar notes in circulation throughout the Colony.

Continued from Col. 2

ards, but the envy of the rest of the developing world.

### Major Product

Textiles remain the major product, accounting for roughly 50 per cent of foreign sales, but electronics is coming along rapidly. Hong Kong is becoming an important source of inexpensive transistors for the American market, with the Japanese giving up the lower end and focusing on the upper end of that business.

But electronics in the colony is fast becoming a more sophisticated business, with several major American manufacturers operating there. One of them is now believed to employ about 5,000 people.

In the opinion of some economists, Hong Kong's export trade has only begun to scratch the surface, particularly in electronics. Several Japanese companies have moved in recently, shipping in components for assembly, and this trend is likely to blossom.

## Introducing the Staff

### S. L. Chung

It was the days when Wan-chai had yet to bring a twinkle to a foreign sailor's eyes, when sedan chairs made stately progress through near empty streets and every shop of note had their private rickshaws. The days of the early 1920's, and a young Hong Kong man's initiation into trade.

Today the Hong Kong scene has radically changed and the young man who once so vigorously pursued trade, is now promoting it for the Chamber.

He is Chung Sze-leung, or S.L. Chung as he is better known, the Chamber's senior Assistant Secretary responsible for the certification section. When S.L. first joined certification in 1955, the section handled some 27,000 applications a year. Last year this figure topped the 100,000 mark and by the end of 1966 a further 20,000 is expected to be added to that total.

S.L. was the protege of the late Donald Leach, who created the certification section as it is today, and it was under Donald Leach that S.L.'s quiet but methodical talents were projected to its full use. He was responsible for the inauguration of the membership liaison section becoming its first executive and developing his idea of introducing the Rank Xerox copying service for members.

He was also responsible for implementing the reconstruction of the office, in particular the boardroom and reception areas.

Born in Hong Kong in 1916, S.L. can trace his family's connections with the Colony to the days before the Chamber was formed, a hundred years ago. His grandfather was at that time a merchant dealing in Chinese products, opening up new markets in South-East Asia.

"It was very much a patriarchal household in the traditional Chinese way," S.L. recalls. "My most vivid memory as a child is being hushed to silence while my grandfather would enjoy his after dinner cigar and brandy. No one was allowed to make a sound during those precious moments of my grandfather's



S. L. Chung, Assistant Secretary in charge of certification.

relaxation. I am afraid that part of Chinese tradition has not been carried on in my own home!"

S.L. joined the family firm in Hong Kong when he left school, but the Japanese invasion of China reduced trade to such an extent that eventually he moved to the import section of the China Emporium. "China Emporium was very much a newcomer to the Hong Kong business community, but we prospered and soon I was dealing with British and American businessmen on their Far Eastern selling missions."

By 1941, however, S.L. decided to join the finance department of the China National Aviation Corporation, eventually becoming an accountant. Once again, war interrupted S.L.'s career. With the occupation of Hong Kong and the cessation of C.N.A.'s business here, S.L. found himself not only without a livelihood, but an income.

"I stayed as long as I could, then decided to try and reach Kwei Lin, C.N.A.'s nearest head office, which was unoccupied by the Japanese. It was also important that the Kwei Lin office have all the Hong Kong records. I managed to smuggle the records out of Hong Kong and make my way to Kwei Lin and there the manager arranged for me to be flown to Chungking. The manager told me he couldn't afford to take the risk if the records were lost while I made my way by road to the war-

time capital."

From Chungking, S.L. was transferred to C.N.A.'s Calcutta office, remaining there until the end of the war. "C.N.A. at that time was flying freighters over the Burma 'hump' to Kun Ming in conjunction with the Allied air-lift of supplies to China. More than 1,000 Chinese people were employed in Calcutta in what must have been the greatest operation ever undertaken by the company."

When the war ended, S.L. was transferred to Shanghai as the company's auditor, but as he explained, "my roots were in Hong Kong and I was keen to get back." His chance came with the Tien Yuen Industrial Corporation who were exporting cotton goods. Later, another company within the group opened up a cotton mill in Bangkok and S.L. became its accountant. "Unfortunately competition from outside made trade impossible and eventually the group was wound up."

By this time S.L. was married but once again he went overseas, to the Philippines, with the Asia Development Corporation who were salvaging war-time shipwrecks.

"I soon found that once more I wanted to return to Hong Kong and make a permanent home here with my wife. On one of my leaves I discovered the Chamber was advertising for factory inspectors and with the promised expansion of the certification section the prospects seemed good."

For S.L. the prospects were good. From inspector, he was promoted to Chief Inspector and then to executive assistant.

His dreams of remaining quietly in Hong Kong, however, have still to be realised. Last year S.L. spent three months with the London Chamber of Commerce on a training course.

S.L. has two daughters at the Hong Kong University, one is studying teaching, the other sociology. He also has two sons, one of 16 and one of eight. "With my eight-year-old son I am re-discovering Hong Kong although my stories of those early days when the water-front was only a few yards away from Gloucester Building and North Point still a barren patch of land seem completely unreal to him."

## Trade With Canada

The Acting Canadian Trade Commissioner in Hong Kong, Mr. R. G. Woolham, visited the Chamber to discuss Canadian trade potentials for Hong Kong.

Mr. Woolham outlined Canada's present economic position and stressed the freedom with which Hong Kong could trade with Canada. He also spoke of



Mr. R. G. Woolham, Acting Canadian Trade Commissioner.

the interest Canadians had for Hong Kong products and the ever increasing purchasing power of the average resident.

Mr. Woolham's visit coincides with a preliminary research project now being undertaken by the Chamber on the Canadian market. This is prior to a visit to Canada by the Secretary, Mr. J. B. Kite, who will undertake

a personal fact-finding mission. Mr. Kite will visit Montreal, Ottawa, Toronto and Vancouver and members who wish to develop trade with Canada should contact the Chamber as soon as possible, describing the products they wish to sell and the type of market they are keen to develop.

Members with established agents or buyers in Canada are also requested to contact the Chamber so that any interference with existing channels of communication can be avoided.

At present Canada is Hong Kong's fifth largest market and the Canadian economy is expanding at the rate of six per cent a year. Hong Kong has a favourable balance of trade with Canada (HK\$135.1 million in 1965).

Fifty per cent of Hong Kong's exports to Canada consist of textiles. Other major Hong Kong products finding a market in Canada are dolls, toys, transistors, flashlights, batteries, binoculars, slippers, rubber boots, tennis shoes, imitation jewellery and stainless steel cutlery.

### New Look at Packaging

An eight-member Hong Kong delegation is in Tokyo for the 1966 Tokyo International Packaging Exhibition.

The delegation is led by Mr. Fung Kam-chung, Managing Partner of Che Shan & Co. Other members of the delegation are Mr. Y. C. Cheng, Joint Manager and Mr. J. Y. Chu, Supply Manager of Sonca Industries Ltd., Mr. Tang Kit, Governing Director of Golden Gate Foods Ltd., Mr. Eugene Lo, Head of Quality Control of the Hong Kong Soya Bean Products Co., Ltd., Mr. Ng Kam-man, Secretary of Che San & Co., Mr. Chan Sang, also of Che San & Co., and Mr. Henry Steiner, Manager Director of Graphic Communication Ltd.

The delegation is sponsored by the Hong Kong Provisional Productivity Council and the Hong Kong Productivity Centre.

While in Tokyo, members of the delegation will study technical developments in the packaging field and attend the International Packaging Conference.

## RESPONSE FROM ST. ERIK'S

In the first four days of the St. Erik's Fair in Stockholm, well over 600 trade enquiries have been received by the Hong Kong delegation.

This response was described by the leader of the delegation, Mr. Daniel Lam, as "truly remarkable". Mr. Lam added: "The policy of the Trade Development Office in bringing commercial exhibitors to a fair of this kind has been proved one hundred per cent effective.

"Our experience has shown that Scandinavian businessmen come to St. Erik's to do business. This they are able to do."

"Hong Kong businessmen are finding it stimulating to work in this atmosphere. No time is being wasted and all effort is positive effort.

"All of our commercial delegates who came to Stockholm seeking agents have now found them or are negotiating. There is, in fact, keen competition among Swedish businessmen to secure the agency rights for Hong Kong goods.

"This is enabling our businessmen to be discriminating and to choose only best agents.

"The response of the Swedish public has also been beyond our hopes. Obviously they would buy everything we have on show if it were for sale."

Mr. Lam said that Swedish exports to Hong Kong were also being actively discussed since it was obvious that Sweden manufactured much that could be of value to Hong Kong.

"Arrangements are also in hand to fly a commercial mission to Hong Kong in November in conjunction with the Hong Kong Tourist Association. Considerable interest has been shown in this project and the present indications are that the mission will be a sizeable one.

### One Step Operation

Georges Pannier, 132 $\frac{3}{4}$  South Carondelet, Los Angeles, Calif. 90057, U.S.A., has developed a new process called "One Step Operation" for producing iron strips, sheets, and bars, directly from fine iron oxide. Direct contact invited.

## Chamber Guest at Luncheon

Mr. Peter Blaker, Conservative M. P., who visited Hong Kong this month, was guest at a luncheon given by the Chamber's General Committee. His host was the Chairman, the Hon. G. R. Ross.

Mr. Blaker is the son of the late Mr. Cedric Blaker, M. C., who was Chairman of the Chamber in 1956 and 1957.

Talks of a general nature were held at the luncheon.

Mr. Blaker, who was born in Hong Kong, formerly served in the Foreign Office and for a period was on the staff of the British Embassy in Phnom Penh. He attended the signing of the Nuclear Test Ban Treaty in 1963, and was Joint Hon. Secretary of the Conservative Parliamentary Foreign Affairs Committee.

Later this month the Chamber will give a lunch for two Labour Members of Parliament visiting Hong Kong, Mr. Joel Barnett and Mr. R. E. Sheldon.

Among those who will be present at the lunch will be the Chairman, The Hon. G. R. Ross, The Vice Chairman, Mr. J. Dickson Leach, The Hon. S. S. Gordon and Mr. T. K. Ann.

## Making News

The Chamber's Employment Register was in the news again — this time in the Hong Kong Tiger Standard. Standard reporter Norman Denny visited the Chamber and watched the system in process.

As a result Mr. Denny reported on the variety of talents offered in the Chamber and commented that in general, girls asked for, and got, higher salaries than their male counterparts.

The Employments Register now carries listings of approximately 200 people in each edition who are seeking work. It is estimated that some 20 per cent of all applicants are placed in jobs with Chamber members.

## East Africa

The Chamber has a few copies of "Industry in East Africa 1964-1965" available. Please call at the Trade Enquiry Section if interested.

## Work For All

Any able-bodied person in Hong Kong who is willing to do a fair day's work can always find an opening in local industry. This is stated by the Commissioner of Labour in his annual report for the period ended March 31, 1966.

The report, which was tabled at the last Legislative Council meeting says that in spite of some recession due to the U.K. import surcharge and the local bank crisis, the number of people engaged in industrial employment has over the year shown an increase of nearly 20,000, the report states.

According to statistics released by the Commissioner of Labour, 383,809 people were employed in registered and recorded industrial establishments at the end of June. This represents an increase of 7,093 as compared with the number in the first three months of this year.

The total industrial labour force comprised 216,541 men and 167,268 women. Of them, 43,069 were in the managerial/clerical group and 340,740 were manual workers.

## CHAMBER OBJECTS TO LAND PROPOSALS

Objections have been registered by the Chamber to three Town Planning Board proposals for the development of Castle Peak and Shatin. The Chamber feels that if the proposals are implemented, they would lead to unsatisfactory population densities.

Confirmation of the Chamber's objections has now been received by the Town Planning Board.

Adding his own opinions to the Government suggestions for the development of the two areas, Mr. J. Eric Jackson of Hong Kong Land Investment Co. and chairman of the Town Planning Institute referred to "unfortunate living conditions" which could result if the plans were passed.

Mr. Jackson pointed that, according to population pro-

jections, some 2,500,000 people might have to be housed in new towns over the next 15 to 20 years.

To avoid further congestion and urban chaos, these towns would have to be outside the main urban centres. It was an "enormous task" but one which had to be faced.

It was also one which "calls for the utmost care in the use of land and consideration of the far-reaching social and economic problems which are likely to become involved."

Of three major proposals for the development of new towns published by the Town Planning Board during the last four years, Mr. Jackson said: "It is regrettable that only a few professionally-qualified men appreciate the implications of these plans and have firmly

opposed all three schemes."

The objections, he went on, concerned "the social aspects of land use contained in the plans and the unfortunate living conditions which are likely to result if these plans are approved and implemented.

"If the plans for Tsun Wan, Castle Peak and Shatin are approved with the calculated gross densities shown, we can anticipate greater congestion of land use than that already socially condemned in Yaumati and Mongkok," he stressed.

By adopting outmoded and socially destructive housing density standards, Government might undermine the purpose of the new towns — to provide for future generations and to attract residents from overcrowded living conditions.

## MEMBERSHIP

### Change of Address

Asia Mercantile Co., 1 Hollywood Road, 2nd floor, Hong Kong.

Eastern Gate Limited, Gee Chang Building, 1st floor, 84 Tai Kok Tsui Road, Kowloon.

Eric Chen & Co., 1803 Realty Building, 71 Des Voeux Road C. Hong Kong.

The Everlast Manufacturing Co., Oceania Building, 5th & 6th floors, 49 King Yip Street, Kwun Tong, Kowloon.

Hong Kong Spinners Ltd., 1501 Prince's Bldg., 10 Chater Road, Hong Kong.

Kiu Foong Enamel Factory (H.K.) Ltd., B2 Pak On Building, 3rd floor, 105 Austin Road, Kowloon.

Lee On & Co., 63 Des Voeux Road, 5th floor, Front Block, Hong Kong.

Sun Fung Company, Ltd., Room 1208 Takshing House, 20 Des Voeux Road C., Hong Kong.

Tai Wah Hong Electric Mfg. Factory, Nin Fung Industrial Bldg., 118 Wai Yip St. 3rd floor, Kwun Tong, Kowloon.

Tin Hing Rattan Co., 216 Apliu Street, 1st floor, Shumshuipo, Kowloon.

The Union Tea Trading Corp. Ltd., 657-659 King's Road, 13th floor, North Point, Hong Kong.

Winckleria (Far East) Ltd., 2205 Realty Building, 71 Des Voeux Road C., Hong Kong.

### Machine Shop

Machine shop facilities are offered to members who may obtain details from the Chamber's Trade Enquiry Section.

### Quarantine

Quarantine restrictions have been imposed against arrivals from Cebu because of cholera and from Nhatrang because of plague. Restrictions against arrivals from Bangkok because of cholera have been removed. — Port Health Office.

### Import, Export Licences

Export licences issued by the Trade Licensing Branch of the Commerce and Industry Department in July numbered 34,410 as against a monthly average of 33,338 in 1965.

## TRADE FAIRS

● **Japan.** The Third Japan International Machine Tool Fair will be held in Osaka from 15th to 26th October 1966. Members interested are requested to contact the Secretary General, Osaka International Trade Fair Commission, Honmachibashi, Higashi-ku, Osaka.

● **Hong Kong.** The U.S. Light Industrial Machinery Exhibition will be held from 31st October to 11th November at the City Hall. Display and demonstration of equipment will be in three main categories: (1) Assembly and production; (2) Packaging; and (3) Measuring, testing and quality control. A business information center will be provided to assist business visitors. Invitation to members will be sent directly from the sponsors.

## TENDERS

### Hong Kong

Tenders are invited for the supply of:

1. Traffic signs
2. Shoe leathers
3. Enamel and paint
4. Typewriting paper and carbon paper.

Tender forms and further information may be obtained from the Stores Department, Oil Street, North Point.

### Ceylon

Tenders are invited for the supply of:

1. 2,000,000 nos. (approx.) aluminium 68 mm. caps for standard 1 lb. glass jam jars. (Ref. E. S. B./31223/66)
2. 2,000,000 nos. (approx.) new empty clear glass jars of 1 lb. capacity, suitable for packing jams and jellies. (Ref. E.S.B./31224/66)

Tenders should reach the Chairman, Tender Board, Marketing Department, No. 62, Chatham St., Colombo 1, Ceylon, up to **2.30 p.m. on Monday, 10th October, 1966.**

Tender documents may be obtained from the Office of the High Commissioner for Ceylon, 13 Hyde Park Gardens, London, W.2, U.K.

## D. C. & I. NEWS

The following items of interest to Hong Kong manufacturers and exporters have been extracted from the Board of Trade Journals dated 29th July and 5th August, 1966.

**Portugal** (Mr. K. C. Tam, Tel. 442022)

The Portuguese Government has announced that with effect from 1st July, 1966, consular invoices (otherwise known as Declarations of Cargo) will not be required for goods destined for Portugal and the adjacent islands of Maderia and the Azores and Portuguese overseas territories.

**Chile** (Mr. D. Sum, Tel. 431233)

The Executive Committee of the Central Bank of Chile has announced that the minimum period which must elapse before payment for imports may be made has been reduced from 90 to 80 days (from the date of the bill of lading). Hong Kong's domestic exports to Chile were valued at \$2.76 million in 1965 and \$1.0 million in the first half of 1966.

Ref. OTR Cir. No. 38/66.

## Lead Content Of Paints

Members are reminded that in addition to the Federal Hazardous Substances Labeling Act in the U.S., some 20 States and also New York City have their own Hazardous Substances statutes. A list of these States is available in the Chamber and a copy of the Labeling Act is available in the Commercial Unit of the U.S. Consulate.

### Company Register

There were 10,727 companies on the register of the Registrar General's Department at the end of July. Of the total, 10,150 were local companies and 577 foreign companies.

### Industrial Accidents

Seventeen people were killed as a result of 895 industrial and occupational accidents last month.