



THE HONG KONG GENERAL CHAMBER OF COMMERCE

BULLETIN

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News from D.C. & I.



Mr. T. D. Sorby (left) and The Hon. D. R. Holmes (right)

Taking over the Directorship of the Commerce and Industry Department is Mr. Terence Sorby, who has been Deputy Director of the Department since 1963.

The Hon. D. R. Holmes, C.B.E., M.C., who has been Director since 1962, will become the Secretary for Chinese Affairs.

Mr. Sorby first came to Hong Kong at the end of 1945 as a member of the British Military Administration, and joined the Hong Kong Government as a probationary Cadet Officer the following year.

He has since served as Labour Officer, Assistant Director of Commerce and Industry and Commissioner of Labour and

Commissioner of Mines. In 1955 he was awarded a U.N. Fellowship in Canada for the study of industrial development and trade promotion techniques. Three years later he was a member of the commercial mission to Caribbean countries.

Mr. Holmes joined the Hong Kong Government as a Cadet Officer in 1938. In 1940 he became Assistant Secretary for Chinese Affairs and the following year joined the Hong Kong Volunteer Defence Corps. He was on active service until 1946.

Mr. Holmes has served as Assistant Colonial Secretary, Deputy Defence Secretary, Acting Political Adviser, Commissioner for Resettlement, and District Commissioner, New Territories.

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

Not Quite Away from It All

Would You Buy a Car from This Man?

We could imagine the scene. Half-smoked cigarette stubs, frustrated screws of paper and insipid coffee now cold with neglect.

Blocked by unsurmountable mental hurdles, the words had refused to come for the letter the young export executive was trying to write: he had been told by two of his European importers that in future they intended to buy from Korea.

They claimed Korean prices were better, so much better in fact that, despite preferential duties on a Hong Kong shipment to the United Kingdom, Korean goods of similar quality were landed at almost ten per cent below the cost of the Hong Kong products.

"What do I say?" he asked later. "Do I accuse the Korean exporters of dumping, do I tell them the Korean prices are low only to gain a foothold in the market, or do I write back and say, 'if you want cheaper prices I'll get them for you — but don't blame me if the stuff falls to bits?'"

For the exercise, we carried out some research into the Korean market and we found that, first, land prices were approximately one-tenth of those in Hong Kong; secondly, wages were a third of those paid here; and, finally, that Korea, as never before, is making a concerted effort to boost exports.

Indeed, they have embarked upon a five-year development plan which aims at raising exports to US\$1,000 million by 1971.

The ammunition and the guns were ready, all that was needed was a finger on the trigger. And in the case of our exporter friend, the first shot had already been fired.

Unfortunately this was not getting even the first sentence of his reply written, so we asked an exporter whose hair had long gone grey with worries such as

this one's, and of many more, what he would reply.

He snapped out his answer, which was unprintable at first but translated freely ran: "O. K., buy where you like, I don't care, but don't come running to me if you get your fingers burned."

Warming to the subject he said, "There was a famous Presidential election in the States in which one of the parties posted huge pictures of the opposition leader all over the country with the simple caption underneath, 'Would You Buy a Used Car from This Man?'"

"It was superb. The innuendo was terrific, and of course it worked." Then he roared with laughter, "It just goes to show that politics is dirtier than trade."

Our young exporter was not impressed. "What do I say, don't buy used cars from Korea?"

The veteran exporter put on his best air of patience. "You stall in your reply. You say you know that in certain items Korean products are cheaper, but Hong Kong can still offer the best quality at the best prices. You keep it vague and you underplay you are worried. After all, if it's Korea today, it will be Taiwan tomorrow. But don't forget this is a two-way business. We took a tremendous amount of trade away from Japan. They squealed, naturally, but it has not altered the fact that Japan's exports create new records every year."

"And," he added, "if you've any sense, you start looking for new lines."

When we last saw the young exporter, his brow was furrowed in concentration and the ashtray now overflowed. A snow-storm of paper lay crisp on the floor.

"It's coming," he said, and he pushed over his letter of reply. It said simply, 'Dear Sir,'

THE LONDON TALKS

While he was in London recently, the Secretary, Mr. J. B. Kite, attended the conference held between Hong Kong businessmen and members of the Confederation of British Industries. The Hon. Sir Sik-nin Chau was leader of the Hong Kong group.

The following is an extract from Mr. Kite's report.

Chairman of our talks with the Confederation of British Industries was Mr. A. G. Norman of the De La Rue Company Ltd., and with him were Mr. R. Mat, Deputy Chairman of Courtaulds, and Mr. J. R. M. Whitehorn, Deputy Director General of the C.B.I.

Sir Sik-nin opened the talks with a review of Japanese trade promotions methods and the finance and operation of JETRO. He then went on to outline American investment in Hong Kong and point out their habit of taking local technicians to the States and training them there. Sir Sik-nin also referred to Japanese investment in Hong Kong and their influence in textiles.

Mr. Kite also reported that Mr. M. R. L. Robinson of De La Rue reviewed Britain's entry into the European Common Market and that Mr. Robinson said economic union within the community was still a long way off. He believed, however, that Britain could do a great deal to help towards economic union.

Referring to Hong Kong, the view had been expressed that this question had to be decided within the common commercial policy. It had been made clear that the textile problem was recognised although the point was made that Hong Kong supplies were not unlimited and that there was in any case a Geneva Long Term Arrangement.

Mr. Robinson predicted that economic progress within the

community would continue and that this would be accompanied by a measure of inflation which might tend to create greater demand for Hong Kong products. He also felt that it would be some time before the United Kingdom secured admission to the Community and he advised Hong Kong to reinforce the success it has had in the German and Netherlands markets.

Sir Sik-nin outlined Hong Kong's main points as follows:

- Hong Kong should be allowed to participate in discussions where their interests were involved.
- Hong Kong should be given special terms when they were clearly unable to surmount the Common External Tariff.
- A generous time should be allowed for imposition by stages of a common external tariff.
- Expansion of exports from Hong Kong should be the perpetual aim.
- Hong Kong should be given a tariff holiday in regard to new products developing.

The second round of the Hong Kong business talks was held with members of the Federation of Commonwealth Chambers of Commerce. This was chaired by Sir Gilbert Laithwaite, Chairman of the U.K. Representative Committee of the Federation.

At this meeting, Sir Sik-nin gave a resume of the previous discussions on meeting competition in world markets. He also expressed his desire to emphasise to the City of London the desirability of using Hong Kong as a trade and servicing centre. It was noted that there was some shortage of certain types of labour in Hong Kong.

Mrs. Susan Yuen, Executive Director of the Federation of Hong Kong Industries, who also attended the talks, pointed out that productivity was rising, and outlined the steps being taken to encourage this. It was agreed that there was a con-

siderable need for the education of British businessmen on the advantages of using Hong Kong and that the Hong Kong Association would consider ways and means of carrying this out.

Speaking on the U.K. economy a member of the F.C.C. pointed out that the Government had no intention of devaluing sterling, although in a personal note Mr. Kite emphasised that it was made clear that the purpose of the present U.K. credit squeeze was to reduce imports, which must affect Hong Kong trade.

It was also forecast that the credit squeeze would continue until the end of 1967 at least though there was no reason why Hong Kong's success story should not continue.

The Hong Kong delegation also included Mr. M. S. Cumming, Mr. M. A. R. Herries, Mr. K. S. Lo, Mr. John Mackenzie, the Hon. J. A. H. Saunders, Mr. H. D. Barton, Mr. B. I. Barlow, Mr. E. G. A. Grimwood, Mr. H. J. Collar, Mrs. I. M. Ward, Mr. J. B. M. Leckie and Mr. P. C. N. Sedgwick.

Plastic Expert From Japan

A Japanese plastic technologist, Mr. Bin Ogaki, Chief Engineer, Plastic Division, Osaka Municipal Technical Research Institute, visited Hong Kong earlier this month.

Mr. Ogaki had informal discussions with local manufacturers of the plastic industry at the Hong Kong Technical College. Subjects discussed included the preparation of thermosetting of moulding material and plastic testing.

Mr. Ogaki's visit was sponsored by the Asian Productivity Organisation in conjunction with the Hong Kong Productivity Centre.

Nominations For Trade Council

Legislation for the establishment and financing of the Trade Development Council has now been approved by the Legislative Council.

The Trade Development Council Bill sets out the functions of the Council which are, first, to promote, assist and develop Hong Kong's overseas trade, with particular reference to exports and, second, to recommend to Government any measures which it considers would achieve an increase in Hong Kong's trade.

The Bill also sets out in some detail the powers and duties of the Council and its membership. The Council, of which Dr, the Hon. Sir Sik-nin Chau is to be the first chairman, will have 14 other members.

Sir Sik-nin Chau is past Chairman of the Federation of Hong Kong Industries and was the Chairman of the Working Committee on Export Promotion Organisation, immediately prior to the establishment of the Council.

Among the ex-officio members are the Chairman of the Hong Kong General Chamber of Commerce, the Hon. G.R. Ross who is a leading businessman and exporter and an Unofficial Member of the Legislative Council; the Chairman of the Federation of Hong Kong Industries, Dr. S.Y. Chung, an industrial leader and Chairman of the Working Group of Provisional Productivity Council; and the President of the Chinese Manufacturers' Association, Mr. C.K. Choi, a leading industrialist and manufacturer of metal goods.

Other ex-officio members are: the Chairman of the Hong Kong Tourist Association, Mr. H.W. Lee, a prominent businessman and property owner; Chairman of the Exchange Banks Association, Mr. P.A. Graham, Manager of the Chartered Bank and a leading banker; Director of Commerce and Industry, the Hon. D.R. Holmes and the Director of Information Services, Mr. N.J.V. Watt.

Mr. J. Dickson Leach was also nominated by the Chamber to serve on the Council. He is the Vice-Chairman of the Chamber

and General Manager of the Union Insurance Society of Canton.

Mr. M.S. Cumming was nominated by the Federation of Hong Kong Industries. He is a leading industrialist, especially in the ship-building field and also Chairman of the Public Services Commission.

The nominee of the Chinese Manufacturers' Association is Mr. Wong Tok-sau, an industrial leader and Managing Director of the Amoy Canning Corporation.

The four members appointed by the Governor to serve on the Council are the Hon. Dhun Rut-tonjee, Senior Unofficial Member of the Legislative Council and a prominent member of Indian business and commercial community; Mr. J.A. King, a leading businessman and exporter and a member of the Committee of the Hong Kong Exporters Association; Mr. Francis Tien, a leading manufacturer and exporter of garments and textiles and member of the Cotton Advisory Board; and Mr. Daniel Lam, a leading manufacturer and exporter of light metal products and a member of the Trade and Industry Advisory Board. Mr. Lam was leader of the Hong Kong delegation at the St. Erik's Fair in Sweden last month.

BOOK NOTES

"Export or Die"

By Charles J. Olson and Ray C. Ellis
Published by Dantnell

This book gives the facts about the profitable export trade, and attempts to destroy the myth that exporting is complicated and risky. It clears up confusing trade technicalities, lists and discusses reliable sources of information, gives guidance and advice, and contains numerous specific case histories of export marketing programmes. "Export Or Die" is available from Scientific Service Company, price \$95. (A special discount for members of 15% is offered).

POPULATION INCREASES

There has been a big increase in the population of New Kowloon and the New Territories while that of Hong Kong Island and Kowloon has been almost stationary.

This was disclosed in a preliminary report on this year's land by-census prepared by Mr. K.M.A. Barnett, Commissioner of Census and Statistical Planning.

The land by-census, which was carried out from July 19 to August 2 and taken by two-stage sampling method, gives the total land population as 3,613,900.

A breakdown of the land population figures shows: Hong Kong Island, 1,006,600 (an increase of 2.4 per cent); Kowloon — 675,300 (a decline of 4.4 per cent); New Kowloon — 1,333,000 (an increase of 58.6 per cent); New Territories — 527,900 (an increase of 32.9 per cent); Special enumeration — 71,100 (an increase of 5.2 per cent).

The marine by-census which was carried out from June 18 to 22 showed that the small boat population dropped to 102,500 in comparison with 138,320 in 1961. This gives the total land and sea population of Hong Kong as 3,716,400 — an increase of 18.6 per cent compared with 1961.

Commenting on the results, a spokesman of the Census and Statistical Planning Office said the percentages of increase and decrease show considerable decentralisation — more people are moving out of crowded districts.

On Hong Kong Island, people in the more central districts have moved out to places like North Point, Shau Kei Wan and Aberdeen, while in Kowloon there has been a striking shift to the north and east.

Shek Kip Mei, Kowloon Tong, Kai Tak, Ngau Tau Kok, Kwun Tong and Lei Yue Mun in New Kowloon all show marked increases. The most notable of all was the Ngau Tau Kok, Kwun Tong and Lei Yue Mun census area where the population rose by 211.9 per cent.

In the New Territories, the Tsuen Wan, Tsing Yi and Ma Wan census area shows a 141.8 per cent increase in population but there is a surprise drop of 9.9 per cent in the population of Yuen Long.

Trade to Survive

Part 2: The Role of the T.D.C.

It is not intended that all the good work undertaken by the trade organisations in trade promotion should cease.

The Trade Development Council has taken over the promotional functions of the Department of Commerce and Industry and of the Joint Public Relations Committee, but our main tasks are to formulate a programme preferably two or three years ahead, co-ordinate trade promotion projects so as to avoid duplication of effort, and provide marketing information to anyone who needs it. We have a secondary task to create a favourable image of Hong Kong as a trading partner and business centre.

We are not the sole authority permitted to undertake promotional activities. Our function is, as I said, to co-ordinate; to suggest to others the most fruitful fields of activity and give them such administrative and financial help as we are able in conformity with the overall programme. We publish a number of pamphlets and periodicals, some of them in foreign languages, and we are now considering a new image for the monthly "Trade Bulletin" and annual Commerce, Industry and Finance Directory.

Methods

We take products for display free of charge either in our display centre at the Ocean Terminal, or in certain sections of our pavilions at foreign fairs. In both cases any enquiries received are forwarded to the supplier of the goods, whether he is an exporter or manufacturer.

It is probable that we shall continue to sponsor participation in trade fairs overseas, because this is a useful means of introducing Hong Kong firms to trading abroad. At present we

The second in the series on trade written by Mr. R. G. L. Oliphant, Executive Director of the Trade Development Council. In these articles Mr. Oliphant discusses the story and theory of Hong Kong's trade background and the plans for the future.

subsidise such participation, but very likely we shall evolve a scale of reducing subsidies for those who go regularly and learn to stand on their own feet. It is our policy to introduce as many people as possible to foreign trade, and as those who participate in our projects learn the lesson, so we hope to entice new firms into the fold. We cannot subsidise the old ones for ever. Participants are able to carry out a preliminary market survey, show their goods to potential buyers, assess the competition and local preferences, and make useful personal contacts, all at a minimum cost. For those who have already exhibited abroad and have established that there is a demand for their goods, and also arranged adequate channels of distribution, participation may be regarded as one phase in an integrated sales campaign.

In either case exhibitors are freed from the work of shipping, landing, transporting and setting up their exhibits, and from all other administrative worries, and they share in the very considerable publicity that is given to our projects.

There may well be participation at specialised fairs in future, and trade missions are sent out, they are likely to be

fairly large selling missions intent on taking orders, appointing agents, and generally following up successes achieved at trade fairs, penetrating new markets.

Business Groups

A recent development has been to persuade groups of business people whose interest has been aroused by our participation in Fairs in their countries, to come to Hong Kong with a view to concluding more business. One group came from Spain, another is expected from Sweden next month, and we hope more will follow. The next step must be similar selling missions sent out from Hong Kong to those countries, and market surveys are now being conducted with this in mind. This flow of people from one country to another seems to me to be the best way to promote trade.

As I see it, the other main function of the Trade Development Office, besides indoctrination and organisation should be the collection, storage and dissemination of information. Firstly we must have adequate information about the producers and suppliers of Hong Kong, so that we know what we are trying to sell and do not waste time and money promoting things that cannot be produced in reasonable quantities. Secondly, we should be able to answer, or know where to find the answer quickly, to questions asked by sellers of Hong Kong products. Which markets offer the best opportunities, what selling methods should be employed in each, what is the likely competition etc. Another useful service should be to tell potential suppliers which products could be made in Hong Kong, that are not being made here, and in which markets they could be sold.

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Introducing the Staff

W.K.F. WANG



"Admiral Cho Yu," alias "General Lu Pu" alias the scholar "Chang Sang," today controls the day-to-day routine of the Chamber where he is affectionately known simply as Willie Wang.

Out of office hours, however, W. K. F. Wang's (王恭甫) private life undergoes a dramatic change, for in Hong Kong he is known as the leading singer and stylist of pure Peking Opera. As such he has given more than 60 public performances in Hong Kong and has served as Chairman of the Chinese Opera Research Society in the Shantung Hopei Clan Association, of which he is now an Honorary Director.

In many ways Willie's own story is as tragic as that portrayed in the Chinese operas he enjoys so much.

Of Hopei descent, Willie was born in Wai Hai Wai, a former British concession which lies on the coast of the Yellow Sea. While still a young man he travelled to nearby Tsingtao, a former German concession which was famous as a summer resort and naval base.

"Tsingtao is considered to be the most beautiful city in China," Willie recalled. "A former mayor had previously re-designed the town and ordered that all buildings be tiled in red and the streets lined with trees. The result was remarkable: a panorama of red and green set against the sea. It is not surprising I was happy there — who could not be in such beauty," said Willie.

"Apart from that, life was good to me. I had started off working for the Chinese Customs, then after a while joined China National Aviation Corporation, like S. L. Chung. Then I was offered a job with the port facilities section of the U.S. Navy. Here I had my own spacious bungalow with a lovely garden where my children could play. I had saved a considerable amount of money too and I became a director of a local bank. It was only a small bank, but I felt as a young man I was getting somewhere in life.

"I had long been interested in Peking Opera and after studying the many roles I decided to take lessons from a professional tutor in Peking. In China there was a great distinction at that time between the professional actor and the amateur, and to me it was important that I retained my amateur status."

This did not prevent Willie, however, from becoming rated as the foremost exponent of

Peking Opera in Tsingtao.

"I should have known, of course, that my life was too good to continue this way. I was aware of the internal turmoil in China, but I shall never forget the shock, when one day a friend urgently advised me to leave, because I worked for the Americans.

"I remember telling my wife that we would have to leave immediately — and the dash we made to gather only a few things for our journey to Hong Kong!

"I couldn't get my money out of the bank, all I had were some savings in the house. As a result I arrived in Hong Kong in 1949 with only enough money to tide us through a few months.

"Our first home here was a cubicle, a wire-mesh partition of approximately 12' x 12' into which my wife and our three children were crowded. Fortunately I found a job fairly quickly and since then I have always been in work."

Willie joined the Chamber in 1962 as office manager and was recently promoted to Executive Assistant. He has six children now, three of whom were born in Hong Kong, and has moved to a flat in Jordan Road.

"In many ways it has been my love of Chinese Opera that helped me face the difficult period when I first came to Hong Kong. In opera the change of scenes and moods must be conveyed to the audience through imagination, but sometimes when I click my hands to simulate the sea my own imagination takes me back to my life as it was in Tsingtao, the most beautiful city in China."

U.K. PRESS REPORTS

This is the second report on comments and reports which have appeared about Hong Kong in the British Press. This article replaces the circular on this subject which was previously sent to members.

"The Colony's continued existence depends to a large extent on its usefulness to China as a link with the western world and as a source of foreign exchange" (*THE TIMES BUSINESS REVIEW*).

Hong Kong continued to prosper, although the past year had not been a particularly easy period. Luckily for Hong Kong a fall in sales of textiles — still the basis of the economy — to Britain was largely offset by higher exports to the United States which was now taking a third of the Colony's total exports. Because of the realisation of the dangers of the present over-dependence on textiles, continued progress was being made with industrial diversification, particularly into the fields of plastics, furniture and electronics. In addition, tourist receipts rose in 1965 by ten per cent. The rise in prices, however, was reducing the Colony's attraction as a cheap shopping centre, and efforts were being made to develop Hong Kong as a holiday area.

Hutchison International, the diversified Hong Kong based group, was confident present business would still develop profitably and on sound lines, according to the chairman, Col. J. D. Clague (*THE FINANCIAL TIMES*). Regarding the group's future development, Mr. Clague said the main expansion of interest would be directed towards the development of the cross-harbour tunnel in which, with

new plants starting manufacture and others expanding.

A special correspondent of the *MERCANTILE GUARDIAN* wrote: "Most years are remarkable for Hong Kong and 1966 is likely in several ways to be the most remarkable for a long time." Referring to last April's riots, he said they "reflected an uneasiness that sooner or later must, unless the Government discovers some way (and it will not be easy) to deal with the acute socio-economic problems of the community, find further, and still more pointed, expression.

These are not growing pains that time and expansion will assuage, but symptoms of cleavage between a large section of the people demanding a 'fair' say in the administration of the Colony and a Government that, even if it would, does not see how it can accommodate their demand." The correspondent pointed out that it was not, however, in politics alone that 1966 was making history. On the economic side, the creation of the Productivity Council, the Trade Development Council and the Export Credits Insurance Corporation — three statutory organisations designed to help trade and production — are "witness to a new maturity and balance in a Colony once known simply as an entrepot — albeit one of vast importance".

Britain was continuing her drive to sell more to the Hong Kong market which, if the tempo of its advance had slowed appreciably, was still expanding strongly. The balance of trade between Britain and Hong Kong, HK\$185 million in the Colony's favour in 1964, was converted into a balance of HK\$54 million in Britain's favour.

Trade Restraints

"This could conceivably produce another innovation this year, a demand from Hong Kong that such restraints on her trade as Britain's import surcharge (already scheduled for removal) and the restriction of textile shipments must be reconsidered in the context of the mutual trade balance and adjusted accordingly.

"The Colony is naturally deeply concerned at all moves in other countries that limit her export scope. Last year, in far-from-easy world conditions, Hong Kong's direct exports in-

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Wheelock Marden, Hutchison would be major participants.

Total cost of the project would be around HK\$280 million, of which the group had in mind investing up to HK\$28 million. The tunnel would eventually revert to the Hong Kong Government without payment. During the franchise period Hutchison expected a reasonable return for shareholders.

Dodwell Promotion

Dodwell & Company, the international sales organisation, opened a new store at the Ocean Terminal shopping centre in Hong Kong, in which most of the goods would be of the "St. Michael" brand, but there would also be a few lines made in the Colony (*THE TIMES*).

Dodwell had been granted the Hong Kong franchise to sell the complete range of Marks and Spencer U.K.-made merchandise under the "St. Michael" brand name.

* Comments from The Times, Financial Times, Mercantile Guardian, The Scotsman and the trade and provincial Press.

* The cross-harbour tunnel; Marks and Spencer in Hong Kong; textile wages and local politics.

* 'Overseas Chinese' and their influence on investments; conclusions on the surcharge.

The expansion of Hong Kong's electronics industry continued unabated in 1965, although the year saw a major shift in emphasis from radios to component and sub-assembly production (*ELECTRONICS INTELLIGENCE DIGEST*). In the first quarter of 1966 the export components and sub-assemblies exceeded transistor radios for the first time. Subsidiaries of American firms made a larger contribution to the local component industry, with several

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creased by 13½ per cent, to HK\$5,027 million, and re-exports by nearly 11 per cent, to HK\$1,503 million (imports, it is interesting to note, rose by only 4½ per cent, to HK\$8,965 million). For the first time in many years there was a reduction in the adverse balance, and the ambition of the Colony is to keep the trend in that direction. There is no intrinsic economic reason why it should not succeed."

The correspondent continued: "What would add charmingly to Hong Kong's 1966 list of 'firsts' would be for the Colony to be the first commonwealth country this year publicly to remind HM Government of the promises made by previous Governments, and by the present leader of the Government when he was in opposition, to the effect that in no circumstances would the UK consider sacrificing any essential ingredient of intra-Commonwealth trade in order to secure admission into EEC (the Common Market)."

"Hong Kong is the only place where the government leaves the Chinese entrepreneur free, and it is in Hong Kong that Chinese enterprise flowers most profusely," wrote Dick Wilson, former Editor of the Far Eastern Economic Review, in *MANAGEMENT TODAY*. Mr Wilson added: "The short-term advantages which Hong Kong offers are immense; governed by a fair-minded, laissez-faire British colonial apparatus, which provides the ground rules; inhabited by some four million debt, diligent people who avoid politics like the plague, and are quite content to receive wages considerably marked up from the primitive levels prevailing just across the Communist border. Moreover, there is no shortage of investment funds, because the 'Overseas Chinese' resident in South-east Asia bring their profits to Hong Kong.

"This rootless, restless mercantile community of overseas Chinese is hated in its adopted lands (Indonesia, Burma, the Philippines, Thailand), but fears to return to the Marxist austerity in its ancestral homeland. It uses Hong Kong, therefore, as its bank, warehouse and chief staging-point."

Exchange Labour

Mr. F.A. Waterhouse, of Wimbledon, in a letter to the Editor, replied to an article by the General Secretary of the National Union of Tailors and Garment Workers, Mr. John Newton, who had attacked conditions of employment in Hong Kong's textile and garment factories (TAILOR AND CUTTER).

Mr. Waterhouse wrote: "Before John Newton waxes about the conditions of workers in far-off Hong Kong, he would do better to examine the conditions of work produced by workers in nearby London. There must be many hundreds of small bespoke tailors in this country dependent upon outworkers and their 'out-out' workers, who are supposed to produce 'British workmanship'.

This is generally atrocious, and they, the workers, 'should be ashamed of themselves.' There is far too much emotional talk nowadays about conditions and too little about results. I suggest an exchange of workers between here and Hong Kong to get things into perspective."

There were fears in Government circles in London that the Sino-Soviet propaganda war might eventually threaten the prosperity and stability of Hong Kong (THE SCOTSMAN). Recently the Soviet Union started to counter propaganda from Peking by ridiculing Peking's acceptance of "an imperialist stronghold on Chinese soil and because most of Hong Kong is on a 99-year lease from China, a lease that is due to expire in 1997.

The fear is that China will react to these propaganda attacks by altering its present policy towards Hong Kong," said the newspaper's Commonwealth correspondent. Because of the lease and uncertainty about Chinese intentions, the British Government was unable to advance Hong Kong towards independence on the same pattern as elsewhere.

"There are, however, tentative proposals to increase the say of the people of Hong Kong in local government without altering the Colony's constitutional relationship with Britain. These proposals are carefully framed to avoid giving offence to China, and Britain hopes that the financial benefits which China gains from Hong Kong will mute opposition from Peking."

Local Television

Hong Kong's new television station was planning to go on the air much earlier than the generally-believed date at the end of 1967 (*ADVERTISER'S WEEKLY*).

"Television Broadcasts are pushing ahead with a plan which could get it transmitting about January. Executives have not yet fixed a definite target date but they have decided that both the English and Chinese channels should come into operation at the same time. Negotiations have already started for the purchase of top-rated overseas programmes."

About half the people who take driving tests in Hong Kong fail, according to a traffic spokesman in the Colony (*HASTINGS EVENING ARGUS*).

A total of 6,954 people took their tests in July and 3,565 failed. They included 67 who did not complete their tests because of mechanical failures in their vehicles.

Marketing Seminar

Two overseas experts are being specially invited to Hong Kong to conduct a seminar on "International Marketing".

These experts are, Mr. Al N. Seares, President, Affiliates in Management, USA; former Vice-President of Marketing of Remington Rand with a responsibility for 2,600 salesmen and 212 branch and district offices and Mr. Oiva Rydeng, Head of the National Association for Promotion of Danish Products; former head of the Danish Export Promotion Office and head of the Marketing & Distribution Section of the European Productivity Centre.

The Seminar will cover all aspects of international marketing including the techniques of export marketing, studying overseas markets and there will be special sessions on marketing in the European Common Market and the European Free Trade Association.

The Seminar will be held from 1st — 10th November, at the Hong Kong Management Association office, United Chinese Bank Building, 11th Floor.

The fee is \$250 for the course.

TRADE FAIR CALENDAR

The following is a complete list of specialised European trade fairs scheduled for this year.

Nov. 3-13	— Turin, Italy — Automobiles
Nov. 5-21	— Berlin, Germany — Books
Nov. 5-11	— Paris, France — Women's Clothing
Nov. 8-11	— Milan, Italy — Fabrics
Nov. 8-12	— Amsterdam, Holland — Shipbuilding
Nov. 10-14	— Metz, France — Agriculture
Nov. 12-22	— Genoa, Italy — Catering
Nov. 12-19	— London, England — Cycles
Nov. 13-21	— Paris, France — Food Industries
Nov. 15-18	— London, England — Reinforced Plastics
Nov. 19-26	— Basel, Switzerland — Surface Treatment
Nov. 22-25	— Frankfurt, Germany — Textiles
Nov. 28-Dec. 1	— Brighton, England — Horticulture
Nov. 29-Dec. 2	— Frankfurt, Germany — General
Nov. 29-Dec. 1	— London, England — Amusement Trades
Nov. 30-Dec. 12	— London, England — Trailers
Dec. 2-16	— Reggio Calabria, Italy — Essence Oils

German Tax

The Government of the German Federal Republic have increased the turnover equalisation tax on certain imports. Those of interest to Hong Kong are tulle and net fabrics, leather shoes, nuts and bolts, fabrics of man-made fibres, cotton fabrics, and blankets of discontinuous man-made fibres. The new tax represents approximately 1% increase.

PORT NEWS

Mr. P. G. Williams, Director of Dodwell & Co. Ltd., is now attending the newly formed Government Committee meetings on containerisation as the Chamber's sole representative. Interested members should contact Mr. Williams (Tel: 237011) for news of progress on containers.

Mr. A. G. S. McCallum and Mr. J. F. Muirhead are among the shipping interests represented on the Committee.



Recent visitors to the Chamber included a group of Japanese members of Chambers of Commerce. The visitors were entertained to a film show in the Chamber's boardroom and held a discussion on Hong Kong's trade with Japan.

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The Trade Development Office should try to educate the manufacturers and exporters in all matters pertaining to international trade. Publicity should be given not only in the press and on the Radio, but also through the trade associations, to such matters as the effect on freight rates of orderly presentation of export cargoes. The benefits of unitising, palletising and containerising, to use three frightful words, and anything else which will help us to compete in overseas markets. It would be well to consider the use that may be made of the several duty free storage facilities in special zones of a number of countries.

Education

Many opportunities exist for learning, but people must be told about them and the virtues of each must be properly explained. We cannot afford to miss any opportunity to make our exports more competitive. Our search must be for new markets and new methods besides developing the old ones. Having absorbed the lessons to be learned from others, we must then aim to lead the way. But the local market must not be neglected. By selling locally we save imports which is really equivalent to exporting. I would like to see far greater local sales of Hong Kong products, and I believe that there has been a move in this direction.

We are actively considering the possibility of holding in Hong Kong exhibitions of local products to which foreign buyers may be invited. We may choose a group of allied industries or one industry alone, but so far the response has been disappointing. Before any progress can be made, there will have to be a good deal more cooperation between the members of industrial groups than most have been able to show so far.

Next Issue: Salesmanship as applied to Hong Kong.

Quarantine

Quarantine restrictions have been imposed against arrivals from Madras, Djakarta and Kuching because of smallpox, and from Cebu and Bangkok because of cholera.

MEMBERSHIP

CHANGE OF NAME

Tai Fung Manufacturing Co. Ltd., Rm. 2307, Realty Bldg., 71 Des Voeux Road C, Hong Kong. (Formerly Tai Fung Tdg. Co. Ltd.)

CHANGE OF ADDRESS

Carlos Traders, Room 1910, Realty Bldg., 19th floor, Hong Kong.

Inter-Islands Exporters Ltd., Pacific House, 6th floor, Hong Kong.

Krips International, Kailey House, Rm. 503, 21 Wellington St. 4/F, Hong Kong.

Victor Lau Company, 1405 Entertainment Bldg., Hong Kong.

Whitney Mfg. Co., 1318, Central Building, Pedder Street, Hong Kong.

Wong Hau Plastic Works & Tdg. Co., Connaught Bldg. 14/F, 54-56 Connaught Road C, Hong Kong.

TENDER

Hong Kong. Tenders are invited for the supply of:—

1. Light pattern brass stop-cocks and bib taps
2. Rubber raincoats
3. Fibre glass helmets
4. Gases.

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

TRADE FAIRS

Poland. The Poznan International Fair will be held for the 36th time from 11th to 25th June 1967.

United Kingdom. The Public Works and Municipal Services Exhibition and Congress will be held in London from 14th to 19th November 1966.

The Reinforced Plastics Exhibition will also be held in London from 15th to 18th November 1966.

September Trade Figures

The Commerce and Industry Department has released the following provisional trade figures for September:

Merchandise:	Domestic Exports :		September, 1966 compared with September, 1965		January-September, 1966 compared with January-September, 1965	
	\$ Million	Per Cent	\$ Million	Per Cent	\$ Million	Per Cent
Domestic Exports	+ 164.58	+ 38.8	+ 470.32	+ 12.9		
Re-exports	+ 77.72	+ 67.3	+ 204.99	+ 18.8		
Imports	+ 345.24	+ 46.9	+ 740.44	+ 11.2		

The value of domestic exports, re-exports and imports for the first nine months of 1966 are estimated at \$4,109.30 million, \$1,296.89 million and \$7,330.66 million respectively.

These figures represent an increase of 12.9 per cent for domestic exports, 18.8 per cent for re-exports and 11.2 per cent for imports over the value of trade recorded for the corresponding period of 1965.

It must be noted that the extraordinarily large number of trade declarations received during September, a great many of which related to cargoes imported or exported during the previous months of this year, have distorted the September trade figures, and they should not be compared indiscriminately with figures for other months. The cumulative figures now represent a more accurate assessment of the year's trading.

Zambia

Mr. David Appleton, General Manager of the Zambia Trade Fair, will visit Hong Kong from November 9th to 11th, with a view to inviting Hong Kong manufacturers to exhibit their products at the 1967 Zambia Trade Fair. The fair will be held during June and July.

Last year Hong Kong exported goods to the value of \$6,542,995 to Zambia. Principal exports were made-up articles, plastics, and electrical machinery.

Members interested in displaying products at the Zambia Fair should contact the Chamber for an appointment with Mr. Appleton.

Cyprus

The Director of Customs and Excise, Famagusta, Cyprus, has advised that Standard Certificates of Origin issued by this department will continue to be acceptable for claims to Commonwealth preferential rates of duty until the end of this year.

The department is at present under negotiation with the Cyprus Customs authorities on their future certification requirements for imports of Hong Kong products into Cyprus at both full and preferential rates of duty after 31st December, 1966. Members will be notified as soon as an agreement is reached.

Study Tour

Mr. M.W.S. Wong, Programme Officer of the Hong Kong Productivity Centre, is undertaking a study tour of Japan. Mr. Wong will spend about ten days in Tokyo where he will meet officers of the Asian Productivity Organisation and visit the Japan Productivity Centre to study their programme work.

The Hong Kong Productivity Centre is sending Mr. Wong to Japan to enable him to acquire knowledge and experience from his Japanese counterparts on productivity programme planning and organisation.

THE CHAIRMAN

The Hon. G. R. Ross, the Chamber's Chairman ceased to be a provisional member of the Executive Council following the return to Hong Kong of the Hon. J.A.H. Saunders.

NEWS FROM D. C. & I.

Malaysia

Withdrawal of Commonwealth Preference

Commonwealth Preference has been withdrawn from certain categories of Hong Kong exports to Malaysia including textiles, textile made-up goods, perfumery, cosmetics, radio receiving sets, bicycles and musical instruments. Details of the items affected which are of interest to Hong Kong and the territories of destination to which this tariff change applies, are shown in the attached list.

In the light of this information, it has been decided that with immediate effect, D. C. & I. will not issue Commonwealth Preference Certificates in respect of the items which are not accorded preferential rates of duty, and Standard Certificates of Origin as previously conveyed to you in Certificate of Origin Circular No. 12/65 dated 21st December, 1965 will only be issued in future.

Malaysian Tariff No.	Description	Applicable Area
055522	Vegetables prepared or preserved, otherwise than as infant food or in vinegar, in airtight containers.	Malaya
061101-1	Sugar, regardless of source, of a polarisation exceeding 99°	Malaya
-2	exceeding 98° but not exceeding 99°	
-3	exceeding 95° but not exceeding 98°	
-4	not exceeding 95°	
121000	Tobacco, unmanufactured, including tobacco refuse	Malaya Sabah Sarawak
553011	Perfumery containing spirits	Malaya Sabah
553013	Perfumery not containing spirits, cosmetics, and toilet preparations (except soap and products for dental hygiene) including shaving creams, shampoos and animal toilet preparations.	Malaya Sabah
Group 652	Cotton Fabrics of standard type (i.e. woven cotton fabrics other than narrow or special fabrics)	Malaya Sabah Sarawak
Group 653	Textile Fabrics of standard type other than cotton (i.e. woven fabrics, other than narrow or special fabrics, other than of cotton)	Malaya Sabah Sarawak
654020	Woven labels, badges and the like, not embroidered, in the piece, in strips, or cut to shape or size.	Malaya Sabah Sarawak
654051	Tulle and other net fabrics (but excluding woven, knitted or crocheted fabrics), figured, and lace in the piece.	Malaya Sabah Sarawak
654052	Trimmings of tulle or other net fabrics, or of lace in strips or in motifs.	Malaya Sabah Sarawak
655430	Textile fabrics impregnated or coated with preparations of cellulose derivatives or of other artificial plastic materials.	Malaya Sabah Sarawak
655820	Wicks of woven, plaited, or knitted textile materials, for lamps, stoves, lighters, candles and the like, tubular knitted gas-mantle fabric, and incandescent mantles for gas or oil pressure-type lamps.	Malaya Sabah

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Christmas Mail

The Post Office has advised the Chamber of their latest dates of surface mail deliveries for Christmas. These dates apply only to letters and packets posted in Hong Kong before 6.00 p.m. on the days mentioned. They are also liable to alteration at short notice.

ASIA & MIDDLE EAST

	Letters & Packets (6.00 p.m.)
Aden (Protectorate)	15.11.66
Aden (Colony)	24.11.66
Bahrain	9.11.66
Burma	7.11.66
Cambodia	2.12.66
Ceylon	21.11.66
Formosa: Taipei only	10.12.66
Other Destinations	10.12.66
India, Eastern	7.11.66
India, Western	15.11.66
Indonesia	25.11.66
Iran	9.11.66
Iraq	9.11.66
Japan	6.12.66
Jordan	8.11.66
Korea, South	8.12.66
Kuwait	27.10.66
Laos	30.11.66
Lebanon	3.11.66
Malaysia:	
(Sabah-North Borneo)	26.11.66
(Sarawak)	26.11.66
(Malaya)	3.12.66
Pakistan, Eastern	7.11.66
Pakistan, Western	25.11.66
Philippines, Manila	13.12.66
Other places	1.12.66
Portuguese Timor	28.11.66
Ryukyus	3.12.66
Singapore	9.12.66
Syria	3.11.66
Thailand, Bangkok	5.12.66
Other places	30.11.66
Vietnam, South	3.12.66

EUROPE

Austria	15.11.66
Belgium	8.11.66
Cyprus	8.11.66
Denmark	10.11.66
Finland	22.10.66
France	15.11.66
Germany (Fed. of)	15.11.66
Great Britain	12.11.66
Greece	31.10.66
Iceland	22.10.66
Italy	15.11.66
Malta	8.11.66
Netherlands	8.11.66
Norway	31.10.66
Portugal	15.11.66
Spain	15.11.66
Sweden	31.10.66
Switzerland	15.11.66
Turkey	15.11.66

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Malaysia — Contd.

Malaysian Tariff No.	Description	Applicable Area	Christmas Mail		
656109	Sacks and bags of a kind used for the packing of goods, of textile materials other than jute.	Malaya	U.S.S.R.	22.10.66	
656201	Tarpaulins	Malaya Sabah	Yugoslavia	8.11.66	
656202	Sails, awnings, sunblinds, tents and camping goods of textile materials			Other Countries in Europe	4.11.66
656911	Bed linen, table linen, toilet linen and kitchen linen, of cotton	Malaya Sabah Sarawak	AFRICA		
656914	Curtains and other furnishing articles of cotton	Malaya Sabah Sarawak	Africa, Central	28.10.66	
656915	Curtains and other furnishing articles of other textile materials			Africa, East	11.11.66
656921-2	Made-up textile articles, n.e.s. of cotton	Malaya Sabah Sarawak	Africa, North	8.11.66	
656922	Made-up textile articles, n.e.s., of other materials			Africa, South	9.11.66
657601	Carpets, carpeting, rugs, mats and matting (other than knotted), except felt carpets, of wool or fine hair	Malaya Sabah Sarawak	Africa, West	14.10.66	
724204	Radio broadcast receiving sets, transistor	Malaya Sabah Sarawak	(except places with†)		
841431	} Under garments, not elastic nor rubberised. } knitted or crocheted	Malaya	Congo, Democratic Rep. of the	14.10.66	
841439		Sabah	Egypt	21.11.66	
Group 841	Clothing, of cotton and of textile materials (except other than cotton, except undergarments covered by items 841431 and 841439, and excluding fur clothing.)	Sarawak	Ghana†	14.10.66	
851011	Footwear with outer soles and uppers of plastic	Malaya Sabah Sarawak	Ivory Coast (Rep. of) Rhodesia	9.11.66	
851021	Footwear with outer soles of leather and uppers of any material except rubber			Malawi, Rep. of, and Rhodesia	11.11.66
851023	Footwear with outer soles of rubber and uppers wholly of leather			Malgache (Madagascar)	11.11.66
851026	Footwear with outer soles of plastic and uppers of any material other than rubber or plastic			Mauritius	22.11.66
851032	Footwear with outer soles of wood and uppers of any material other than rubber			Nigeria†	14.10.66
851042	Footwear with outer soles of materials not elsewhere specified and uppers of any material other than rubber.			Senggal Republic†	31.10.66
851012	Footwear with outer soles of plastic and uppers of rubber			Sierra Leone	14.10.66
851013	Footwear with outer soles of rubber and uppers of plastic			Sudan (Rep. of the)	5.11.66
851014	Footwear with outer soles and uppers of rubber			AMERICA NORTH, CENTRAL AND SOUTH	
851022	Footwear with outer soles of leather and uppers of rubber			America, C. & S. (except places with*)	12.11.66
851025	Footwear with outer soles of rubber and uppers of any material other than wholly of leather, plastic, textile or rubber			Argentina*	8.10.66
851041	Footwear with outer soles of materials not elsewhere specified and uppers of rubber			Brazil*	21.10.66
851024	Footwear with outer soles of rubber and uppers of textile materials			Canada	9.11.66
851031	Footwear with outer soles of wood and uppers of rubber			Caribbean	5.11.66
851050	Gaiters, spats, leggings puttees, cricket-pads, shin-guards and similar articles, and parts not elsewhere specified thereof.		Chile*	5.11.66	
			Costa Rica*	29.10.66	
			Cristobal, Canal Zone*	5.11.66	
			Cuba*	19.10.66	
			Ecuador*	5.11.66	
			El Salvador*	5.11.66	
			Guatemala*	5.11.66	
			Guyana*	5.11.66	
			Hawaii	5.12.66	
			Jamaica*	29.10.66	
			Mexico*	19.10.66	
			Netherland Antilles*	5.11.66	
			Nicaragua*	5.11.66	
			Peru*	5.11.66	
			Surinam*	5.11.66	
			Trinidad & Tobago*	5.11.66	
			U.S.A. (E. & W. Coast)	22.11.66	
			U.S.A. (Other parts)	22.11.66	
			Venezuela*	5.11.66	
			AUSTRALIA AND OCEANIA		
			Australia, Except Western	25.11.66	
			Australia, Western	12.11.66	
			Fiji Is.	24.10.66	
			Guam	1.12.66	
			Nauru	14.10.66	
			New Caledonia	25.10.66	
			New Guinea (Br.)	31.10.66	
			New Hebrides	25.10.66	
			New Zealand	19.11.66	
			Pacific Is.	2.11.66	
			Solomon Is.	1.11.66	
			Tahiti	2.11.66	