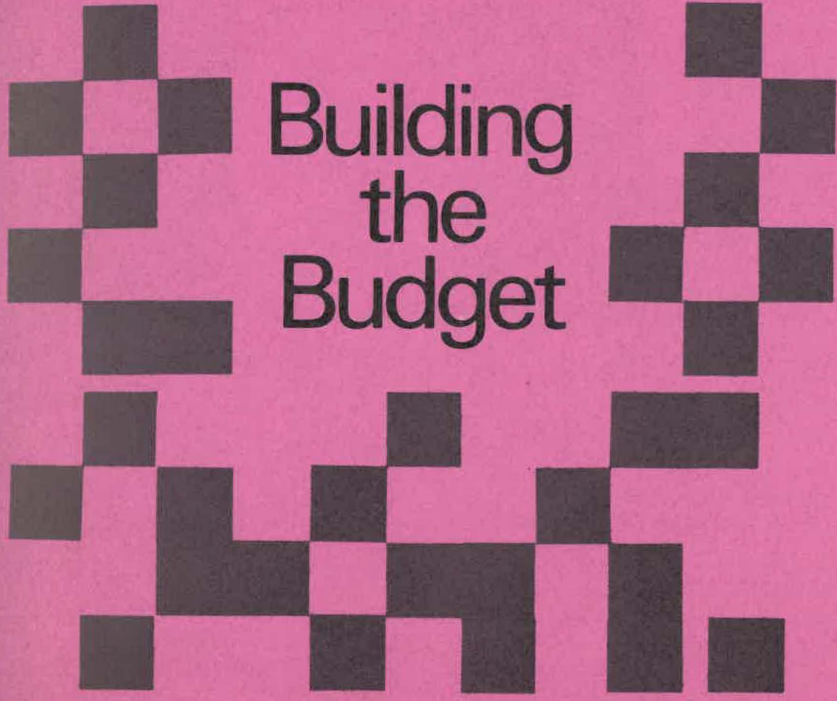




The Bulletin

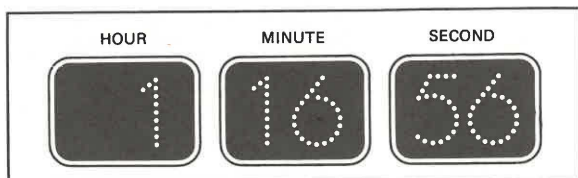
The Hong Kong General Chamber of Commerce



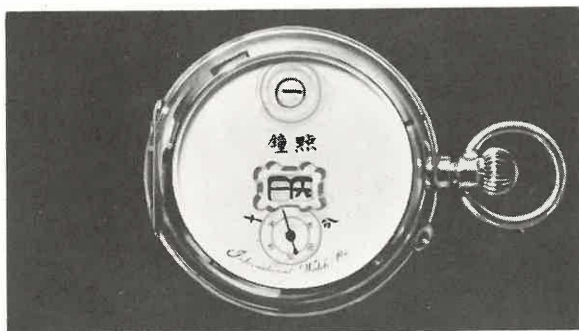
Building the Budget

see page 5

APRIL 1973



瑞士萬國錶 在八十多年前已製造 跳數錶



並具有中國數字.....

數年前一位瑞士外交家的太太，無意發現一隻寫有中國數目字的舊跳數錶，翻查紀錄之後，發現該錶於一八八七年由瑞士萬國錶廠製造，距今已有八十多年歷史。

我們首先將該錶潔淨，加以潤滑，並換上新發條，然後連續在十四日內進行準確測試，結果顯示該錶平均二十四小時之內，祇有約三秒偏差；其精確程度，不少現代手錶亦自愧不如。瑞士萬國錶的優越性能，又再度獲得證實。瑞士萬國錶廠在八十多年以前已經製作跳數錶，時至今日，萬國錶仍然是最值得驕人的手錶。

每一瑞士萬國錶，均為手工嵌製，經過精雕細琢，千捶百鍊而成，結構精密，分秒不差。當你購買一隻瑞士萬國錶時，你即擁有一件具有永恆價值的珍品。

IWC

International Watch Co. Schaffhausen/Switzerland

總代理：

SHIRO
(CHINA) LTD.



談香港財政預算案

——原文作者為基輔·合巴

先生——

現在每一個人對香港政府所提出一九七三年至一九七四年度財政預算案均帶着興奮心情討論、稱讚或抗議，這雖然已成過去，我們可以冷靜地來把它評論一下。今年度的預算案較諸一九六八至六九年的預算案，要多過百份之七十一人員和百份之八十一工作時間準備。祇五年間，政府的事務增加便如此戲劇化。

一九六八年至六九年的預算案，在輔政司處財務科有六十六人積極參與其事，今年的預算案有一百一十三人參加準備工作。以工作時間計算，一九六八至六九年的預算案化去五萬二千三百一十二工作小時，今年則增加至九萬四千五百一十二工作小時。在輔政司處其他部門和政府其他四十七個機構的人員所化的時間還未計算在內。如果每一個機構有三位高級人員參與其事，則除却上述一百一十三人外，還要加上一百五十人。

毫無疑問地，五年來每年的預算案，都要有更多人參加準備工作。因為政府的事務一如工商業，銀行業務等，發展得很快，有些地方，其發展更為迅速。

工務局的道路發展計劃更是一個好例子。其他工務局主持或監工的工作如啓德機場跑道加長計劃，船灣淡水湖擴建工程，萬宜灣淡水湖計劃，葵涌貨箱碼頭興建及更多廉價屋和學校等的建設。我們亦可以想像到五年來，供水系統的增設，以哩數而言亦很龐大。以社會福利處而論，五年前這祇是一個

裝飾性的部門，現在就不同了。由於政府擴展對老年人及傷殘者的服務，社會福利處的工作更大大增加了。我們可以察覺到政府部門受到更多壓力促進其各項服務，因此需要更多工作人員處理和更多的經費。沒有人會否認這種壓力的存在並不斷地增加，使政府向社會各方面繼續推進。

無論用甚麼標準來衡量，香港與同樣大小的國家，甚至較大的國家相互比較，政府的表現並不下於香港在貿易，旅遊和交通方面所獲得的成績。其實很難找到那幾個國家在收支上有盈餘，更何況是一連串盈餘的記錄。預算的收入是四十七億二千一百九十萬，而開支是四十四億零八百五十萬，去年度的盈餘是九億元，此等數字都是予人以深刻印象的。當我們研究這些數字所包括的，和籌備預算案幾位「建築師」所擔當的工作，我們便可以領略到預算案是政府的基礎。

很少人知道財政司夏鼎基先生在立法局提出了本年度的預算案後，一九七四年至七五年的預算工作——關於目下的過程和式樣已經開始。這顯示籌備預算案的工作是需要整年時間的。起初速度較為緩慢，但當財政年度行將終結時，其工作速度便增加，而工作的人員也加多。高潮是在所謂「最後準備」那一段時間，大概是十二月中之至二月中那八星期。「財政科」的工作人員在近年來在那一段時間都要每星期工作七天，還要開夜工。很多官員在這段期間，除了聖誕節和農曆新年外，沒有甚麼假期可言。

當然，這是指工作順利，沒有做了枉廢工夫而需要從頭再來。這類情形是可以發生的。例如一九六七年十一月的英鎊貶值便影響了一九六八年至一九六九年度由郭伯偉爵士所提的財政預算案。該預算案需要重訂，有些官員因此而詛咒，他們是有權這樣咆哮的。同樣地，本年度的預算案，亦由於世界貨幣變值，呼籲重新考慮。這種討厭的因素會

持續地困擾一九七四年至七五年度預算案的籌劃者。

當我從事寫這篇稿的調查工作者，我發覺本年度預算案，其中有一點是沒有報導的。「財政科」發言人對我向財政司提出十個問題中之一個關於貨幣問題時答稱：「在起草預算案時，我們採用了一英鎊等於港幣十三元半的比換率，以避免因英鎊貶值而作修改。」我們知道（直至執筆時）英鎊現時還是浮動的幣值。因另一次美元的危機，十個先進國要召開會議來訂立新的匯率。

任何財政預算案，不論是香港的或其他國家的，都被世界各幣值比率所影響。關於內部亦有許多問題可以影響準備工夫的。但發言人指出：「地方性的事情通常可以推測，同時如果不是太遲或太複雜的話，可以在預算案以外作考慮。」

我們可以詢問：準備預算案，有幾個分門別類的操作呢？要一個完整的數字似乎並不可能。任何一個會計師或核數師都了解一間公司的年結是要經過很多工夫的。公司越大，賬目越多，還要收集起多方面的資料才可進行分析工作。關乎全港的財政預算案更比任何年結計算的工作艱巨千萬倍有幾。

舉例說來，單純計算如工務局的部門的收支及盈餘數字，便相等計算如怡和公司、和記及會德豐等龐大機構的賬目。可幸地，工務局所需的資料均可在本港獲取，但有時，當賬目涉及一些如「地下鐵交通系統」的計劃時，參與財政預算案的人仕便要計算一下來自海外的建設原料等價格。

就算那是一個規模較小的部門，如銀行專員辦事處，該部門人員亦要處理有關外匯，倫敦貯儲金及黃金與鑽石等貿易細節。

總括來說，任何有關財政預算案的工作均要如期交卷，否則，全盤大數便倒毀。實際上，其全盤工作計劃如下：

（一）檢討去年度財政預算案，試圖改良預算及議事程序。

（二）五月至九月間，起草下年度工作時間表。財政司又去函每一部門首長，列明所需各項有關各部門內的職工人員、器材、交通、訓練計劃，及其他各項活動事項之詳情。

（三）九月至十二月間，商討及決定「預算案」的版式，（例如本年度，財政司出版兩份有關這方面的刊物）。

（四）從六月至十二月，各部門把各項有關詳情呈遞財政司，跟着，輔政處人員便與各部門人員開會商討。

（五）有關各項考慮進行的計劃，其所需人力、物力及其他物價計算等均呈遞交給特別小組委員會及立法局之經濟委員會商討。「工作小組委員會」每年開會三次，「組織小組委員會」每星期開會一次。在十二月最後一次會議上，各小組委員會及財務委員會均要對各項目明瞭澈底和決定預算案草案上之事項。

（六）由十一月至下年一月間，預算案之附錄要編排完竣，其中包括五年來之收支預測之調查表。

由於本港發生之一些事項引致一九七三至一九七四年度財政預算案之工作上有所繁雜，其中包括：

（一）市政局憲章之更改令市政局於四月一日，在財政上擁有自主權力。

（二）屋宇建設委員會會章之更改令市政事務處屬下之屋宇組與徙置事務處，由四月一日起合併為一。在處理財務事宜上，亦因而有所變更。

（三）政府新聞處連同香港廣播電台合併為一，定名為新聞總秘書處。

（四）在支出上新加設之事項為香港大學、中文大學、理工學院及工專學院等。

我們還沒有論及的就是香港財政預算案

THE BANK OF CANTON LIMITED

60 Years of Banking in Asia and

SECURITY PACIFIC NATIONAL BANK

100 Years of Banking in California and

around the world.-have the connections!

It takes more than money to penetrate world markets — you need the right connections. We've got both. The Bank of Canton Limited, in affiliation with Security Pacific National Bank provides you with branches and representative offices in key business and financial centers of the world. Through our knowledge and expertise in international finance and business we can help you find and benefit from investment opportunities around the globe.

No matter where your business takes you, you can depend on The Bank of Canton Limited — we've got the facilities, the expertise and the right connections.

Los Angeles
New York
London
Tokyo
Paris
Sydney
Frankfurt

Singapore
Mexico City
Bangkok
Brussels
Kuala Lumpur
Sao Paulo
Macau



THE BANK OF CANTON, LIMITED
6 DES VOEUX ROAD CENTRAL, HONG KONG TEL. 5-246011

THINKING OF YOUR STAFF?

For all forms of Retirement
Benefits and Group Life
Assurance Schemes
consult:

**GUARDIAN ASSURANCE CO., LIMITED,
2nd Floor, Union House, P.O. Box 94,
Hong Kong. Telephone: H-233061.**

You get a great deal from Guardian

The Budget-telling it like it is

by Keith Hooper

NOW that everyone has got over the excitement of discussing, praising and doing a little protesting about the 1973-74 Hong Kong Government Budget, we can remark calmly that this Budget required 71 per cent more personnel and 81 per cent more man-hours to prepare than was required for the Budget of only five years ago, 1968-69. Thus, dramatically, has the business of government increased.

The number of personnel actively involved in working on the Budget, in the Finance Branch of the Colonial Secretariat alone, increased from 66 in 1968-69 to 113 this year. In terms of man-hours, they worked a total of 94,512, as against 52,312 in 1968-69. And this is not taking into account the many officers in all the other branches of the Secretariat, and the 47 departments whose staff were involved. Taking a minimum of three senior officers for each branch and department, an additional 150 would have to be added to the 113 mentioned earlier.

There is no doubt whatever that each Budget in each of the past five years has necessitated more people and more man-hours. For while government business has expanded as rapidly as commerce, industry and banking, in some areas the government expansion has been greater and faster.

This is exemplified physically by the roads development programme of the Public Works Department, and a host of other PWD-run or supervised works such as the Kai Tak Airport runway extension, enlargement of Plover Cove Reservoir, the start on the High Island scheme, building of the container port at Kwai Chung, provision of yet more low-cost housing, schools, and various

services. One can imagine that the mileage of new water mains and pipes during the five-year period has been enormous. Or take Social Welfare. Five years ago this was very much a Cinderella department, but not now. Its work has grown vastly as the Government proceeded to widen the scope of services provided for the aged and handicapped.

More of everything

All the way along the line one finds more pressures on departments to provide more services, calling for more personnel to handle them, and more money to pay for the services. And no one can deny that the pressures remain and are increasing as Hong Kong continues exploding in all areas of community activity.

By any standards of comparison with other countries of the same size—and some larger — the governmental performance is no less astonishing than that of Hong Kong in trade, tourism or transport. It would be extremely difficult to find more than a handful of countries which have produced a surplus in any recent year, let alone a continuing series of record surpluses. A surplus of approximately \$900 million, with revenue and expenditure estimates of \$4,721.9 million and \$4,408.5 million, respectively, makes



7 out of 10 read the Morning Post.

In Hong Kong, 7 out of every 10 readers of English-language morning newspapers read the South China Morning Post. And 67% of those who read the Hongkong Standard, also read the Post. The Morning Post has the highest readership, the lowest duplication and the lowest cost per thousand... every advertising dollar goes twice as far.

South China Morning Post

If you want to reach the most, put it in the Post.

impressive reading. But it is when one studies the areas these figures cover — the widening areas — and the volume of work the Budget “architecture” entails that one gets the true appreciation of the Budget as the foundation of government.

One after the other

Few people would know that, immediately after Mr. Philip Haddon-Cave introduced the recent Budget in the Legislative Council, work began on the 1974-75 Budget — examination of current procedures and format. This discloses that the task of compiling the Budget takes a complete year.

Initially, the pace is gentle, but as time passes and the financial year draws nearer its close, the pace of work, and the number of people involved, increases. Climax period of what can be called the “final preparation” occurs over about eight weeks from mid-December to mid-February. During those weeks, Finance Branch staff are found — and have done so in recent years — working a seven-day week and burning a lot of midnight oil. My sources in Government told me that, for many of these officers, the only holidays they take during the eight-week period are Christmas Day and a couple of days at Chinese New Year, *if* the lunar calendar year starts early.

Scrapping

Of course, this is taking it for granted that nothing untoward occurs to necessitate scrapping a lot of the work

done and going back to the drafting boards. It can happen. An instance was the November 1967 devaluation of sterling, which affected the Budget for 1968-69 presented by Sir John Cowperthwaite. The Estimates had to be painfully reworked, and, if some officers cursed about that, they were entitled to do so. The current Budget, similarly, called for “rethink” now and again because of the recent spate of world currencies adjustments. To a certain extent, this nuisance factor will persist to harass the Budget planners in their work on the Budget for 1974-75.

\$13.50 to the £

During my research for this article, I learnt a point about the latest Budget which doesn't appear to have been reported anywhere, or, if it was, it wasn't given due emphasis. The Finance Branch spokesman, answering 10 questions I put to the Financial Secretary, said, on the currencies question: “For the year 1973-74, we adopted a uniform rate of \$13.50 to the £1 throughout the preparation of the draft Estimates to avoid further revision should the £1 devalue further.” As we know, sterling is still (at this moment of writing) a floating currency and the matter is further complicated by another United States-dollar crisis and the conferences being undertaken by the Group of 10 to work out a new formula of rates.

To a certain extent, therefore, any Budget, whether ours or another country's, is susceptible to the winds of small change in world money

parities.

On the home front, there also can be problems affecting the preparations. But, as my spokesman explained: "Local events are usually predictable and, if not too late or too complex, can be left for consideration outside the Estimates."

Collected, collated, categorised, etc.

Returning to square one, we could ask how many separate exercises are involved in preparing the Budget, but to get a complete figure would be impossible. Any accountant or auditor will appreciate the many tasks involved in preparing company or organisation annual accounts. The larger the client, the more columns of figures, facts and future trends to be collected, collated, categorised and analysed before the results begin to make sense. Multiply the same tasks a hundred or even thousandfold and we have the Budget exercise.

Consider that just working out revenues, expenditure, profit or loss on a department like, say, Public Works, is the equivalent of getting together everything needed to satisfy the shareholders of a conglomerate the size of Jardine, Matheson & Co. Ltd., Hutchison International Ltd. or Wheelock Marden & Co. Ltd. Fortunately, the PWD's data is all obtainable within the community, but sometimes, when it is involved in a major undertaking such as the mass transit system, the Budget people have to tackle figures covering materials, supplies and services of overseas

origin.

Even what could be called a relatively small department, the Office of the Commissioner of Banking will, in its area of Budget activity, have to deal with masses of figures on foreign exchange, reserves in London, even the trade in gold and diamonds.

The main thing is that everything concerned with the Budget has to meet various deadlines, otherwise the whole complex structure could collapse. And in fact, there is a broad programme which runs thiswise: An "autopsy" on the late Budget is held more or less simultaneously with the debate in Legco, with a view to determining how, if necessary, the Estimates and procedures may be improved.

Timetables for the coming year's work are drafted and circulars on deadlines are sent to departments from May to September, and sometimes later. The circulars are instructions from the Financial Secretary to department heads, advising them on the Finance Branch's requirements of information and figures on particular items such as staff, equipment, transport, training courses and many other aspects of activity.

Design

Agreement on the design of the format of the Budget per se and any associated documents (this year the Financial Secretary again published two explanatory pamphlets) is decided between September and December. Meanwhile, from June to December, departments submit their requirements

for the coming fiscal year to the Financial Secretary in response to the circulars. These may be followed by meetings between Finance Branch officers and representatives of departments.

Committees & minutes

Items on contemplated projects, manpower, materials and various other cost factors are brought before special sub-committees of the Legco Finance Committee. The Works Sub-Committee, for instance, meets at least three times a year, the Establishment Sub-Committee weekly. The Sub-Committees and Finance Committee must have a clear picture by the final meetings in December of what should go into the draft Estimates. At the same time, appendices to the Estimates are being compiled from November to January. These are for the most part analyses of various provisions by function, source, etc.

Five-year forecast

And there is a survey and updating of the Five-Year Forecast of Expenditure. Some local events which posed complications in working out the Estimates of the 1973-74 Budget included

- The reconstitution of the Urban Council, giving Urbco, with effect from this April 1, a significant degree of financial autonomy and powers it did not possess hitherto.
- The reconstitution of the Housing Authority and the amalgamation of the Housing Division of the Urban Services Department with

the Resettlement Department into a Housing Department, with effect from April 1. This also involved certain changes in financial arrangements.

- The combination of the Information Services Department and Radio Hong Kong to form the Secretariat of Information. And
- The creation of a new expenditure head to combine provision for the Hong Kong and Chinese Universities, the Polytechnic and Technical College as the result of the College's forming the basis for the Polytechnic.

Whitehall

Now one thing we haven't so far mentioned is that all the Hong Kong Budget work is done by the Government's own people without any call on help from outside Hong Kong, and without, presumably, any outside influence. This should be stressed because there are people here who misguidedly believe Whitehall has a say in our Budget.

As far as I could find out, without spending many days perusing mouldering records, the Government has not brought in any supplementary budgets since 1946, which is near enough to the start of our post-World War II industrial take-off. This is interesting because world trade and financial fluctuations during recent years have compelled several other governments to introduce supplements. On the other hand, "supplementary provision for new policies is sought from the Finance Committee throughout the fiscal year", my Government source

SHEET METAL MACHINERY

manufactured by

**A.J. MORGAN & SON (LYE) LIMITED,
Providence Street,
Lye, Stourbridge.
England.**

**SHEARS
GUILLOTINES
ROLLS
FOLDERS**

**Represented in Hong Kong by
William Jacks & Co. (Hong Kong) Limited,
1813 Union House, Hong Kong.**

told me.

And there we have it, or as much information as it was possible to gather about the building of the Budget in time for this *Bulletin*.

Many readers may find the architectural details dull reading. There are some, I'm sure, who even regard the reading of the Budget itself as a bit of a chore. But that's typical of our times when most of us like to get what we think we must know in capsulated form.

Insurance premiums

For myself, I think it a great pity if one doesn't read the Budget and study it in detail. Tucked away are quite often the meats of discussion and controversy for the future. As we noted in the coverage the press gave the 1973-74 Budget, initially most missed the import of the Financial Secretary's decision to abolish insurance premiums as a deductible tax item. As I write this, the spate of letters to the editor continue. Much as I disapprove the abolition, one realises, as must be evident in this article, how much more paper consideration of tax deductions adds to the mountain of paperwork — firstly in each department, secondly in the Finance Committee and finally in the Finance Branch. And if the Budgets continue to double in spaces of five years, so must the mountain of paper grow still higher.

To me, the architecture and construction of the Budget is one of the fascinations of government and should be known by the people.

A Budget is very much an historical document through which one learns the trials and successes of its society.

Budget as historical source

Perhaps some day an economist will use the Budgets of the past as source material to write a history of Hong Kong and its times, including peculiarities pointed up in the Budgets. One wonders whatever happened to all the documentation in the preparation of the Budget for 1942-43 and how the first postwar Budget dealt with the rehabilitation of the Colony . . .

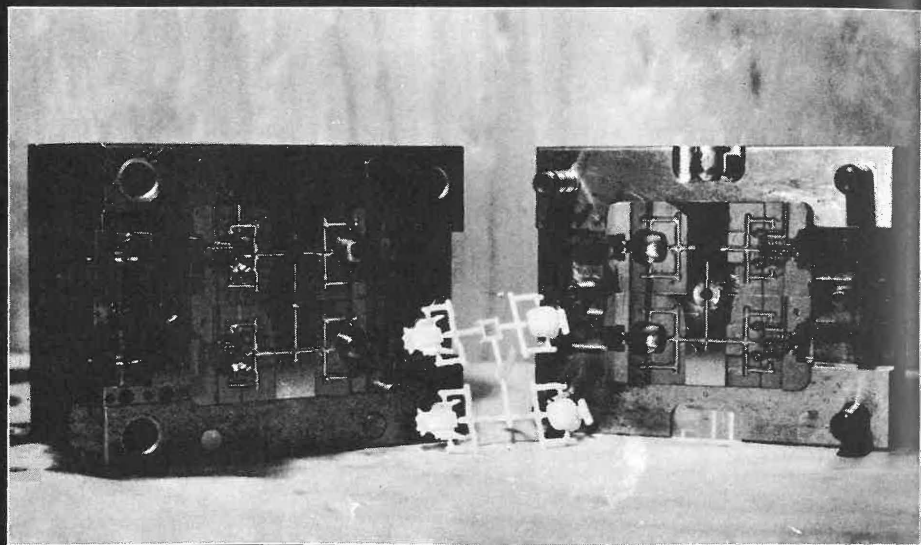
A Budget can be a very telling document.

But after all that is said, what of the thousands of our Government officers who worked on the Budgets of other years, smaller though they were. Visualise, if you can, the small team who worked on the Budgets a century ago, by candlelight; how little they knew how big a task the compiling of today's Budgets would become.

A Budget is more than a document. It is living record of past performance and the community's hopes for the future.



**Our tooling department
specialises in
engineering, design
and manufacturing of
Plastic injection molds
Blow molds, diecasting molds
and special tools**



high quality prompt delivery

Call or write to department of tooling and
plant engineering. Tel. ext. 180 or 147

Hong Kong Industrial Company, Ltd.

41A Smithfield, Kennedy Town, Hong Kong. Telephone: 465111-20.

Telegraphic Address: "HKINDCOLTD" Hongkong Telex No.: HX3436

Briefing

News from the Chamber... and the rest of the world

□ The **Chamber's Annual General Meeting** will be held in the Connaught Suite of the Mandarin Hotel on **Monday, April 2 at 5.30 p.m.** The Agenda before the Meeting will be:

- To receive the Report of the Committee and the Accounts of the Chamber for the year ended 31st December, 1972.
- To elect a Committee.
- To fix and determine the Annual Subscription for the year beginning 1st January, 1974.
- To elect Auditors and fix their remuneration.
- To consider any motion of which at least seven days notice must be given.

□ **Mr. J. Cassels**, Managing Director of Hong Kong United Dockyards has agreed to be the Chamber's representative on the Hong Kong Productivity Council.

□ A comprehensive **census of industrial production in 1973** is to be undertaken by the Census and Statistics Department in order to collect information about employment, labour cost, materials and products, local sales and exports, investment expenditure and stocks of fixed assets. The industrial statistics collected will provide local manufacturers, overseas buyers, research agencies and potential investors with a better understanding of Hong Kong's manufacturing sector as well as provide information for purposes of industrial development, Government policy-making and trade negotiations.

□ The Hong Kong Tourist Association is again compiling an **up-to-date list of all future conventions**, conferences, incentive sales meetings, reconvened meetings and seminars of more than ten delegates which are certain or likely to be held in Hong Kong in the foreseeable future (years 1973-1975 inclusive). It would be appreciated if Members having information of this kind would pass it on to the Tourist Association.

□ The Chamber has once again donated a prize fund for **winners in the local competition of the Royal Commonwealth Society Essay Competition**. This is an annual event open to students attending local schools and is co-ordinated by the Education Department. Local judges select the best entries which are sent to the Royal Commonwealth Society in London for participation in a Commonwealth-wide competition.

Awards of book prizes were given by the Chamber to the best three local entries of each class on the recommendations of the local judges. This year's winners from Class A were, in order of merit, Mary Chen, Diocesan Girl's School; Viola Wu, Sacred Heart Canossian College; Anna Wong, St. Paul's Secondary School; Class B: Dinah Ng, St. Francis' Canossian College, Annie Fong, Sacred Heart Canossian College; Ruth Yvonne Hsu, Sacred Heart Canossian College; Class C: Sabrina Yih, Diocesan Girls' School; Cynthia Lee, Diocesan Girls' School; and Jenina Ruth Bas, St. Francis' Canossian College.

Picture Briefing

- A. A Goodwill Delegation from the City of Hamburg visited the Chamber on February 26 and held discussions with Europe Area Committee members and the Chamber's executive staff. Mr. H. Westerich (right), President of the Hamburg Chamber of Commerce and Vice-President of the Central Association of German Chambers of Industry and Commerce, presented a souvenir to the Vice-Chairman.
- B. On the same day, Mrs. S. Silloway, Director of Business Relations, U.S. Department of Commerce, visited the Chamber and met S. L. Chung and F. M. Castro.
- C. The Alberta (Canada) Mission had talks with members of the North America Area Committee on March 3. Pictured at the meeting are (from left) Mr. H. A. Demidavicius, Mr. R. J. Johnson and Mr. D. Durksen from Alberta accompanied by Mr. D. P. McLennan and Mr. B. W. H. Yeung from the Canadian Trade Commission.
- D. Mr. T. A. Jackson (centre) from the Birmingham Chamber of Commerce called at the Chamber on March 5 and is seen here with (from left) C. Tsang, the Secretary, the Director and S. L. Chung.
- E/F. The Chamber hosted a cocktail reception at the Hong Kong Club to welcome important buyers and journalists who were here for the Ready-to-Wear Festival. The Director welcomes Miss J. Richards from the UK(E) while (F) Mr. Stephen Chou, Dr. Alfred Catharin (Austria), Mr. J. Jeske and Mr. H. G. Kuss (both from West Germany) share a joke during the reception.
- G. Mr. H. L. Minich, the new Executive Director of the American Chamber of Commerce in Hong Kong called on the Chamber on March 9 and is seen here with the Director and S. L. Chung. AMCHAM is the subject of an article on page 21.





Report from the Areas

Clement Tsang in the Middle East

THE Middle East has been a relatively unfamiliar trading area for many Hong Kong businessmen. After a three-week visit last November, Clement Tsang of the International Trade Department finds the region full of trade possibilities. He was the Project Manager of a Business Group jointly organised by the Chamber and TDC. The trip took place from November 17 to December 8 and the itinerary consisted of Kuwait, Bahrain, Dubai, Jeddah and Beirut.

Potential markets

The closure of the Suez Canal in 1967 has prompted Middle East countries to look to the Far East as an alternative and quicker source of supply for consumer goods. Those states enjoying an ever-increasing income from the production of oil are fast becoming very tempting potential markets. These observations were borne out by the fact that the Hong Kong Group netted altogether a tidy HK\$14 million worth of orders (although an order from a merchant in that area would mean nothing unless the promised letter of credit is secured!)

This is even more astounding since the object of the visit was not hard-selling and delegates were advised to bring only a few representative samples with them. The overwhelming volume of business concluded was a bonus to the participants since the avowed aims were exploratory in nature: to study the Middle East markets and to establish contacts with businessmen in the area.

Both these objectives were achieved as representatives of the Business Group made a point of calling officially on the British Trade Representatives, Ministries of Commerce and Industry, Chambers of Commerce and Banks in that area. As a result of these direct contacts, better understanding had been reached, facilitating closer liaison and coöperation in the future.

These trade representatives and commercial organisations also gave the delegation invaluable assistance by recommending suitable business contacts who met and had discussions with the Hong Kong Business Group.

At every city, appointments for individual delegates were also arranged and on many occasions, members were able to go out to visit agents and buyers. The delegation hosted a reception at every city and were in turn guests at a number of lunches, dinners and receptions.

Surefire items

Product categories that proved most popular with Middle East buyers include garments, electric fans, watches and watchbands, radios, air-conditioning units and imitation jewellery.

Some of the participants in last year's group have already returned to the Middle East to do follow-up work of their own. In view of the very encouraging results of this Business Group, the organisers are considering another visit to this area in the near future.

Pick of the Press

Reprinted from the Wall Street Journal

Men's Suits Now Back in Business

THIS article, taken from a Wall Street Journal reveals that the men's suit business in the United States is at last emerging from the slump into which it has fallen for the past two years.

The men's suit business is showing signs of recovery after two bad years. The resurgence is being sparked by a slowdown in fashion changes, a pickup in the economy and enthusiastic acceptance of double knits.

After five months of 1972, domestic production of men's suits was 15 per cent ahead of the like 1971 period, according to the Clothing Manufacturers Association of the U.S.A. (The five-month figures are the latest available.) The industry expects to produce 18 million to 19 million suits this year, and by 1973 it hopes to be back up to 21.1 million, the record of 1969.

The big snag came in 1970, when domestic production dropped to 17.2 million suits with a wholesale value of \$8555.5 million, the Association says. In 1971, production dropped still more to 16.2 million units worth slightly under \$855 million wholesale. Don DeBolt, executive director of Mens-wear Retailers of America, attributes the industry's troubles of 1970 and 1971 largely to the economic slowdown. When a family's clothing budget is tightened, he says, the man in the house is the first to postpone his purchases while he still may manage to afford clothing for his wife and children.

Today, says Chester Kessler, president of William B. Kessler Inc., who is also president of the Clothing Manufacturers Association, the consumer has more confidence about the economy.

Mr. Kessler also cites the slowdown in style changes.

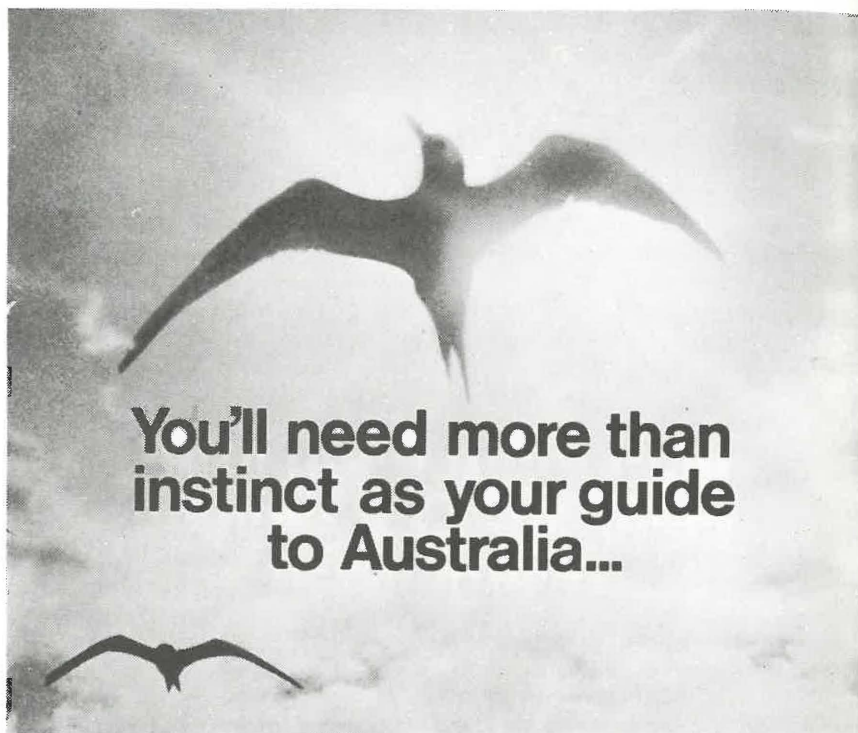
"In our anxiety to get business during the last couple of years," he says, "we made change after change." The industry tried to emulate the women's wear business with its seasonal style changes. Wide lapels were introduced, followed by narrower ones. Double breasted suits were "in" one season, and no one was sure about the next. Pockets had distinctive looks as did vents in jackets, all of which dated the fashion silhouette.

But men resisted the fashion changes, Mr. Kessler says, because they didn't want to buy suits one year that might be out of style the next. Soon retailers found their racks so heavy with inventory that they resorted to unprofitable sales.

Suits from HK

Another factor in the decline of 1970 and 1971 was a proliferation of inexpensive suits from the Orient and Europe. The Department of Commerce reports that 1.6 million men's suits were imported in 1970 and 1.5 million in 1971 (not counting special-order suits from Hong Kong's custom tailors). And two-thirds of these came from Japan, Hong Kong, Korea and Taiwan, the rest from Europe.

Then, last October, after negotiations with Washington, voluntary quotas were instituted by the four big Asian exporters. That helped domestic producers. But according to Howard Samuels, a vice president of the



You'll need more than instinct as your guide to Australia...

Miraculously, birds can cross vast oceans by instinct alone. But, if you want to do business in Australia, leave instinct to the birds; you will need the advice of experts. And that's where we come in . . .

The BANK OF NEW SOUTH WALES offers to overseas companies and people a free information and introduction service. Our nation-wide network of branches forms the largest, longest-established free enterprise banking complex in Australia. This means we really **know** the country, its people, business and potential.

Let us help you to find your business bearings in Australia and contact the right people, simply write to:

Edwin L. Carthew, Chief Manager, International Division,
Bank of New South Wales,
Box No.1, G.P.O. Sydney, Australia, 2001.

BANK OF NEW SOUTH WALES

The Bank that knows Australian business best.

1200 offices throughout Australia, New Zealand, Papua New Guinea, Fiji and other islands of the Pacific. Three branches in London.

Special Representative Offices in New York, Tokyo, Hong Kong, Singapore and Jakarta.

Hong Kong Representative Office: Room 1112-1114 Connaught Centre.

Connaught Road, Hong Kong. Tel: 5-250195/6 5-258960

INTHKL508

Amalgamated Clothing Workers of America, imports didn't do the damage to the domestic industry in 1970 and 1971 that the economic slowdown and the frequent style changes did.

As an aftermath of the industry recession in 1970-71, several big-name manufacturers and retailers toppled or began to limp. In New York, several small-volume producers switched to retail, figuring that there was more money in selling men's clothing than in making it.

Today the crunch seems to be over. For example, the Kessler company's sales, about \$18 million in the fiscal year ended May 31, should be "better than 20 per cent" higher in fiscal 1973, Mr. Kessler says.

No wrinkle

Most manufacturers call double knits, which were all but unknown a year and a half ago, the biggest factor in the industry's resurgence. The double knits offer greater comfort and wrinkle resistance, and they allow patterns that aren't available in single knits. They have had their biggest success in "popular-priced" suits, from \$75 to \$150, but don't sell well in higher-priced suits. Makers say they can generally get better styling, finer details and better colours with wovens, which is why they sell better than higher-priced double knits.

At Hart Schaffner & Marx, the Chicago-based manufacturer and retailer, double knits account for 40 per cent to 45 per cent of the "popular-priced" suits being sold,

says John Gray, Chairman and chief executive. Mr. Gray says the double knits helped increase Hart Schaffner & Marx's suit sales during the first half of the fiscal year 15 per cent over the like period of 1971.

Mr. Gray says a more conservative approach to fashion in the industry has also helped. In 1970 and 1971, he says, manufacturers tried to sell a lot of "kooky" suits and found that men weren't ready for them. "Today," he says, "the industry has returned to a more conservative image; handsome, traditional styling with more modest lapels."

Stretch wovens are making some inroads Mr. Gray says, but not to a great extent. A stretch woven is a fabric made by the interlacing of horizontal and vertical stretch yarns. This gives the garment two-way stretch. A double knit fabric, on the other hand, is made on a circular knitting machine employing two sets of needles. The result is a double-layered fabric with two-way stretch.

Richard Smith, director of public relations for the Men's Fashion Association of America, lists one more reason for the industry's turnaround: College men are returning, in a small way, to suits. They had abandoned the suit in the first place, he says, because it was "Establishment" garb, but many manufacturers today are making suits in denim, canvas, corduroy and velvet, especially for younger men.

"The college man never sees a banker wearing a denim suit," says Mr. Smith, "so it's okay with him."

The Tiger Cargojet: When you've seen one, you haven't seen them all.

When you've seen one, you haven't seen them all.

Flying Tigers stretched DC'8 cargo jets soar out of Kai Tak ten times every week linking the Colony directly with the major markets of Asia and the United States. They all look alike but each is just a part of the World's largest, all-cargo airline. So, when you've seen one Tiger you really haven't seen them all.

The fleet forms a 600 mile-per-hour pipeline to move your products fast and efficiently. There are 37 international airlines serving Hong Kong, but only one, Flying Tigers, flies just freight on a regular schedule. So, if

you are bringing in cargo or marketing your products to the world trust the experts. Tell your agent to put it on the Tiger or give us a call. Service is all we sell at Flying Tigers.



**FLYING
TIGERS**
INTERNATIONAL AIRFREIGHT SPECIALISTS



FLYING TIGER LINE: Hong Kong 1610-1611 Connaught Centre, Hong Kong 5-256286 (5 lines)
Far East Headquarters 520 Sanno Grand Building, Tokyo 581-6841/8

FTL/E6/73

AMCHAM

THE American Chamber of Commerce in Hong Kong is a relatively young organisation established in January 1969 and officially registered in March the same year. It is primarily an association of American business firms and individuals who are interested in providing and developing mutually prosperous and amicable economic, social and commercial relations between the United States and Hong Kong. The last four years have seen Amcham making remarkable progress in this direction and though new it is rapidly and energetically fulfilling its role as a source of information and a channel of communication between Members and various sectors of the community.

Membership now stands at over 650, with 255 of them Corporate Members, that is, concerns that are over 50 per cent American-owned. The rest consist of Associate and Individual Members.

The first and most important of Amcham's objectives is to promote and encourage the development of commerce between the United States and Hong Kong. To achieve this, Amcham functions through various highly energetic working committees. There are, for example, the Investments, Labour Relations, Legal Affairs, China Commercial Relations and Trade Expansion Committees, all of which review laws and regulations in Hong Kong and conduct studies on various aspects of the Hong Kong commercial and industrial scene. A brand new and very dynamic Committee is that on Transportation. Members study the currency situation, freight rates and changes and, where possible, keep track of union movements overseas so as to be in a position to give early warning to business concerns of strikes or go-slows in Europe or America. Those Committees work in close conjunction with our own Chamber, the TDC, relevant Government Departments and

organisations and there is a constant two-way flow of information and communication. In fact all trade enquiries received by Amcham are relayed to the Chamber.

Besides the hard-core "business" committees, there is also the Civic Affairs Committee which represents Amcham's interest in local affairs. Their involvement includes the cultural scene, the HK Arts Centre and environmental control.

A unique feature of Amcham is that a significant amount of work is done by members themselves, who not only attend meetings to make recommendations and decisions but actually contribute their time and energy voluntarily to tackle quite a lion's share of its work. The extent of their contribution is evident from the fact that the entire staff working in Amcham's small and comfortable office consists of an Executive Director and four other staff members who help him deal with the day-to-day work of a Chamber with such diverse and demanding interests. As a result of the participation, Amcham has been able to produce not only information on trade and industry (such as a Monetary Report of currency changes in Asia) but also on

Australian foods and wines have one thing in common... Top export quality

Fertile soils and warm
sunshine are just the
start of the Australian
food story.

It's backed up by careful
preparation, processing
and packaging.

Result: delicious
dairyfoods, choice fresh,
canned and dried fruits,
juices, jams and other
grocery lines . . . beef,
lamb, mutton, veal,
seafoods, winning wines.

These are profitable
products that sell fast.
If you're in the food
or wine business, check
with the Australian Senior
Trade Commissioner for
details of suppliers.

You can contact him at -
10th Floor, Connaught Centre,
Connaught Road Central,
Hong Kong. Phone H227171-8

Australian Department
of Overseas Trade



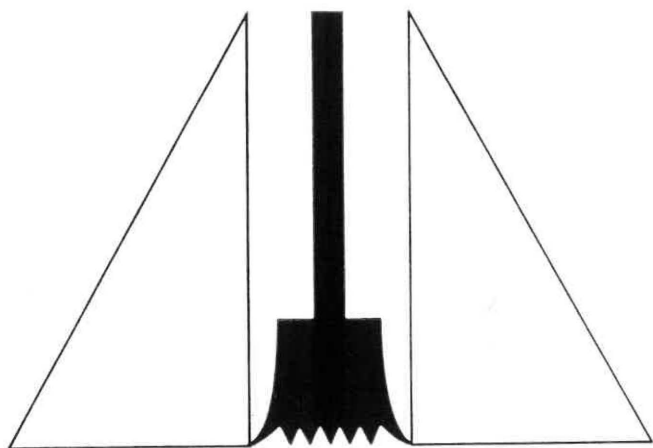
the living conditions for Americans in Hong Kong with up-to-date statistics on cost of living, accommodation and domestic help. In addition, a Publications Committee is responsible for producing a monthly Newsletter and other publications while an active Programs Committee organises regular functions such as the monthly Luncheon and Breakfast Meetings, the latter of which is rather unusual in Hong Kong and which inspite of the early hour — eight o'clock — enjoy very good attendances. For both types of meetings, speakers are invited to address Amcham members on various topics of interest.

American highlight

One of the biggest projects now afoot is the American Fortnight, the first of its kind in Hong Kong, to be held from October 15-28 this year and is a joint venture with the US Consulate General with which Amcham works very closely in many other fields. The aim is to highlight U.S. consumer products and services including airlines, banks, insurance companies and stockbrokers. During this two-week period, displays will be staged in several major department stores where two fashion shows daily are also planned. The work involved is colossal and sixty Amcham members are already getting down to brass tacks, coordinating participation and arranging display sites.

In a broader context, the American Chamber of Commerce in Hong Kong is one of fifty Amchams round the world tied to the National Chamber

of Commerce in Washington. It is also a member of the Asian-Pacific Council of Amchams (APCAC), a regional body whose membership includes Australia, New Zealand, Japan, Korea, the Philippines, Taiwan, Thailand and Vietnam. Meeting twice a year, APCAC relays to countries in Asia and the Pacific the views of American businessmen in this region and centralises their views and recommendations on legislation and economic policy to send back to Washington. It also works with regional associations such as ECAFE. Though comparatively new to the Hong Kong scene, Amcham has made its mark. Besides achieving its aims in encouraging trade between the United States and Hong Kong, Amcham has also shown its involvement and interest in what's going on in their host country. Since it represents basically the American business community in Hong Kong, it has hitherto fulfilled its role as such. However, the coming year will see it in a process of expansion and consolidation. With new Executive Director, H. L. Minich at the helm, Amcham envisages more active involvement in major issues. It has a target figure for increased membership and will be getting gradually but surely into a position of size. Everything points towards Hong Kong becoming a focal point as the United States and China better their relationship. With such prospects it is not unexpected that the services of Amcham in Hong Kong will be increasingly called upon by a growing number of people.



**Clean
Hong
Kong**

**清潔
香港**

The good business Lunch

A CONITE and bella donna are well-known homeopathic cures for various ills. When one is confronted with one of these in the name of an Italian restaurant, it could put one off in choosing it as an eating place for a businessman or anyone else for that matter. This, however did not stop *The Bulletin* from attempting the food at *La Bella Donna* Ristorante Italiano and possibly choose it as another scene for a Good Business Lunch. *La Bella Donna* is a relatively new Italian restaurant in Wanchai. Situated at 51 Gloucester Road, it directly faces New Mercury House and is easily accessible by taxi from Central. The exterior of *La Bella Donna* resembles a Swiss cottage rather more than an Italian eating place but a red barrel with "La Bella Donna" on it told you that this was it.

At one o'clock most restaurants in Central would be standing room only. But at *La Bella Donna*, a table seemed to have just been waiting for our arrival. As is traditional with Good Business Lunches, no advance booking was made. *La Bella Donna* occupies two floors and is spacious, unlike so many other Hong Kong restaurants. The management has boldly kept table-occupied space to a minimum, therefore allowing comfort and service for every table.

The decor tries to give customers a feeling of being in Italy, with bundles of empty Chianti bottles used as ceiling decorations. These were supplemented by strings of garlic, citrus fruits, etc.

Bright

One thing that did impress was the brightness of the restaurant, a refreshing change from the more commonplace dim lighting and overdone candlelight affairs. Walls were sparkling white with posters of Italy to add to the mood. The one poster we couldn't quite understand was a football line-up with the faces of

contemporary political figures. The only thing Italian about that was the Pope! The waiters are dressed in plain slacks and very colourful shirts which go well with the decor.

Hors d'œuvres

Dishes ordered included Antipasti Magri a Scelta and for that one had a sampling of sardine, squid, salmon, mushrooms, what would appear to be shelled broad beans, eggplant and green peppers stuffed with tomato. All that for \$9. On the ground floor of the restaurant is a table laid out attractively using Antipasti as its theme, with plates of sardine, salmon, etc.

Minestrone soup was minestrone soup. Campbell's couldn't have done better.

The specialties of the house were Scallopini alla Valdoatana which means that the meal is served with cheese, and Scallopini alla Marsala which is served with a wine sauce. We opted for the wine sauce. Served with carrots and spinach and potatoes the dish was not as impressive as its name and the wine sauce would not have

been missed if it was not there. The specialties were priced at \$14.

In an Italian restaurant one just has to have a pizza, and so a pizza we had. Having ordered a Pizza alla Bella Donna, it turned out to be a conglomeration of everything and tasted marvellous except for the pastry being a bit on the tough side.

What turned out to be the best dish was Gamberoni Ai Ferri or Grilled Giant Prawns. This was two huge, but not quite giant, prawns fried in a tingling sauce and also served with carrots and spinach for \$14.

With those empty bottles hanging overhead, a glass of Chianti was a must to go with the food. This was very good.

Fortifying and corroborating

Dessert meant trying the more exciting names on the dessert menu. There was a Bomba Milano which turned out to be chocolate and vanilla ice cream — why 'bomba' no one knows. One just had to try the Zabaglione because of its English definition in brackets. 'Very fortifying and corroborating' was what the menu said. It had a strong taste of walnut and wine and was certainly good, but not as strong as the adjectives used. At \$6 it was worth a try.

A thorough going-through of the menu, in parchment form showed that prices for dishes averaged \$10. Pasta dishes such as lasagne, cannelloni, ravioli and spaghetti were all in the \$7 to \$9 range. Pizzas, supposedly *the* Italian of all Italian dishes, come in several varieties. A Southern

Fisherman pizza costs \$11 while a Calzone or stuffed pizza costs a dollar more.

At La Bella Donna there is plenty of seafood on the menu and the giant prawn dish is just one of many. Grilled Snapper for example, costing \$10.

Reasonable

Drinks are extremely reasonable and La Bella Donna has an adequate selection of wines to go with every meal.

And La Bella Donna is quiet. Although at times the taped Italian music can become a trifle more than just background music, it is far from the din of crowded Central restaurants. La Bella Donna is not the first Italian restaurant in Hong Kong and has keen competition in Central and in Wanchai. It would therefore appear that what La Bella Donna is trying to prove is that 'we try harder' and they are trying harder.

Arched ceilings, hanging lamps, whitewashed walls, empty bottles, garlic, fine Italian cuisine and better-than-average service all add up to an eating place worth looking into. Even the name doesn't sound so bad any more.

的一切工作都是由政府人員負責處理，而並沒有其他人仕參與其事的。

當我為寫這篇文章而作深入探討研究時，我發覺自一九四六年起，政府從沒有加插任何附加的預算案。這一點甚為重要，尤其因為近年來，世界貿易及經濟均有極大動盪，而令其他一些地方的政府要附加該等地方之財政預算案。但據這兒的官方消息指出，財務委員會於一年中均不斷尋求新的政策以作補充。

上述一切就是目下我們對財政預算案之準備工作之報導，也許一些讀者會覺得這一切甚為沉悶，但這都是事實的真相。

愚以為假若閣下並沒有詳細閱讀下年度之財政預算案的話，這該是多麼可惜！很多人也許忽畧了財政司動議取消保險費為一免

稅項目。在截稿時，各報紙之讀者來信一欄，均發表了大眾讀者對這事情的意見。

雖然我並不贊成此一動議，但我們也可以清楚地體會到由此項動議所引致之文件工作最為繁重——首先由每個部門分別討論，其次是財務委員會，而最後是經濟財務組。假若財政預算案在五年內加倍增長，那末預算案的計算工作亦同樣地變成加倍的繁複。

在我說來，我認為政府之財政預算案為一巧妙非常的大作，而應為市民所認識。財政預算案可算是一具有歷史價值之珍貴文件，從這些檔案中，我們可以知悉社會之成功及其所下之努力。

也許有一天，經濟學家可能要利用過去的財政預算案作為編寫歷史參攷之用。

美國總商會簡介

美國總商會於一九六九年成立——為本港一個較新近的組織。其成員為美國商行或以私人名義而入會者。彼等均樂意促進美國及香港之共同繁榮及友善之貿易關係。在過去四年來，美國總商會均為此目標努力工作。商會現已成為溝通會員及社會各界人士間之隔漠之媒介。

目下，美國總商會共有六百五十多名會員，其中二百五十間為「團體會員」，即那些部份之五十為隸屬美國之公司。其餘則為「附屬」及「獨立」會員等。

美國總商會之要務是促進美國及香港間之貿易。因此，商會內之各委員會相繼成立，努力向此目標邁進。其屬下之委員會分：投資、勞工關係、法律事宜、中國商業關係及商業促進等委員會。彼等均審慎詳細研究

香港工商界各方面之現狀。於最近成立者為一研究運輸問題之委員會。委員們研究商討貨幣情形及運費率等，他們又深入研討海外工會社團動態，使會員及早知道在歐、美各國工人罷工或怠工實況。上述各委員會與本總商會、香港貿易發展局、政府各部門及其他社團組織均保持密切的聯繫，互相通訊、交換意見及消息。由美國總商會所接到的商業諮詢函件均轉交本總商會處理回覆。

除此，美國總商會又設有一內政委員會，研討本港發生之事情，例如：文化方面之事項及環境污染之問題等等。

美國總商會之特色地方就是會員們所担任之重要角色。彼等不但參與會議及提供意見，又自願運用個人的時間及精力，擔當會務工作；如進行研究及調查工作，編輯所得資料及書寫報告等。因此，總商會內之工作人員，除却執行董事外，只有四位職員處理商會日常之工作。

由於各會員鼎力分工合作，使美國總商會備有各項齊全的資料：包括工商業、美國

人在香港生活之消費及居住問題等，比比皆是。再者，美國商會之「刊物委員會」又負責編纂出版「月訊」及其他刊物。而「節目活動委員會」則負責安排每月聚餐及晨早舉行之早餐會議等，而後者更是該會的特色，雖然會議時間為早上八時，仍受到會員熱烈支持列席。商會之各會議均邀請嘉賓作專題演講。

目下，美國總商會正積極籌備與美領使聯合合辦「美國展覽會」，並定於本年十五日至二十八日舉行，此類展覽會於本港而言，尚屬首次，其目的主要是介紹美國的消費品，如食物及服裝，與美國所提供之各項服務，包括航空、銀行、保險、及證券交易等。在該兩週展覽期內，本港數間著名百貨商場均陳列上述物品，並準備每天舉行兩場時裝表演。現在，約有六十多位會員正積極進行各項籌備工作。

設於本港之美國總商會為全世界五十多個美國總商會之一，它們均隸屬設於美國華盛頓之「全國總商會」。美國總商會亦是「亞洲及太平洋區美國總商會委員會」之一員，該組織之成員包括澳洲、紐西蘭、日本、韓國、菲律賓、泰國及越南。該組織每兩年開會一次，目的是為亞洲及太平洋各國傳遞居於該地域的美國商業界人士之意見，各方在立法及經濟政策上之建議被收集後便向華盛頓總部回報。

美國總商會雖然成立不久，但它的成就就是值得我們恭賀及嘉許的。總商會在其新近上任之執行董——美力先生——英明領導下，商會業務定當蒸蒸日上，較前更有大大的進展。

據稱，商會目下正努力徵募會員工作。一切徵象顯示出由於美國及中國的關係的改善，使香港成為一中心點。因此可預料本港各界均不斷需求美國總商會所提供之各項服務。

◀ 短訊一束 ▶

本會定於四月二日（星期一），下午五時三十分，假座文華酒店之康樂廳舉行本年度之全體會員週年大會。年會之議程如下：

（一）聽取董事會報告及一九七二年度收支賬目概況。

（二）選舉新董事。

（三）決定一九七四年度會員會費。

（四）選任核數師及確定其酬金數額。

（五）討論其他議案，議案內容必須於會期前至少七日通知本會。

× × ×

聯合船塢董事長——約翰·賈素先生被委選為本會列席香港生產力促進中心之代表。

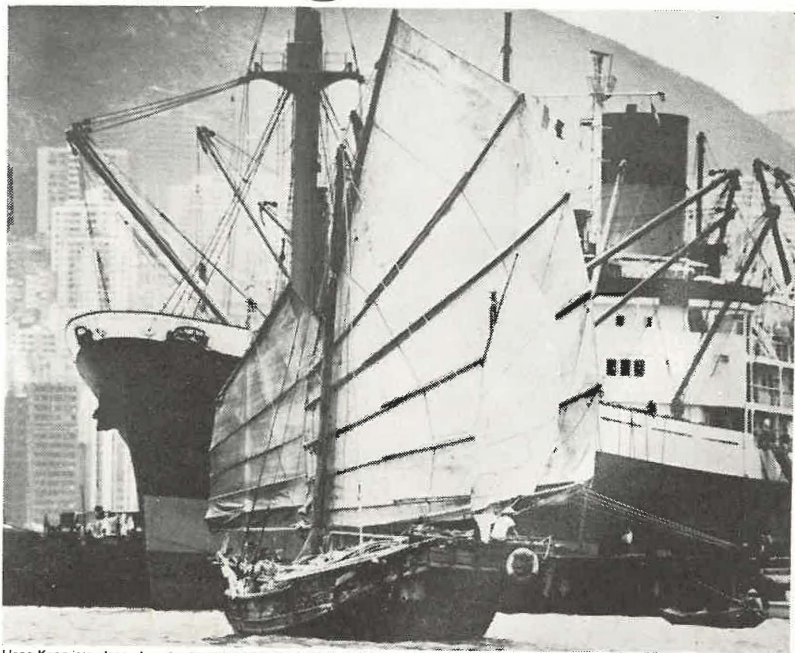
× × ×

香港政府統計處現正籌劃在本年中進行一項調查，以得悉有關工業上的資料如勞工就業、勞資成本、原料及產品、本地銷售市場及出口、投資的支出及固有財產等等。此項調查工作於香港而言，尚屬首次。有關工業上的資料對本港廠家、海外買家、研究社團及外來投資者說來，是十分珍貴的，這不但可使他們對香港工商界有一澈底的認識，對工業發展的展望，亦有一明確的概念。

× × ×

香港旅遊協會目下正進行編備一九七三年至一九七五年間將在本港舉行之各類會議的資料，包括各課題的研討會、討論推銷問題的會議及各樣之講座及論壇等，而該等會議最少有十位人士列席主持。旅遊協會敬希各界人士能鼎力支持，提供此方面之資料，使編備工作能順利進行，並得到盡善盡美的效果。

When you're dealing with a market as different as Hong Kong



Hong Kong is a place of contrasts, none more apparent than that between traditional junk and modern cargo ship.

You need a bank that's different

We're different because we are the only international bank with headquarters in Hong Kong. We've been here for over a hundred years and today play an important part in the development and trade of the region. Our wide financial experience enables us to help you in many ways. Simply write or call if you need any information. Although we're based in the Far East you'll find we have an office or a representative near you.

THE HONGKONG BANK GROUP

The Hongkong and Shanghai Banking Corporation: Head Office, 1 Queen's Road Central, Hong Kong.
Mercantile Bank Limited; The British Bank of the Middle East; The Hongkong Bank of California; Hongkong Finance Limited, Sydney;
Hang Seng Bank Limited, Hong Kong; British Acceptance Corporation Limited, Vancouver.