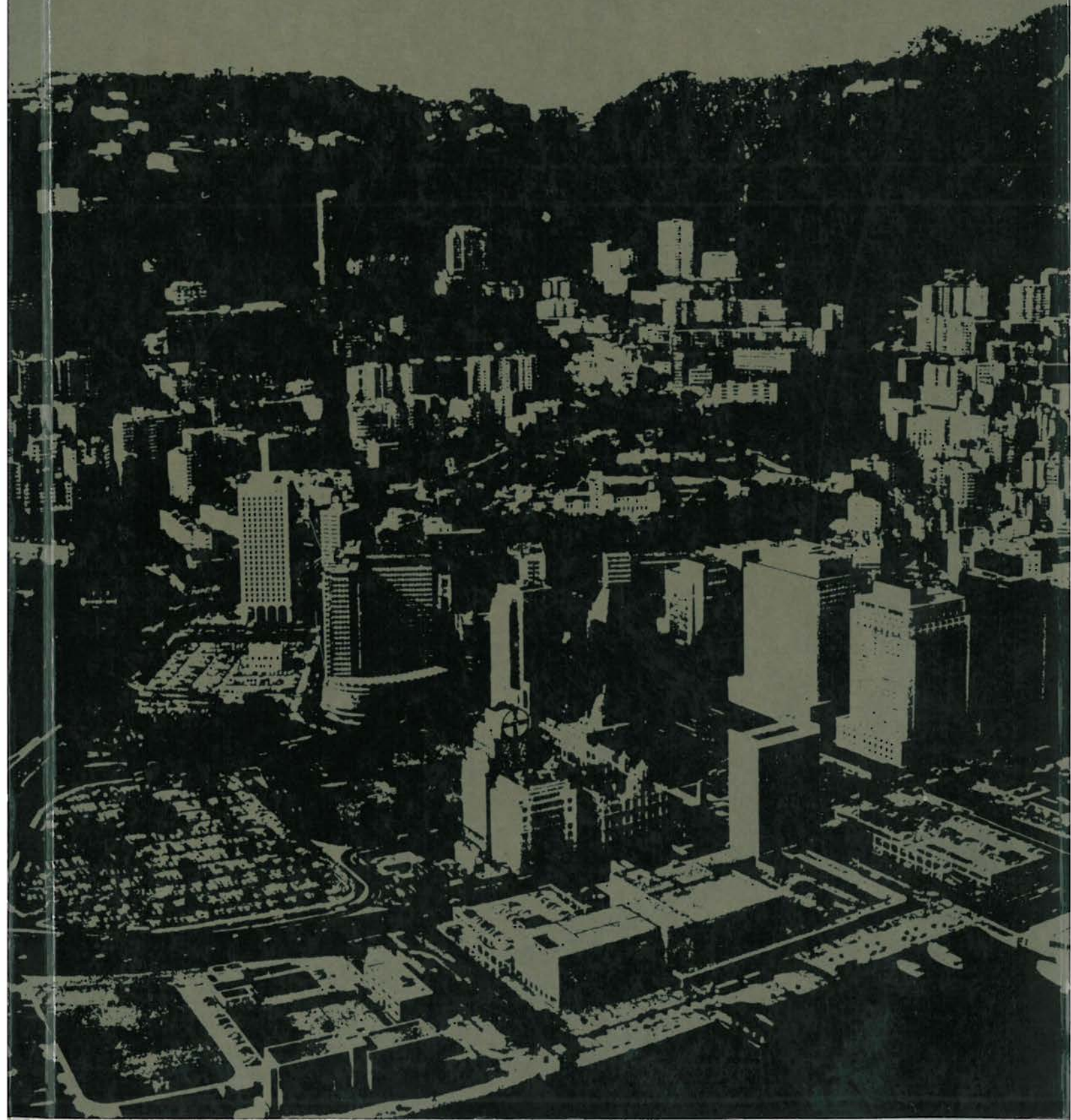


THE HONG KONG
GENERAL CHAMBER
OF COMMERCE
ANNUAL REPORT
AND ACCOUNTS
FOR 1970







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Treasurers

Messrs. Lowe, Bingham &
Matthews

Chairman's Statement

For Hong Kong the first year of the nineteen-seventies had a number of question marks over it for some time but, by the end, most of these were straightening themselves out, with satisfactory annual figures and most trends upwards. The level of our domestic exports, at \$12,347 million for 1970 is the prime indicator of Hong Kong's economic well-being and we have become perhaps too used to dramatic increases year by year:- 17 per cent in 1967; 26 per cent in 1968 and 25 per cent in 1969. The return of the growth rate to 17 per cent in 1970 has, in some quarters, caused concern and pessimism, but these feelings I do not at all share. In fact, if our performance in our two main markets, the United States of America and the United Kingdom, does not improve, the growth rate curve may continue to flatten but, again, this should not become a cause for alarm, as growth rates that are self doubling in four years obviously cannot go on forever. The American economy is still considered by many observers to be in a state of recession and this may explain the marked resurgence of protectionist sentiment in that country. Protectionist measures taken by the US Government might

not necessarily be confined to that market, but could well lead to a chain reaction of retaliatory measures by other countries which together could have serious consequences for Hong Kong. In the first half of 1970, it appeared likely that our exports to the United Kingdom would be less than those of 1969. Trade picked up however, in the latter half of the year, probably owing to a combination of circumstances such as the ending of the dock strike, the reduction in the import deposit surcharge and perhaps the change of Government after the June election. In the event, for the whole of 1970 our domestic exports to UK increased only by 1 per cent, but retaining for Britain its position as our second most important market. Our export performance to the EEC countries continued to improve with domestic exports at \$1,419 million, up by 30 per cent at which rate of growth they could well exceed those to UK in 1971. The largest percentage gains in exports were achieved in Africa, Australasia, Asia, Central and South America. The Trade Development Council's and our own research indicates Hong Kong still has much to offer to these areas. The Japanese market too is one in which we continue to do well and may

expect to do even better as that market becomes less restrictive. For this reason, we welcome the recent opening of Trade Development Council offices in Japan and elsewhere. The level of imports is also an indicator of the general confidence and buoyancy of Hong Kong commerce and industry. Imports reached a record level of \$17,607 million, an increase of over 18 per cent compared with 1969. Japan remains our most important supplier followed by China, USA and UK. Imports from UK reached \$1,517 million, an increase of 26 per cent- the highest increase since 1959. A notable feature in 1970 was an increase from 10 per cent to 12 per cent in the proportion of capital goods and equipment imported against total imports. Whilst much of this increase is made up by purchases of power generating and transport equipment, an appreciable proportion of it comes from purchases of textile and other machinery, indicating the increasing trend towards mechanisation and automation of Hong Kong industry. Hong Kong is operating in an inflationary situation both overseas and at home. In Hong Kong, not only is there pressure on wage rates following increases in prices, but also

pressure resulting from a shortage of skilled labour in some industries, with factories bidding against each other for this scarce production factor, especially in the more labour intensive industries. These pressures are largely self-regulating in that, with nearly our entire production being for shipment overseas, prices cannot be pushed up beyond what our markets are prepared to pay. Meanwhile, with increases in our wage rates keeping appreciably ahead of rises in our cost of living, our work force is enjoying increased real wages bringing a rising standard of living. Nevertheless, many trading and manufacturing firms are reporting falling profit margins and we must watch that we do not lose our competitive edge and see our trade go to other areas in the region, more favourably placed than we are as to availability of such factors as land and labour. Though increasing freight rates apply equally to our competitors, their pressure falls more heavily at the lower end of the price range and this is another factor that has to be taken into account. With such costs pressures, a premium is placed on the ability of management to combine scarce factors efficiently. The Management Association and Productivity Centre are doing

good work in improving the quality of management, but is the message, that the smaller manufacturers have a lot to learn, getting home sufficiently quickly?

Mr. J. England of the University of Hong Kong has recently argued convincingly that there is in fact not a shortage of labour in Hong Kong but an under-utilisation and waste of labour. To support this assertion, he points to such factors as obsolete machinery, poor plant layout, badly organised production, poor maintenance of machinery, and above all inadequate training facilities in local industry. He concludes that we must stop wasting our most important asset-labour.

In the main, finance is readily available for fixed capital investment to companies who have the managerial know-how and export potential for their products. However for some time there has been pressure for some assistance to smaller factories who may find it more difficult to persuade their bankers of the viability of their operations. The committee for Loans to Small Industries set up by Government to examine this problem, although not unanimous in their conviction of the need for such help, did produce a scheme whereby banks in Hong Kong would assist factories

falling into this category by means of loans partly secured by guarantees from Government. It was suggested that in the first instance this would be restricted to \$10 million in all and run for a pilot period of three years. The plan was endorsed by the TIAB and the matter is now being examined by Government. Although foreign investment of the right type can play a part in improving product development and increasing diversification of industry, it is clear that we must not place too much reliance on our ability to attract such investment. We nevertheless welcome the suggestion that the TDC in association with the C & I Department might extend its scope to attracting overseas investment.

Productivity is as important in commerce as it is in industry, but despite all the work that has been done on simpler export documents there still appears to be a widespread reluctance to adopt new methods. The Chamber staff, which has been closely concerned in the evolving of an aligned series of export documents, is of course available to advise Members wishing to adapt their systems to such new techniques. Containerisation is forcing us to revise our ideas about documentation and it is to be

hoped that carriers will be able to agree on a uniform format for container documents. The Chamber welcomes the opening in Hong Kong of new offices of commercial and merchant banks of international repute—concrete evidence of growing confidence abroad in the stability of our commercial and industrial enterprises as well as in our currency and our banking system. By maintaining liquidity at ratios well above the 25 per cent required by the Banking Ordinance, Colony banks have done much to engender such confidence abroad, whilst local confidence has been well demonstrated by the increases in bank deposits over recent years. These went up by 20 per cent in 1969 and a further 22 per cent to a total of \$15,000 million last year, while loans were at a figure of \$9,700 million.

External influences on Hong Kong trade

My predecessor referred last year to the implications of the United Kingdom's intention to impose in 1972 a tariff at 85 per cent of the general Most Favoured Nation rates on imports of cotton textiles from Commonwealth countries. This abolition by the United Kingdom, in one step, of Commonwealth Preference, must be considered in association with Britain's

application to join the European Common Market. If this is successful, such benefit in the way of greater freedom to trade that we might gain from the dropping of the present quantitative controls will be quickly obliterated by the application to us of the Common Commercial Policy and we shall face in the United Kingdom as in the EEC both tariff and quota barriers. Meanwhile, though we do not yet know what will be the situation between the UK and her EFTA trading partners if Britain joins the EEC, pending the outcome of her application, we must expect increasingly severe competition from Portugal which, as a member of the European Free Trade Association, will continue to enjoy unrestricted duty-free access to the United Kingdom market. In the light of all this, I consider it only fair that Her Majesty's Government should re-consider the decision to apply a tariff to imports of cotton textiles from Commonwealth countries.

At the request of the Chamber, the Hong Kong Association in London has conducted a survey, in an attempt to assess the effect on Hong Kong exports to the UK, should no special arrangements be made for Hong Kong if the UK joins the Common Market. The survey indicates that, on the basis of 1969 trade,

some 21 per cent by value of imports from Hong Kong might not be able to compete due to loss of Commonwealth Preference and imposition of the EEC common external tariff—unless Hong Kong shippers can reverse the trends I have mentioned earlier, and reduce their CIF prices. The results of the survey indicate that footwear is probably the main industry that may well lose a lot of its UK trade.

All this emphasizes the continuing need for Hong Kong to find new markets. Most of the developing countries require longer deferred payment terms than those obtainable from many of our established markets and this may pose difficulties for some of our smaller shippers. Fortunately, Export Credit Insurance Corporation protection is available and is being increasingly used by our exporters to newly developing markets such as South and Central America, giving to such shippers the possibility of readier access to bank finance.

In the latter half of 1970 there was much concern in Hong Kong over the possibility that the Generalised Preference scheme resulting from the United Nations Conference on Trade and Development (UNCTAD) might be implemented by the donor

nations in such a way as to discriminate against Hong Kong and in favour of some of our Far Eastern competitors. The Chamber, in conjunction with the Federation of Hong Kong Industries, addressed the Consuls General of the USA and of Japan in an effort to ensure that Hong Kong's case did not go by default. The Presidents of the American Chamber of Commerce in Hong Kong and of the Hong Kong Japanese Chamber of Commerce subsequently supported our representations by addressing their respective Governments. In the case of the EEC, representation through diplomatic channels appears to have met with some success, though to what extent is not yet fully known. We are grateful to the chief British negotiator, the Right Honourable Geoffrey Rippon for his efforts on our behalf, but until full details are available for the individual schemes of EEC and other donor countries, this question mark must remain with us.

Hong Kong Affairs

Perhaps more than in any other, it is in the field of training facilities for industrial labour that the need for action is urgent. The final reports of the Industrial Training Advisory Committee and Polytechnic Advisory Committee may lead

to a closer examination of the adequacy of the whole of Hong Kong's educational system. The present situation is unacceptable for an industrial community increasingly dependent on the skill of its labour force. Although some 750,000 children attend primary schools, only 280,000 secondary school places are available i.e. for less than one in three children. Primary school education ends at about the age of 12 and factory legislation prohibits employment of children below the age of 14. The Labour Department has declared its intention to prosecute offending factories rigorously, and it is to be hoped that the Department will be fully backed up by the courts. Primary school-leavers are thus forced to seek employment in service trades. If educational opportunities were available, the Chamber would also give full support to measures, which become effective in April 1971, to prohibit employment of children under 14 in licensed premises. However, the timing of the latter measures is perhaps questionable until considerably more secondary school places are available. It should be possible for children for whom school places are not available to be employed in hotels, for example, on condition that they should not be employed in

the bars.

The fact that a Government or subsidised primary school place is now available for every child of primary school age is a considerable achievement. In the provision of secondary school places, however, the pace of progress is too slow. In March 1970 total enrolment in the field of secondary education represented only 38.7 percent of the estimated population in the 12-18 age group, corresponding percentages for previous years being 39 percent, 37.5 percent and 35 percent. Most secondary places are still in private schools and, in 1971, 43,000 pupils out of 69,000 who will sit for the Secondary School Entrance Examination, will be unable to find places in Government and aided schools. The total enrolment in technical institutes and vocational day schools is only some 12,000, while it is estimated that nearly 60,000 children are in the post primary-pre-employment age group. This situation is conducive to social disorder and may well be a contributory factor to the increasing incidence of crime and violence, drug-taking and other social evils. Investment in provision of training facilities for these children must rank as a first priority, not only to alleviate the social problem but to reduce future shortages of

skilled labour. There must be no delay in the provision of more technical institutes recommended by the Industrial Training Advisory Committee. Even with the additional four institutes proposed and the Polytechnic, there will still not be sufficient places to meet the full requirement for technical education facilities.

At present 30,000 children leave primary school each year with nowhere to go. If Government goes ahead with the decision to provide four more technical institutes and pre-vocational schools, it is estimated that about 500 instructors will be needed over the next eight years, if adequate staffing is to be assured. It is imperative that measures be taken to implement the recommendations contained in the Industrial Training Advisory Committee Working Party Report on Instructor training. To attract sufficient instructors of the right calibre, it is clear that Government will have to pay the going market rates of pay.

The Outward Bound School, to which the Chamber has donated three scholarships, was successfully inaugurated in 1970 at Sai Kung in the New Territories. The purpose of the school is to assist youths to develop qualities of initiative,

mental courage and self-reliance – qualities as essential for success in industry and commerce as in all other fields of endeavour. Chamber policy of sponsoring staff members as Outward Bound students has quickly proved its value and there is no doubt that students who complete the rigorous training can be regarded as potential future leaders and assets to the community.

Another immediate and pressing problem is that of transportation. The Commissioner for Transport considers that the transport system is near breaking point. He stresses that much of the success of Hong Kong is rightly attributable to a hard working labour force which has been able, so far, to move to its work more quickly and more cheaply than in any other city of comparable size and complexity. The Commissioner considers that, as minor surgery, it is necessary to control the number of vehicles on the road system and to give priority in the use of roads to those vehicles which are most important in the preservation of mobility for the majority of people and goods. From the point of view of commerce, this policy is one with which the Chamber cannot seriously quarrel in the short term, despite the limitation of personal freedom which is

entailed. The remedy, however, would be more readily acceptable if the patient could be assured that urgent action will be taken to effect a more permanent cure. It is clear that unless and until a subway system is completed, Hong Kong's traffic problems will be almost insurmountable, though the provision of many more car parks would help. The most conservative estimate of the cost of the subway is \$2,000 million for an initial Kowloon system and \$4,400 million for the whole of the recommended system.

Economic viability should not be the only criterion for judging the need for this scheme; social costs that would be incurred without such a scheme would be intolerably high. If the underharbour road tunnel undertaking can be financed by the private sector, Government should find little difficulty in obtaining the necessary financial accommodation if the scheme can be shown to be viable. The Asian Development Bank has already indicated that it would be prepared to consider an application for a loan for the subway project.

It is high time for Government to formulate and publicise an overall transport plan for the future, embracing not only the subway system but private cars,

buses, taxis and minibuses. There seems to be a lack of long-term planning and I would repeat the appeal made by my predecessor in Legislative Council on March 12th last year, for the setting up of a strong transport authority, run by fully qualified professional staff, without which there cannot be the essential continuity.

No less urgent is the question of what should be done to conserve and improve our environment and to prevent pollution - the menace of the seventies. As in the case of transport, there appear to be plenty of good intentions but insufficient resources and expertise to ensure that this problem is tackled effectively on a Colony-wide basis.

In Hong Kong, the legislative framework within which the town planners work is based on the Town Planning Ordinance, now 32 years old. This is inadequate as a basis for ensuring that central Government planners do the sort of planning appropriate to Government. The role of central planners is to define the task in conservation, to deal with traffic and transport, to prepare broad structure plans, to resolve conflicts thrown up by pressures for development and change and to strike the right balance between development and conservation. Planning is for

people and people must be consulted about changes which will affect their surroundings and so affect them. Consultation with the public, via the Government network and the many voluntary organisations that exist-including the Chamber, which has a very active interest in the subject-can enhance the quality of planning, which rests in the end on the acceptability to ordinary people of its objectives and methods.

Enforcement and control are, of course, necessary but acceptance by public opinion is even more important.

The latest thinking in planning appears to be that traffic plans should precede structure plans.

There is clearly a danger in Hong Kong of inadequate consideration being given to the inter-relation between traffic management and environment management.

Structure planning and traffic planning are inseparable because both are components of environment. In Hong Kong, however, these two types of planning are done separately and appear to be ill co-ordinated.

The professor of architecture at the University has pointed out that, of all Hong Kong's problems, its environment is fundamental to all others and yet receives the least attention. I agree with the professor that

there is need for integrated planning and that a stop must be made to the piecemeal methods of solving various environmental problems with which Hong Kong is faced. There is still no overall Colony outline plan and it is difficult for constructive comments to be given on particular zoning plans, which must be inter-related and not looked at as separate entities. Commercial, industrial and other associations can play a part in creating a dialogue between their members and Government as planners. The Chamber would be pleased to be of greater service to Government in this respect. The likelihood of a greatly increasing pace of major construction work over the next few years in both the private and public sectors will place a great stress on scarce resources of labour and building materials. The value of public works contracts is presently some \$900 million, estimated to rise over the next two-to-three years to \$3,000 million. In November, a number of contractors were reported in financial difficulties and the Building Contractors Association asked Government to temporarily suspend new projects unless they were of an urgent nature. If constructional standards are not to suffer and

costs to soar, it is clear that the problem of phasing will need close attention.

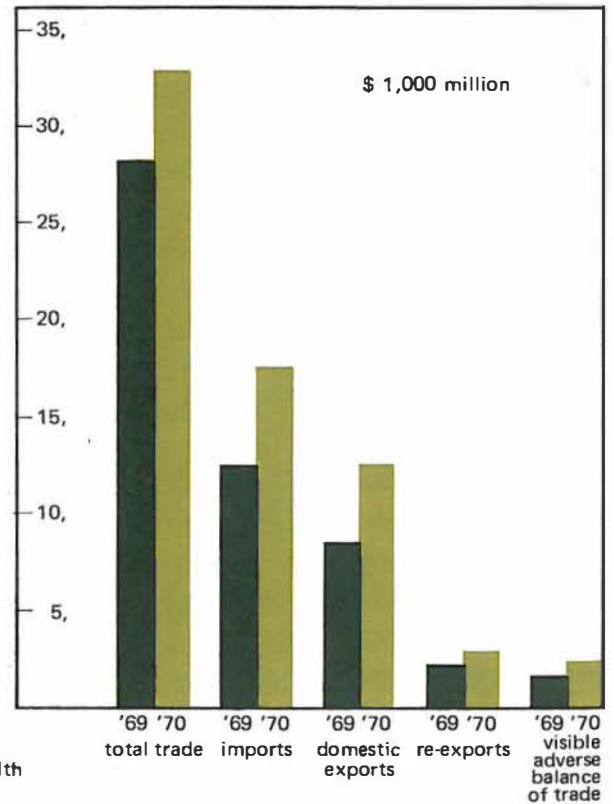
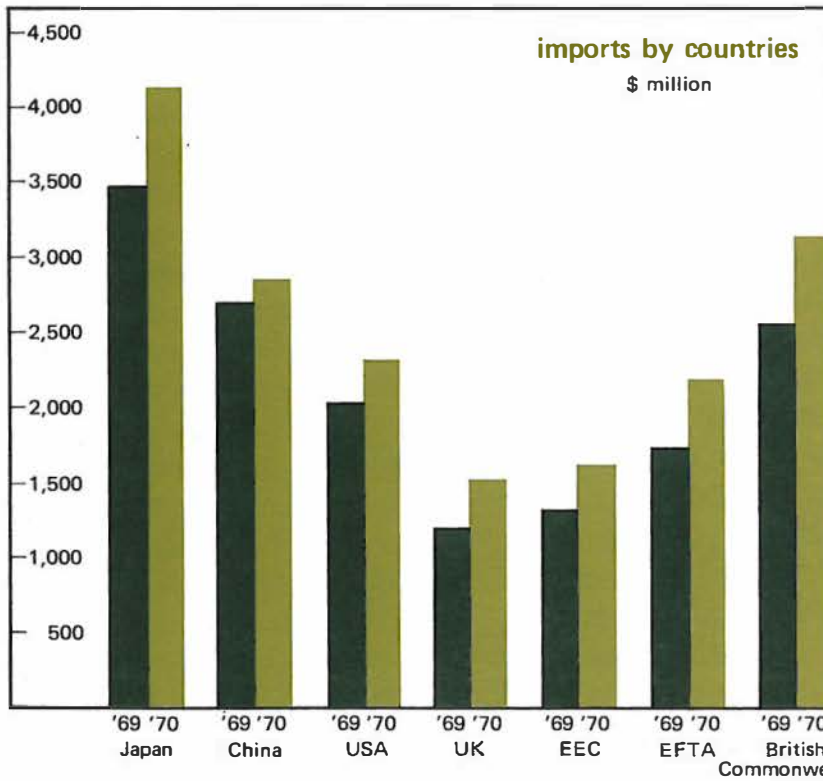
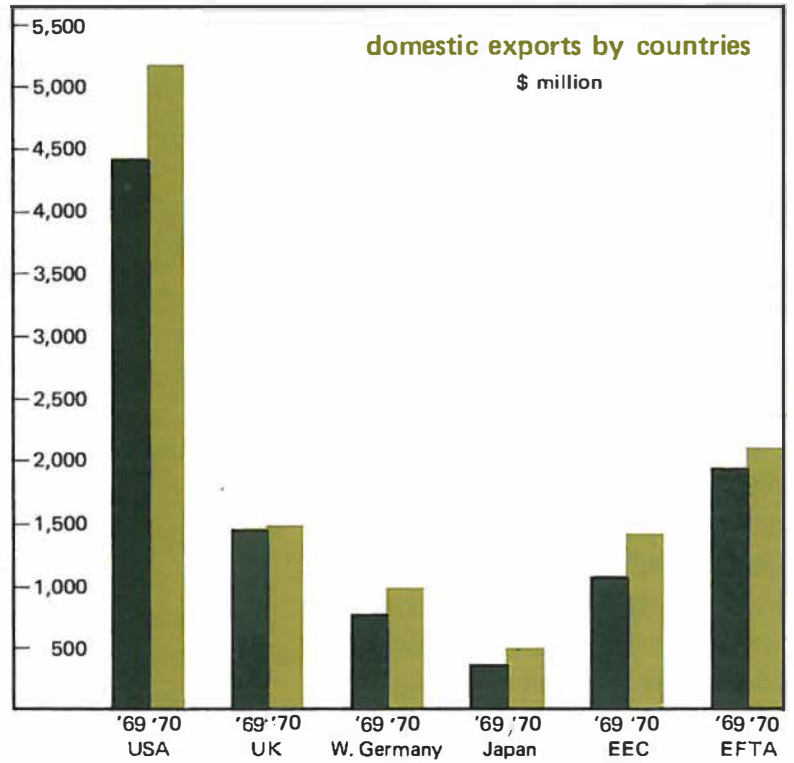
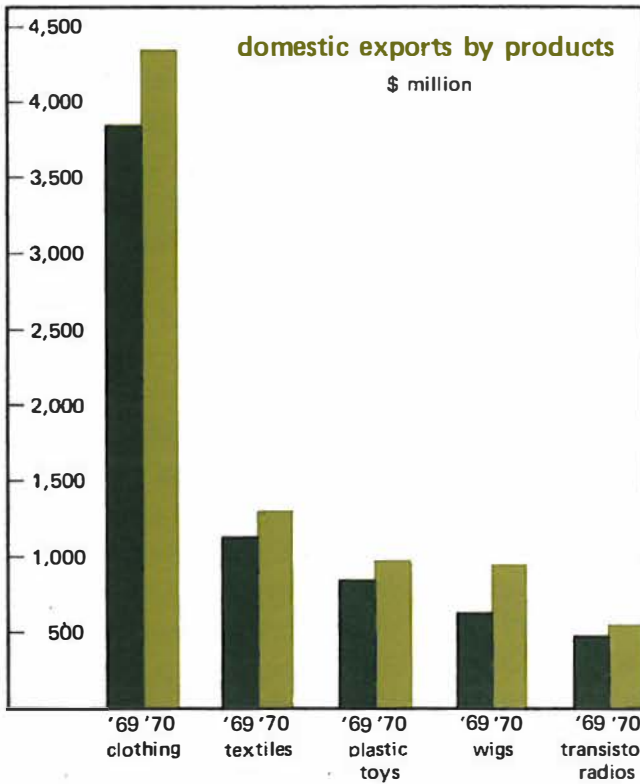
The Chamber has been consulted by several Government departments on proposed legislation likely to effect the commercial community, notably the Import and Export Bill, the Companies (Amendment) Bill, the Bankruptcy (Amendment) Bill, the Inland Revenue (Amendment) Bill and a number of Bills to amend the Employment Ordinance. All legislation likely to affect conditions of employment has been considered with our colleagues in the Employer's Federation, the Federation of Hong Kong Industries and the Chinese Manufacturer's Association. The Joint Associations Committee on Employer / Employee Relations has again proved its worth and is a good example of what can be achieved by inter-association cooperation.

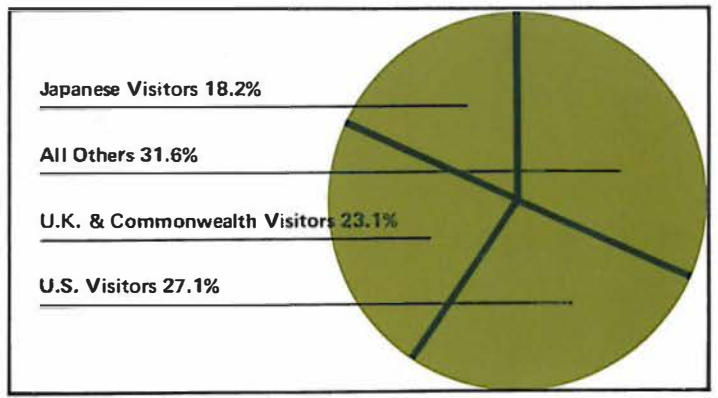
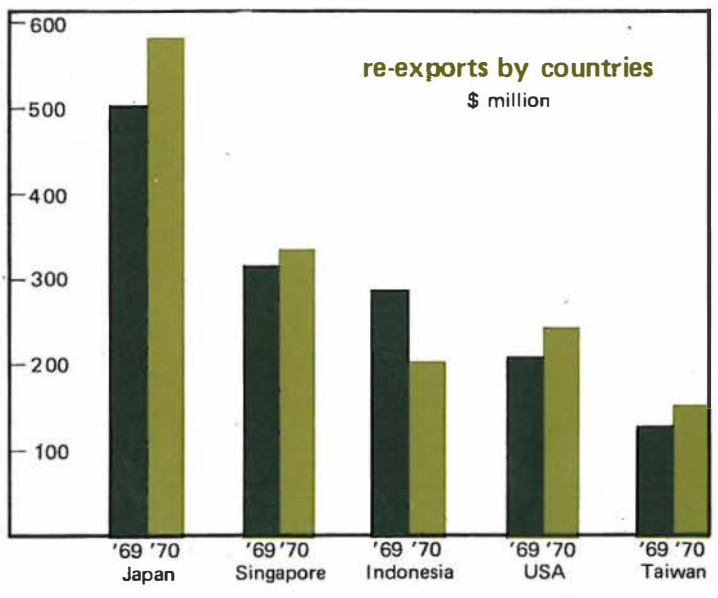
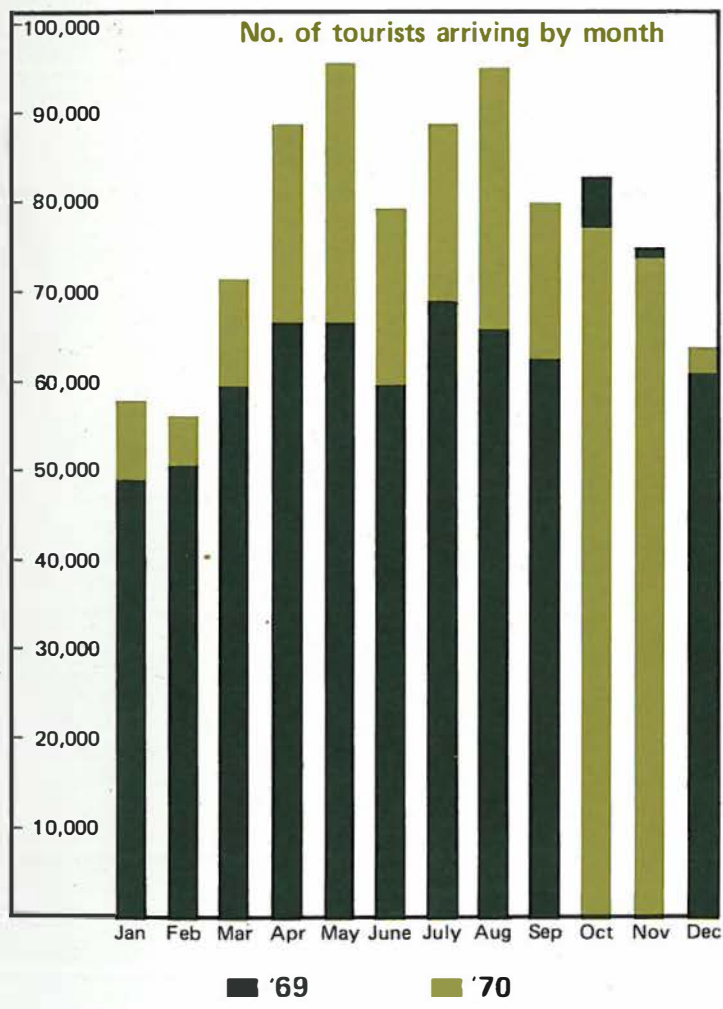
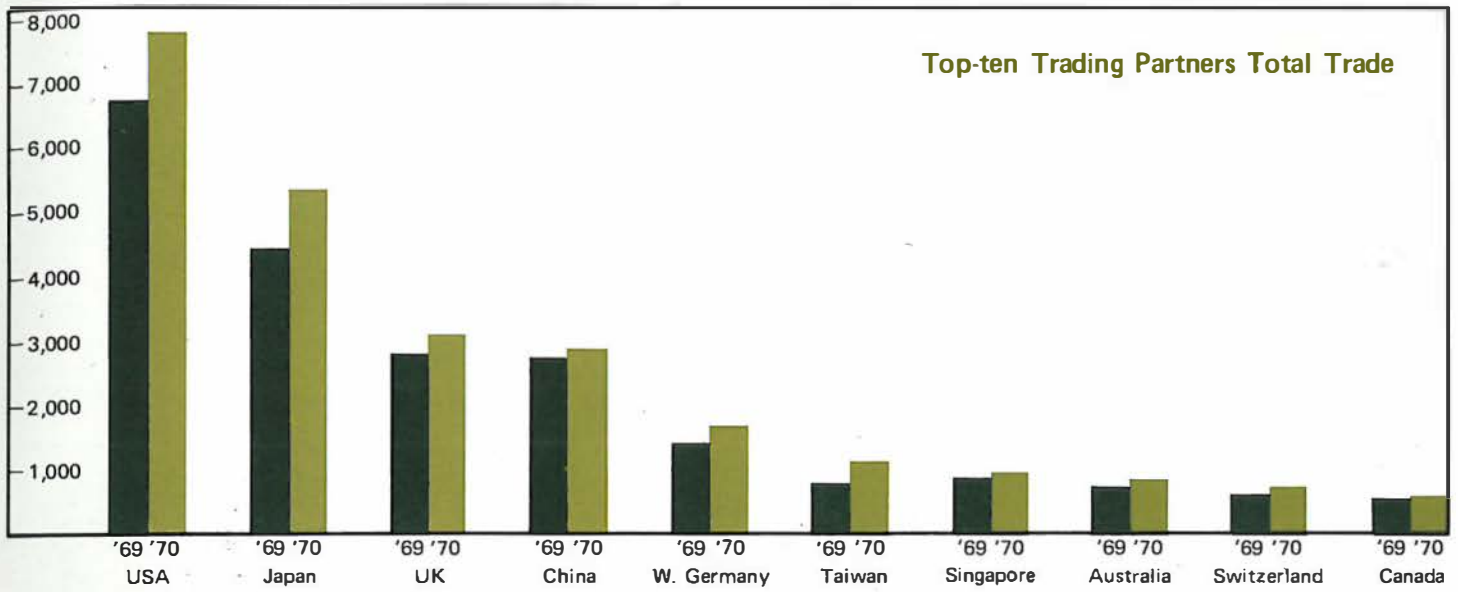
Later this year, His Excellency the Governor will be leaving Hong Kong, as will the Financial Secretary, Sir John Cowperthwaite. On behalf of The Hong Kong General Chamber of Commerce

I would like to record the grateful thanks of the commercial and industrial community to both; for outstanding leadership in every

possible way by His Excellency, and for the careful husbandry of our finances and economy by Sir John. They leave for us immeasurably strengthened foundations on which Hong Kong can continue to build and develop its economic and social life, and I wish them both all that is good for the future.

Pattern of Hong Kong Trade 69/70





The Chamber During 1970

The Chamber During 1970 Secretariat

Preparation for the 24th Congress of the Federation of Commonwealth Chambers of Commerce, held in Hong Kong in May, took up much of the Secretariat's time in the early part of 1970. A fuller review of the Congress is given below.

In September, Mr. Kite attended a meeting in Manila, organised by the United Nations Industrial Development Organisation in conjunction with the Economic Commission for Asia and the Far East, the object of which was to promote specific industrial projects in Asian countries. The meeting provided Hong Kong with several methods of communicating interest in specific joint ventures to industrial firms in developed countries. In November and December, Mr. Kite made business visits to the UK and South America, making a detailed study of chamber services and organisation in the UK, and of market and business conditions in South America. Mr. Griffiths attended the 18th Session of CAFEA-ICC in Bangkok in February and presented a paper on "Implications of Containerisation in International Trade". In October, he attended a meeting of permanent officials of CAFEA-ICC at Bangkok and a meeting with officers of ECAFE. While on leave in the UK, he attended

selection and assessment courses and qualified to use tests issued by the National Foundation for Educational Research. The administration of examinations in Cantonese and Mandarin continues to be the responsibility of the Secretariat. Examination standards are high and the Chamber is fortunate in its highly qualified and experienced examiners. It would like to see greater numbers of candidates and, to achieve this, proposes to advertise the examination system more widely. The problem of compiling an appropriate syllabus for part-time students in each of the three grades is being tackled with the help of the examiners. The General Committee and the Shipping, Legal/Taxation and Textiles sub-committees have covered wide fields, involving consultation with several Government departments. A new sub-committee, the Trade Co-ordination Committee, composed of the chairmen of principal sub-committees, held its first meeting in December. The object of this Committee is to highlight questions of common interest to sub-committees and to improve liaison between the General Committee and subcommittees. Distinguished visitors during the year included Dr. Bharat Ram, Chairman of the International Chamber of Commerce, Captain J. Jeffery,

Chairman of the Council of the Federation of Commonwealth Chambers of Commerce, Mr. W. J. Luxton, the Federation's Director, Mr. Patrick Jenkin, M.P., Mr. Eric Moonman, M.P., the Rt. Hon. Geoffrey Rippon, Q.C., M.P., Sir Frederick Bennett, M.P., and Mr. P. A. R. Blaker, M.P., Chairman of the Hong Kong Parliamentary Group.

The Chairman and General Committee members were again pleased to receive "Journey for Perspective" travellers from leading US graduate schools of business administration, whose programme in Hong Kong was organised by the Secretariat. Mr. Jon Prescott of Hong Kong University, Mr. P. A. Daley, Senior Forestry Officers, Mr. Lawrence Kadoorie, Mr. F. Westphal and the Federation of Hong Kong Industries helped arrange their programme.

24th Congress of the FCCC

Hong Kong was chosen by the Federation of Commonwealth Chambers of Commerce for the holding of its 24th Congress which took place from May 4 to May 8, 1970. A total of 200 delegates from 13 different countries attended, together with their ladies. Delegates came from the UK, Nigeria, Jamaica, New Zealand, Australia, Canada, Ghana, Kenya, India, Malaysia, Singapore and the Caribbean Islands. Hong Kong was also well represented with a delegation of 41 Chamber members.

The Congress was opened by the Governor of Hong Kong, Sir David Trench, G.C.M.G., M.C., and the principal guest speaker was the Rt. Hon. Malcolm MacDonald, O.M., who addressed the Congress on *Focus on Constructive Commonwealth Co-operation*. Other guest speakers were Professor Harry Edwards, who spoke on trade promotion; Richard Bailey, who spoke on Commonwealth development, finance and investment; and Walter Hill, Secretary General of the International Chamber of Commerce. A paper on Chamber of Commerce development prepared by the FCCC Secretariat was also given. All local arrangements for the Congress, and the social and ladies' programme, were administered by the Chamber. The Chamber is grateful for the co-operation of Butterfield & Swire (HK) Ltd., The Chartered Bank, the Chinese Manufacturers' Association of Hong Kong, the Commonwealth Trade Commissioners, Dodwell & Co., Ltd., The Hongkong and Shanghai Banking Corporation, Jardine, Matheson & Co., Ltd., Mackinnon, Mackenzie & Co., of Hong Kong, Ltd., The Shell Company of Hong Kong, and the Hong Kong Trade Development Council for agreeing to sponsor functions in the social programme. Delegates were enthusiastic about the success of the

Congress, both from the business and the social points of view, and the Chamber was glad to have this opportunity of acting as host organisation for such an important gathering. Organisational matters were handled by a special committee presided over by the incoming Chairman, the Hon. G. M. B. Salmon, with Mr. Clement Tsang as Secretary and Mr. Harry Garlick attending to the relevant public relations matters. A particularly interesting session from the Chamber's point of view was a meeting of executive heads of Chambers of Commerce held in the Chamber's Boardroom during the course of the Congress and attended by 17 representatives of various Commonwealth Chambers. This gave an opportunity for a most lively discussion on ways and means for members of the Federation to promote intra-Commonwealth trade.

Business Promotion

It was a particularly busy year for the Department. A record-breaking 34 trade missions, as well as a large number of individual businessmen, visited the Chamber during the year. This tremendous increase of visitors — more than 100 per cent over previous years — can generally be attributed to Japan's Expo '70. The high point of activity came in May, when the Chamber was host to no less than eight separate trade missions coming from all over the world — the UK, France,

West Germany, Spain, the USA, Australia, Canada and Africa. Anticipating the probability of a much greater inflow of visitors in 1970, the Department initiated *Operation Contact* in January, in the form of a newsletter to all members to keep them informed of delegations and individual businessmen who were intending to visit Hong Kong and who were interested in contacting local businessmen. *Operation Contact* included the names and companies of these visitors, the items they were interested in, and where and how long they were staying in Hong Kong. The project was highly successful. A total of 16 newsletters were issued during the year and over 910 business contacts were arranged. Not only were overseas businessmen drawn to Hong Kong but, at the same time, more members travelled abroad in 1970 as well, and the Department issued or endorsed over 1,180 letters of introduction for members to various trade organisations overseas.

As a trade and tourist promotion, both the Public Relations Department and the Business Promotion Department co-operated with the Government Information Services Department, the Hong Kong Trade Development Council, and the Hong Kong Tourist Association by organising the Hong Kong Pavilions at the International Boat Show which was held in London

in January, 1971.

Mr. S. L. Chung, who continued to head the Department, was the Chamber's representative at the Show. Following the exhibition, he made a business promotional and trade study tour of the USA and Canada.

The Department handled some 15,280 trade enquiries throughout the year. Of these more than 7,050 were dealt with through the punched-card system.

Another 5,000 enquiries were published in the twice-monthly trade publications for importers and exporters, while a still further 3,100 enquiries were replied to directly.

During the year, the punched-card system was revised and up-dated. The new system increased the number of major markets previously covered from 12 to 20, and began operation in January, 1971.

In co-operation with the Public Relations Department, a new trade promotional booklet *Opportunity Hong Kong* was produced and launched in the Autumn to promote Hong Kong to overseas businessmen. Over 10,000 copies were sent to major Chambers of Commerce in countries where English is widely spoken, for distribution to members. *Opportunity Hong Kong* includes a ready-made reply form for those who wish to make business contact in Hong Kong through the Chamber. The booklet seems to be a success.

More than 100 reply forms had already been returned by early December.

The statistics section of the Department continued to produce monthly analyses of Hong Kong's overall trade and the trade with its more than 50 major trading partners. Demand for these analyses continues at a high level from members, visitors, consulates and trade commissioners and the press. In addition, upon request, analyses of individual items — such as Hong Kong imports of woven textile fabrics — were undertaken. An Exporter/Manufacturer Member Record was also completed during the year. The index, like the one of importer members produced in 1969, breaks down members by country — the 20 major markets — and products, and is intended to serve as a ready reference in replying to enquiries from visiting trade missions, businessmen, etc. The number of subscribers to the Credit Information Bureau has continued to grow during the year. However, the Bureau is still anxious to increase its membership and is currently considering a plan to improve the present scheme.

The Department continued to act as mediator in disputes between Hong Kong's overseas customers and local firms, both members and non-members. A total of 615 disputes involving complaints both by and against overseas

firms were brought to the notice of the Department in 1970.

A new Rank Xerox machine was leased during the year, which has greatly improved the document copying service available for Members.

Details of over 2,500 job applicants were published in the twice-monthly Employment Register.

Certification

The Chamber's largest department has once again achieved record figures, with 185,800 applications being processed during the year. This represented an increase of 4.3 per cent on 1969. In July, 17,700 applications were handled, setting a new record for the number of applications received during the period of any one month.

Throughout the year, the Department maintained a high rate of consignment checking. An average of 14 per cent of all consignments shipped under the Chamber's Certificate of Origin were subject to spot checks. Some 1,810 applications — less than one per cent of the total number filed — were refused. The two main reasons for refusal were, firstly, inability to verify the origin of the goods and, secondly, wrong declaration in labelling. The Department opened a new Kowloon office in January, 1971. The new and expanded facilities, located in Room 1128, Star House, offer Kowloon applicants a full-scale receiving, processing,

and issuing service. Previously the Chamber maintained only a receiving and issuing office in Kowloon, with the actual processing and signing of applications being done at the Hong Kong office. The new service is expected to make the entire certification process on the Kowloon side much faster and more efficient, and the number of applications in Kowloon is expected to increase as more and more Kowloon-based exporters realise that a complete service is now conveniently available. The new certification office is under the charge of a recently promoted Assistant Secretary Mr. F. M. 'Sonny' Castro. The main office in Hong Kong is under the direction of Mr. A. C. C. Stewart, who continues to exercise overall responsibility for certification.

To handle the continuing demand for the Department's services, the staff was further increased during the year to a total of 36.

As always, throughout the year the Department continued to co-operate closely with the Certification Co-ordination Committee, on which the Chamber is represented along with other issuing authorities.

Membership

During 1970, 210 new members were elected, and 84 resignations were received; the result was a net increase of 126 members, bringing the total membership to 1,831 by the end of the year.

Clement Tsang, who was confirmed in his position as Assistant Secretary in charge of the Department, continued with the regular programme of visits to members throughout the year, to see that they are fully informed of the services the Chamber offers, and to ensure that they are getting adequate service. Some 700 individual members were called on by the Department in 1970.

Comments and suggestions from members are regularly referred to the Departments concerned for consideration and, if thought fit, action. For instance, several comments were made on the layout of the Employment Register and, in response to this, a revised Employment Register was introduced in the Autumn.

Other suggestions from members during the year included the establishment of a building for the Chamber, a Members' Club, and a Chamber-run survey on rent.

In May, the Department introduced a programme of familiarisation visits to the Chamber for new members. These visits are organised regularly once every two months. During 1970, three such visits were arranged, and attended by some 110 new members. With the co-operation of the Public Relations Department, a booklet entitled *The Chamber and You*, describing the services, activities, and facilities of the

Chamber was produced and distributed to all members towards the end of the year. The Department was also actively engaged in preparing new record cards of all members throughout the year. The new, up-to-date Membership Record will be completed early in 1971.

Public Relations

The major part of the Department's effort during the year has been devoted to establishing and improving *The Bulletin* in its new format. Launched in its new magazine-style form for the first time in January, 1970, *The Bulletin* has tried to break away from the previous concept of a 'news circular' by providing Members with a publication that could combine Chamber and general commercial news with a series of original feature articles on topics of current concern, as well as features on Hong Kong personalities, organisations, etc. The new *Bulletin* appears to have met with a favourable reception from members; and — to judge from the response of local press, radio and television to some of the articles published — it has gone part of the way towards establishing itself as the authoritative voice for commerce in Hong Kong.

The Chamber's other regular publications, the *Commercial News*, the *Trade Enquiries* and the *Employment Register*, all appeared in a new format towards the end of the year which,

it is hoped, makes them easier and quicker to comprehend.

The Department continued to assist the efforts of other Departments in the Chamber, and two major publications with this aim were produced during the year. The first, *Opportunity Hong Kong*, is designed to assist the Business Promotion Department in its efforts to promote members' trade overseas, while the second, *The Chamber and You*, is intended to help the Membership Department to explain the functions of the Chamber to members.

Partly because of interest in some *Bulletin* articles, PR staff members have had a busy year with enquiries from the news media. In particular radio stations and, to a lesser extent, television stations have approached the Chamber for comment on newsworthy items throughout the year. The need to produce, at short notice, comment that is reasonably informed and within the bounds of common sense involves the Department in continuous 'back-room' research — a fact which is reflected in the increase in the Chamber's subscriptions to newspapers and periodicals! The advice of outside organisations, such as the Government Information Services Department, the Department of Commerce and Industry, the Hong Kong Trade Development Council, etc., is also a help in this context. In

particular, the GIS is to be thanked for its assistance in distributing Chamber news releases, and for its sound advice on all topics affecting the local press.

The Department's busiest period was undoubtedly during the preparation for, and running of, the Federation of Commonwealth Chambers of Commerce Congress in May. In conjunction with other Chamber executives, the Department worked at a considerable pace for several weeks prior to, and during, the event.

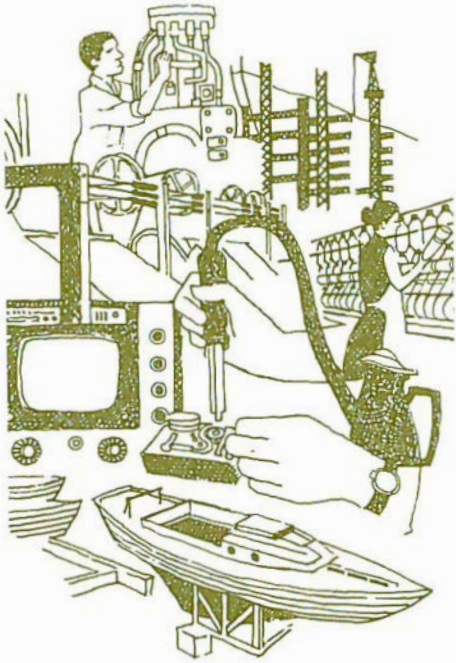
In the Autumn, a newsletter, aimed principally at overseas Chambers of Commerce and similar organisations, was launched under the title of *Hong Kong News*. The intention is to produce this quarterly publication in an attempt to explain the Hong Kong point of view to our overseas friends, and to influence them to trade with us.

The Department co-operated with other Hong Kong associations in the organisation and arranging of several major events during the year, notably the Ready-to-Wear Festival in March, the International Press Institute Conference in May and, towards the end of the year, the UK Boat Show.

In addition, the Department continued to carry out overseas advertising designed to encourage trade enquiries for the benefit of members.

In March a new executive

assistant, Mrs. Lee Sherard, joined the Assistant Secretary, Harry Garlick, to help in the running of the Department.



Industry

Hong Kong is well-known for the competitive price and range of its light industrial products, now universally acknowledged to be of high quality. The majority of industrialists are Hong Kong residents, with most of their capital resources self-generated. In recent years, however, overseas interests have increasingly entered into various forms of industrial co-operation with Hong Kong companies. Americans and Japanese take the lead, followed by British, Australians and Swiss.

Textiles and Clothing — The textile and clothing industry still dominates the manufacturing sector, accounting for 45 per cent of its domestic exports in terms of value, and employing 40 per cent of its manufacturing labour force.

The spinning section, with 882,200 spindles in operation, produced yarn counts ranging from 10's to 60's carded and combed, in single or multiple threads. Production of all counts in 1970 reached 323 million pounds, the greater part of which was consumed by local weavers. In the weaving section, 22,910 looms produced drills, shirtings, poplins, gingham and canvas, to be bleached or dyed or printed in the finishing sector. Production of cotton piecegoods in 1970 was approximately 769 million square yards, some being exported as cloth, and the bulk

being used by local garment manufacturers.

The use of fibres other than cotton and new processes in the finishing and garment industries are of growing importance. 21 textile mills are engaged in the production of polyester-cotton and polyester-viscose yarn for weaving into shirting and other fabrics for which there is a rapid growth in demand. Production in the woollen and worsted spinning sector is mostly consumed by the domestic knitting industry. The dyeing, printing and finishing sectors manufacture a wide range of multi-colour screen and roller prints, pre-shrunk and permanent-pressed fabrics and polymerized materials with drip-dry characteristics.

Garment-manufacturing remains the largest sector of the textile industry, employing 95,980 workers in 1,802 factories. A great variety of garments, ranging through cotton singlets, permanent-press slacks and shirts to high fashion dresses, are manufactured for export all over the world. Knitting mills produce a wide range of items in cotton, wool and other fabrics. The export value of garments rose by 13 per cent to \$4,337 million in 1970.

Other Light Industries — In the ever-widening range of light industry, the plastic industry remains second in prominence to textiles. This includes the manufacture of toys, dolls, flowers

and household articles. Skill in the cutting of moulds and dies, together with the ability to meet short-notice orders, has contributed to the rise in exports, the value reaching \$1,396 million in 1970, an increase of 15 per cent over that achieved in the previous year.

In recent years there has been spectacular growth and diversification in the electronics industry. This now includes the manufacture of transistor radios; television sets and parts; computer parts (e.g. memory cores) and electronic components including silicon transistors and diodes, magnetic reed switches, integrated circuits, condensers, transformers, capacitors, resistors and loudspeakers. Since the establishment of the industry in 1959, exports of transistor radios have increased to reach a total in 1970 of 22 million sets worth \$549 million, which went mainly to the United States and the Federal Republic of Germany. Manufacture of wigs and hair pieces has increased substantially in recent years, the principal market being the United States. The value of exports in 1970 reached \$937 million. During the year synthetic fibres were used extensively and over 80 per cent of all exports of wigs were made of synthetic fibres.

Heavy and Service Industries

— Hong Kong's heavy industry has been related to port facilities and servicing as well as to the

construction industry. The former includes ship and aircraft repair or modification and construction of small and medium-sized vessels. The latter embraces the production of reinforcing bars, made either from imported ingots or scrap steel derived from ship-breaking or industrial detritus, and the manufacture of aluminium extruded products.

Production by the steel rolling industry for domestic consumption and export has remained at a satisfactory level during 1970.

Imports of Chinese steel have decreased considerably, whilst the local property market has revived, bringing about an improvement in the prospects for the steel industry. Taiwan has become the leading foreign supplier and imports from this market have been continuously increasing.

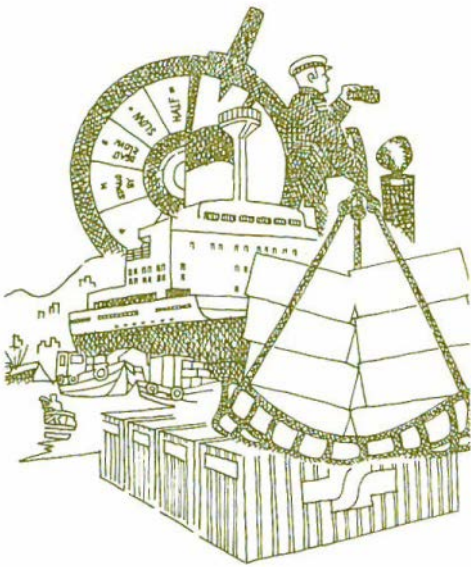
The expansion of light industry has, in the past, stimulated the manufacture of small and medium machine tools as well as parts and accessories for imported machinery. Of particular significance are plastic blow moulding and injection moulding machines, power presses, lathes and planing machines.

Industrial Land — The demand for industrial land, generated by the rapid expansion of local manufacturing industry, remained keen in the early part of 1970. But, with the substantial amount of industrial land being made

available for sale by Government during the past eighteen months, its price levelled off in the second half of 1970, indicating that the supply is keeping up with demand.

A large number of flatted industrial buildings commenced construction in 1969, and most of these were completed in 1970. This eased the shortage of factory space and contributed to a stabilising of industrial rents, which were rising sharply earlier in the year.

Nearly all industrial sites in the townships of Kwun Tong and San Po Kong have now been developed. Heavy development is already occurring in the more distant and longer-established township of Tsuen Wan. Some industrial land in Kwai Chung already sold still remains to be developed, but it is believed that the impending construction of a container terminal at Kwai Chung will accelerate this development. Apart from some industrial land that will become available for development in Cheung Sha Wan and Kowloon Bay, the future for industrial expansion must lie largely in the New Territories, particularly in Castle Peak and Shatin.



Shipping and the Port

1970 has again seen a substantial overall increase in Hong Kong's foreign trade. Compared to 1969, imports rose by 26 per cent and exports by 18 per cent.

This increase was fairly uniform to all areas of the world with which Hong Kong trades. Imports from and exports to the USA, Japan, Europe and Australia all rose by at least 21 per cent in 1970. In the case of Japan, exports rose by an amazing 35 per cent and imports by 31 per cent. The only exception to this general rise was in exports to the UK, which fell by 3 per cent. This was caused largely by overstocking of textiles in 1969 by importers wishing to avoid new duties, and it is thought to be an exceptional situation.

One disturbing event was the sharp tailing-off of exports to the USA in September when 1969 orders were completed. As a result of the recession in the USA, new orders were not placed on a normal scale. Items such as wigs and plastic toys were particularly hard hit.

7,086 ocean going vessels, a tonnage of 22.9 million, entered Hong Kong in 1970, as against 6,816 (22.28 million tons) in 1969.

The move towards containerisation continued. One major company handled 282,000 container tons by September as against 84,000 in the same period in 1969. For the first time, this

included import cargo as well as export. Container services to the USA, Scandinavia and Germany have been heavily booked. Small and medium buyers and shippers still resist the change to containers, and the switch to containers in Hong Kong's main trades, which will take place during 1972 and 1973, will require adjustment in local practices.

Sale and Purchase — The year 1970 was a growth year for shipping throughout the world, apart from the liner traders, and Hong Kong was no exception. Owners were able to fix long-term time charter employment and also voyage employment at rates which have not been equalled for many years. In consequence, there has been demand for both new building and second-hand tonnage, and many vessels which might have gone to the breaking yards were retained in service at remunerative rates.

Hong Kong owners, in addition to purchasing second-hand vessels, also placed a number of new building contracts, including giant tankers and bulk carriers, for delivery up to 1974.

Conversely, due to the strong trading market, Hong Kong ship-breaking was very quiet. This was due partly to a shortage of tonnage and, although American-based tonnage was available, it secured higher prices in Taiwan. Increased labour costs

also handicapped Hong Kong purchasers.

1970 also saw the end of new building of larger sized vessels in Hong Kong shipyards. Henceforth it appears that Hong Kong will confine its new building to relatively small vessels, and concentrate on repair and survey work.

Marine Department

During the year, commencement of work on the Cross Harbour Tunnel necessitated changes in the Hunghom fairway leading from Kowloon Bay to the Central Harbour area. It also led to a change in emphasis on the entry of vessels to the port from the Eastern to the Western Approaches. As a result, Immigration Clearance on a 24-hour basis is now available only in the Western Immigration and Quarantine Anchorage, whilst clearance in Kowloon Bay is undertaken between 6 am and 6 pm only. On an experimental basis, an advance Immigration Clearance scheme, implemented during the year, has proved of distinct benefit to shipping. The port was remarkably free of oil pollution, but experimentation continued on the most appropriate means of dealing with any pollution problems which might occur. Late in the year, authority was given for the constitution of an Anti-Pollution Unit within the Port Administration Division of the Department, and a new system of operating the harbour

scavenging fleet came under consideration.

Inauguration of the new Marine Department Signal Station on the roof of the Rumsey Street Multi-Storey Car Park greatly facilitated the work of the Port Communications Unit of the Department. During the year, there was a steady increase in the amount of radio telephone traffic handled by the Unit in the Port Operation Service, based on the International Maritime Agreement of the Hague Conference (1957) and introduced in 1969.

Work on the Western Harbour scheme to provide additional mooring buoys was completed and, at the end of the year, work started on re-siting five mooring buoys from the Western Harbour area. These were moved to positions north and west of Stonecutters Island where vessels under repair and working cargo are expected to make greater use of them.

Taikoo Dockyard

The demand for Taikoo Dockyard's ship repair, conversion and general engineering facilities was once again very brisk during 1970.

Considerable expansion is planned over the next few years and, in this respect, the company completed an agreement in December for the purchase of a floating dock, which will considerably increase their capacity.

The floating dock, scheduled to be

in operation in March, 1972, is being built in Japan and, when completed, will be capable of taking ships up to 25,000 dwt tons. The dock will be a self-contained unit with its own travelling cranes of 25-ton and 5-ton lifting power, workshop, offices, stores, and even a galley and canteen.

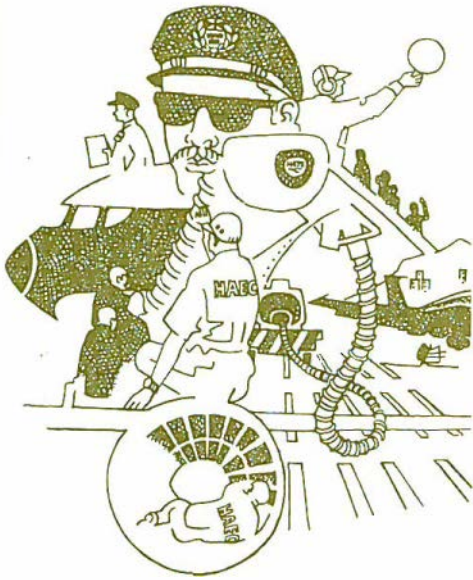
Other expansion includes the recent addition of a new harbour tug and increased cranage facilities. The new tug, the *Taikoo Wanyee*, has twin Nippatsu engines developing 1700 bhp, twin Kort rudders, and twin variable pitch propellers. With a bollard pull of 27 tons, she is the second most powerful tug in Hong Kong waters (*Taikoo's* ocean-going salvage tug taking pride of place). *Taikoo Dockyard's* tug and launch fleet is now equipped with radio telephones for first-class communications. A new crane, a Butter's 5-ton electric mobile, was added to the seawall facilities in November, and work has commenced on re-siting and mobilising cranes from the old ship-building berths. Hong Kong's Cross Harbour Tunnel scheme involved the Dockyard in a considerable amount of work during the year. In May, a ventilation shaft weighing over 3,000 tons was completed for the tunnel, and August saw the launching of the *Severn River*, a pontoon type barge — 190 feet long and 110 feet in breadth. The barge is used

to lay granite screed as foundation for the tunnel, and to manoeuvre and lower the 350-foot tube sections into position. Major ship conversions have been a prominent feature of Dockyard's activities during the year. The conversion of the China Navigation Company's *Taiwan* was completed in April, and another major conversion for this company is now under way. This is the *Coral Princess* (formerly *Princessa Leopoldina*) which Taikoo are converting into a luxury cruise ship for the Pacific Islands tourist trade. Other conversions carried out included the lengthening and conversion for containers of two Norwegian 10,400 dwt tons sister-ships, the *Kingsville* and *Queensville*, which were both lengthened by approximately 75 feet; the conversion from cargo ship to oil rig support vessel of the *Eastern Supplier* (formerly *Reliance Unity*)— involving the building of a helicopter landing pad on the stern — and a complete change-over from steam to diesel engine drive on the Burmese ship *Pyidawnyunt*. The two giant 336-foot-long, 98-foot-wide barges and two Imodco buoys, mentioned in last year's annual report, were successfully completed and, in late 1970, work began on a third Imodco buoy (13.5 metres in diameter) for a project in Nigeria.

Hongkong & Whampoa Dock Co. Ltd. — During 1970, repairs

were carried out on a total of 666 vessels, with an aggregate gross tonnage of 3,688,944 tons. Of these vessels, 329 (with a total gross tonnage of 1,330,568) were dry-docked or slipped. Most of the Dock Company's extensive ship repair facilities were fully utilised throughout 1970. Several *Victory* type vessels were converted for container carriage on behalf of the C. Y. Tung shipping group. One of the largest steel work jobs ever undertaken in Hong Kong was the extensive deck, internal and bottomplating renewals of the Greek tanker *St. George III*. More than 600 tons of steel plate were fitted in this vessel whilst she underwent special survey at Kowloon Docks between June and August, 1970. Another large repair job worthy of note was the special survey and voyage repair work on the vessel *Rajula*, a 42-year-old British India passenger ship operating between Singapore and Madras. This provided almost full employment for all dockyard trades during the period from February to April, 1970, and the contract was won in the face of very strong overseas competition. A recent repair job of interest was the Polish Ocean Line's *Mickiewicz*, which underwent special survey in accordance with Polish registry requirements during December, 1970. A compact, self-contained Container Freight Station and

Container Terminal was established in the East Yard at Kowloon Docks, Hung Hom. The Freight Station is located in a modern building covering approximately 60,000 square feet of floor area. A deep water berth, approximately 500 feet in length and with a travelling derrick crane, is available for this operation. Modern mechanical handling equipment has been purchased recently, including fork lift trucks and tractors, Shaw side-loaders, and container trailers. The Container Terminal currently services the Orient Overseas Container Line which is a member of the C. Y. Tung shipping group. The Container Terminal handles approximately 1,000 containers per month and, within a period of 12 months, the throughput is expected to more than double. By 1980, an annual volume of approximately 50,000 containers is anticipated. Current plans include the purchase of an additional Butters container derrick crane and several Straddle container carriers.



Civil Aviation

Substantial improvements to civil aviation facilities were made during the year to keep pace with the demands of the ever-increasing flow of aircraft, passengers and cargo through Hong Kong's International Airport, Kai Tak.

Facilities offered by Kai Tak are second to none in the Orient, and the importance of the airport to the Colony is shown by the fact that 2,324,900 passengers passed through it during the year. In order to cope with the increasing number of people using the

Terminal Building, an extensive programme of modifications was completed during the year, including enlargement of the building and its facilities and the installation of a mechanical baggage and distribution system. A pier and six aerobridges, suitable for use by aircraft up to the size of a Boeing 747, were also completed and brought into operation. The building is now capable of handling 2,200 passengers per hour. The use of air transport for the carriage of freight continues to play an important role in the commercial growth of the Colony. 61,186,470 kgs. of cargo were handled by the airport this year, representing a 19.92 per cent increase over that of 1969. The capacity of the freight terminal was doubled during the year by extensive modifications, permitting 70,000 metric tons of cargo a year to be handled. Further expansion of this building is not possible, and consultants have been engaged to prepare a detailed scheme for a fully consolidated air cargo terminal for all carriers using the airport. In 1966, forecast figures produced by the Civil Aviation Department showed that the increase in air freight would average 34 per cent a year from 1966 to 1971, reducing to 25 per cent a year thereafter. In fact the yearly rate of growth up to March 31, 1970, was 36 per cent. Independent forecasts by the

consultants predict that the airport will handle 220,000 metric tons a year by 1976, 460,000 metric tons by 1980, and approximately 1,000,000 metric tons by 1990.

All the airport taxiways were widened in time for the advent of Boeing 747 services on April 11, Hong Kong being the fourth airport outside the USA to receive this type of aircraft. Construction commenced in October to extend the runway by 2,530 feet. This will result in a paved runway surface of 11,130 feet becoming available by mid-1973. Extensive enlargements of aircraft parking areas continued as part of the phased development of the airport.

The continuing increase in aircraft movements has brought a need for improved and more sophisticated equipment for air traffic control. A scheme for increasing traffic handling capacity includes an additional radar for approach surveillance purposes, and the re-siting and improving of the existing terminal area radar. An instrument approach system has been installed to the northwest end of Kai Tak's runway to provide approach guidance to runway 13. Feasibility trials were conducted and successfully completed, paving the way for full operational availability next year.



Labour

The economy of Hong Kong prospered in 1970. Full employment continued and, during the first part of the year, there was a serious shortage of labour in the industrial sector. In June, industry reported vacancies totalling 27,875 — the highest figure ever recorded by the Labour Department. The demand for labour decreased in the last part of the

year because the rate of expansion slackened.

Following salary adjustments by Government, there was a general and substantial rise in wage rates, particularly in the earlier part of the year. The greatest increase has been in the building industry where there was a burst of activity after several years of recession. Because of the difficulties of enticing workers back to this industry, wages rose rapidly, and the index of wage rates increased from 175 in January to 226 in November — a rise of 29 per cent.

The Labour Department compiled for the first time two new indices of nominal and real wages. These show that since 1964 nominal wages increased by about two-thirds and real wages by about one-third.

Industry continued to expand as it has done every year since 1947. The number of industrial undertakings increased, and the total labour force employed by them rose to about 600,000 out of an estimated working force of about 1½ million.

During the year, labour disputes continued at a low level and there were few major ones. Only 40,000 man-days were lost in disputes, which is about the average for the past ten years.

The trade union movement made little progress during 1970, and the position remained basically unchanged with less than ten per cent of the working population

participating in any way in the movement.

The fourth stage of a phased programme for the reduction of standard hours of work for women and young persons in industry, which began in 1967, came into operation on December 1, 1970. In this phase, the maximum standard hours were reduced to 8 hours 20 minutes a day and 50 hours a week. The final phase introducing the standard 48-hours week will begin on December 1, 1971.

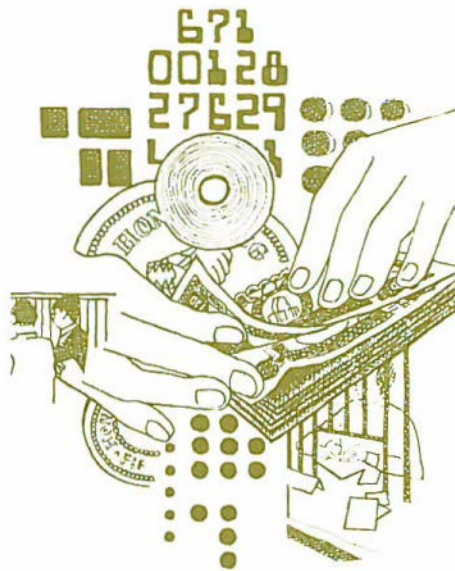
A new comprehensive scheme for workmen's compensation, covering a very much wider range of workers than formerly and providing for considerably improved benefits, came into effect on January 1, 1970. This scheme extended benefits to non-industrial workers. It was introduced smoothly and has worked effectively since its inauguration.

Three separate amending ordinances to the Employment Ordinance were enacted during the year. One of these provided maternity protection to women employees. Another, which came into force in April, required employers to nominate four rest days each month for their employees. There was some criticism initially about this legislation on the grounds that it was inflationary, especially as its introduction coincided with a series of wage and price increases unconnected with it. After the

first two months or so, criticism died down, and it soon became clear, especially during the summer months when beaches and other recreational facilities were used more than ever before, that many employees, especially the younger ones, welcomed the legislation. The third item provided further protection for workers against employers lacking resources to pay their wages or absconding from Hong Kong.

The Industrial Training Advisory Committee and its associated committees reached the stage of preparing a final report on industrial training in Hong Kong for Government. It is anticipated that this important document will be ready early in 1971.

The Labour Department continued to expand to meet the increasing demands for its services. In particular, the Labour Relations Service, which offers conciliation services in labour disputes, was specially strengthened. Towards the end of the year, Government approved in principle a proposal to establish labour courts which will operate closely with the Labour Relations Service. It is hoped that it will be possible to introduce this new scheme some time in 1971.



Banking

The year under review was a satisfactory one for Hong Kong's banking industry. Deposits maintained their steady upward trend whilst trade and industry continued to expand, albeit at a somewhat slower rate than in the previous year. Both the main reserve currencies, the Pound Sterling and US Dollar, had their troubles, stemming mainly from balance of payments problems, but the year passed without any major exchange crises.

Notes in circulation at the end of the year totalled \$2,413,000,000 against \$2,116,000,000 at December 31, 1969.

Foreign Exchange — At the end of 1969, the Exchange Banks' Association reinstated forward quotations in all currencies, but enquiries received were nominal, and it would seem that the lessons learned during the critical period prior to the revaluation of the Deutschemark in October, 1969, were to some extent forgotten. At the end of May, the Canadian Federal Government declared that the Canadian Dollar would be allowed to float freely against other currencies. This decision was taken because of heavy purchases of the Canadian currency by foreigners and because of Canada's sharply rising trade surplus. The Canadian Government's action sparked off a wave of speculation that the Swiss Franc might also be permitted to float, but these

rumours turned out to be unfounded.

The price of gold developed a marked upward trend during the second half of 1970, and the metal closed the year at US\$37.50 an ounce compared with US\$35.30 at the end of 1969.

Deposits, Loans and

Advances— Trade and tourist figures remained buoyant and, with employment continuing at a high level, bank deposits in the Colony continued to grow, reflecting the generally higher wage rates and improved standard of living. By the close of 1970, they had reached a figure of \$14,955,000,000 — a rise of 21.6 per cent as compared with the figure of \$12,297,000,000 at the end of 1969. The small saver was a major contributor to this increase, savings bank deposits alone showing an increase of \$855,000,000 over the year. This expansion was achieved despite a significant flow of funds into the Euro-currency and Asia dollar markets which, despite an overall decline in interest rates, remained attractive to local investors.

Loans and advances increased from \$7,884,000,000 in December, 1969, to \$9,670,000,000 at the end of 1970. Ample credit has been available to finance local trade and industry, and it seems likely that the level of advances by banks in the Colony will increase still further when loans related to

projects fostered by prevailing boom conditions are eventually drawn down.

Interest Rates — Interest rates for both deposits and advances in Hong Kong remained unchanged throughout 1970, despite a number of fluctuations in rates ruling overseas. The Bank Rate in the United Kingdom was lowered twice during 1970 — from 8 per cent to 7½ per cent in March, and from 7½ per cent to 7 per cent in April, since when it has remained unchanged. In New York, the major banks' prime lending rate closed the year at 6¾ per cent per annum as against 7½ per cent per annum at the end of 1969. The Federal Reserve discount rate at the end of the year was 5½ per cent compared with 6 per cent at the end of 1969. During the year, the West German discount rate dropped from 7 per cent to 6 per cent, while their Lombard rate was reduced from 9 per cent to 7½ per cent. Reductions in Bank Rate in a number of other European centres made for easier domestic interest rates in the countries concerned. During June, 1970, the Federal Reserve Bank, New York, removed its ceiling on interest rates applicable to Certificates of Deposit and other single maturity time deposits in denominations of US\$100,000 or more with maturity of 30 through 89 days. This partial relaxation in the terms of Regulation "Q" enabled New York banks to quote more competitive rates for large

deposits, and curbed somewhat the outflow of funds into the Euro-currency markets.

Local Developments —

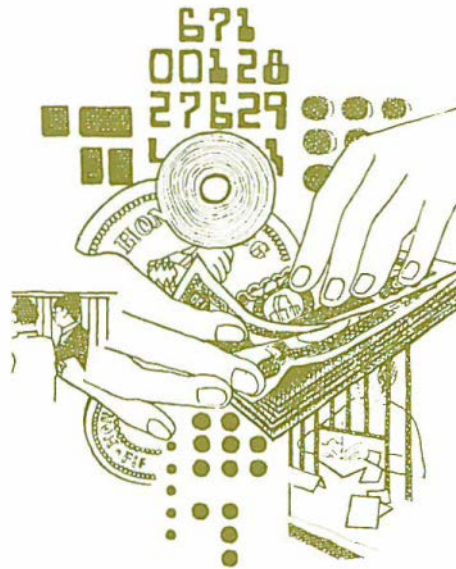
No new banking licences were issued during the year, and the total number of licensed banks remained unchanged at 73. Banking offices; however, increased from 362 to 399 as banks already established continued to expand their network of branches throughout the Colony. Representative Offices of overseas banks established in Hong Kong on December 31, 1970, numbered 30, of which 9 were opened during 1970.

During the year, National & Grindlays Bank Ltd. of London acquired 49 per cent of the issued share capital of the Dao Heng Bank Ltd., whilst a local finance company, Far East Financial (Hong Kong) Ltd., a wholly-owned subsidiary of Hawaii Thrift and Loan Inc. of Honolulu, acquired an 80 per cent interest in the Ka Wah Bank Ltd. As further evidence of the growing international interest in the Colony as a major financial centre, it was announced on December 16 that Schrodgers Ltd. of London, the prominent United Kingdom-based merchant bankers, were joining with the Chartered Bank and the Kadoorie interest in the formation of a new merchant bank in Hong Kong, to be called Schrodgers & Chartered Limited.

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The year under review was a satisfactory one for Hong Kong's banking industry. Deposits maintained their steady upward trend whilst trade and industry continued to expand, albeit at a somewhat slower rate than in the previous year. Both the main reserve currencies, the Pound Sterling and US Dollar, had their troubles, stemming mainly from balance of payments problems, but the year passed without any major exchange crises.

Notes in circulation at the end of the year totalled \$2,413,000,000 against \$2,116,000,000 at December 31, 1969.

Foreign Exchange — At the end of 1969, the Exchange Banks' Association reinstated forward quotations in all currencies, but enquiries received were nominal, and it would seem that the lessons learned during the critical period prior to the revaluation of the Deutschmark in October, 1969, were to some extent forgotten. At the end of May, the Canadian Federal Government declared that the Canadian Dollar would be allowed to float freely against other currencies. This decision was taken because of heavy purchases of the Canadian currency by foreigners and because of Canada's sharply rising trade surplus. The Canadian Government's action sparked off a wave of speculation that the Swiss Franc might also be permitted to float, but these

rumours turned out to be unfounded.

The price of gold developed a marked upward trend during the second half of 1970, and the metal closed the year at US\$37.50 an ounce compared with US\$35.30 at the end of 1969.

Deposits, Loans and Advances

— Trade and tourist figures remained buoyant and, with employment continuing at a high level, bank deposits in the Colony continued to grow, reflecting the generally higher wage rates and improved standard of living. By the close of 1970, they had reached a figure of \$14,955,000,000 — a rise of 21.6 per cent as compared with the figure of \$12,297,000,000 at the end of 1969. The small saver was a major contributor to this increase, savings bank deposits alone showing an increase of \$855,000,000 over the year. This expansion was achieved despite a significant flow of funds into the Euro-currency and Asia dollar markets which, despite an overall decline in interest rates, remained attractive to local investors.

Loans and advances increased from \$7,884,000,000 in December, 1969, to \$9,670,000,000 at the end of 1970. Ample credit has been available to finance local trade and industry, and it seems likely that the level of advances by banks in the Colony will increase still further when loans related to

projects fostered by prevailing boom conditions are eventually drawn down.

Interest Rates — Interest rates for both deposits and advances in Hong Kong remained unchanged throughout 1970, despite a number of fluctuations in rates ruling overseas. The Bank Rate in the United Kingdom was lowered twice during 1970 — from 8 per cent to 7½ per cent in March, and from 7½ per cent to 7 per cent in April, since when it has remained unchanged. In New York, the major banks' prime lending rate closed the year at 6¾ per cent per annum as against 7½ per cent per annum at the end of 1969. The Federal Reserve discount rate at the end of the year was 5½ per cent compared with 6 per cent at the end of 1969. During the year, the West German discount rate dropped from 7 per cent to 6 per cent, while their Lombard rate was reduced from 9 per cent to 7½ per cent. Reductions in Bank Rate in a number of other European centres made for easier domestic interest rates in the countries concerned. During June, 1970, the Federal Reserve Bank, New York, removed its ceiling on interest rates applicable to Certificates of Deposit and other single maturity time deposits in denominations of US\$100,000 or more with maturity of 30 through 89 days. This partial relaxation in the terms of Regulation "Q" enabled New York banks to quote more competitive rates for large

deposits, and curbed somewhat the outflow of funds into the Euro-currency markets.

Local Developments

— No new banking licences were issued during the year, and the total number of licensed banks remained unchanged at 73. Banking offices; however, increased from 362 to 399 as banks already established continued to expand their network of branches throughout the Colony. Representative Offices of overseas banks established in Hong Kong on December 31, 1970, numbered 30, of which 9 were opened during 1970. During the year, National & Grindlays Bank Ltd. of London acquired 49 per cent of the issued share capital of the Dao Heng Bank Ltd., whilst a local finance company, Far East Financial (Hong Kong) Ltd., a wholly-owned subsidiary of Hawaii Thrift and Loan Inc. of Honolulu, acquired an 80 per cent interest in the Ka Wah Bank Ltd. As further evidence of the growing international interest in the Colony as a major financial centre, it was announced on December 16 that Schrodgers Ltd. of London, the prominent United Kingdom-based merchant bankers, were joining with the Chartered Bank and the Kadoorie interest in the formation of a new merchant bank in Hong Kong, to be called Schrodgers & Chartered Limited.



Insurance

The year 1970 was again an active year for marine insurers in Hong Kong. While the traditional export markets continued to absorb a high proportion of Hong Kong products, many more enquiries were received by cargo insurers for cover to the smaller markets in the Middle East and African countries.

Containers are becoming a common sight in Hong Kong, and insurers are quickly adapting themselves to the special requirements of this revolutionary method of sea transportation.

The general level of loss and damage to cargo has not decreased, and amongst the more serious casualties might be mentioned the fire on the *Don Jose Figueras* and the sinking in the Panama Canal of the *Sian Yung*, both of which involved local cargo underwriters.

Hull underwriters world-wide are still attempting to consolidate the better results of recent years. Moves being made to achieve this objective include the recent revision in the various sets of Institute Time Clauses whereby the time honoured "franchise" has been replaced by an "excess" provision.

For underwriters of fire insurance, there has been a small drop in the number of calls on the Fire Services during the calendar year 1970. However, for the period covered by the annual report of the Director of Fire Services, fire

losses are estimated at a record \$31.4 million, or 56 per cent higher than the figure for the previous year. This is attributed to rising standards of living and increased values of property at risk, but changing environment and human behaviour were also important contributing factors. In September, one of the worst fires in 25 years was seen with the prolonged blaze at Ying Fung Distillery Building in Kwai Chung. It took the Fire Services three days to extinguish the fire, and there were many hazards which prevented it from being brought under control earlier. A substantial part of the building was seriously damaged, and the total cost to insurance companies will exceed \$5 million.

For insurers of other risks, the year has brought a further increase in crimes involving burglary, armed hold-up, and other displays of violence. The demand for cover in relation to both domestic and commercial property has been maintained, but rates have hardened noticeably for the insurance of cash or other valuables stored or transported in quantity.

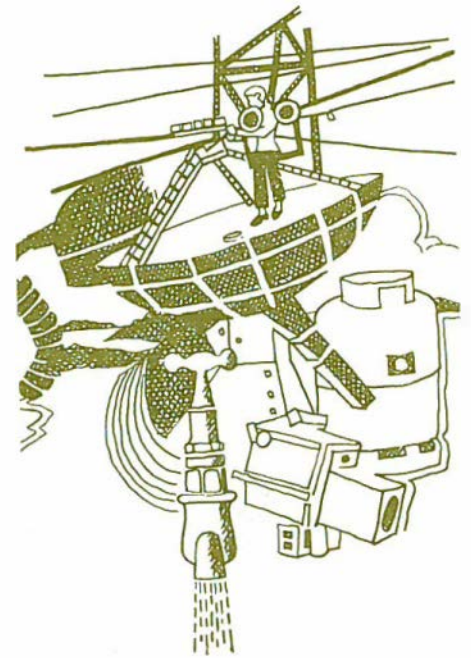
Heavy rains in mid-May eased one of the worst droughts experienced in recent years, but the Colony was fortunate to escape any serious typhoon damage. However, torrential rain did lash Hong Kong early in September, bringing landslides and flooding reminiscent of the

1966 disaster.

The amended Workmen's Compensation Ordinance came into effect on January 1, substantially increasing the limits of compensation payable in fatal cases and for those involving permanent disability. Latest reports suggest that the results of companies transacting this class of business clearly reflect an increased demand from the insuring public for this type of cover. There is also an obvious indication that claim costs have risen substantially.

The motor insurance market continued to expand throughout 1970, and insurers are concerned about the deteriorating trend in motor loss ratios. The introduction of Legal Aid has undoubtedly had an effect by increasing the number of cases that come to Court. Repair costs have risen considerably during the year, contributed to by the general increase in rents and wages. However, there are many other factors which have contributed towards increasing insurers' liabilities in the motor department. Private cars are by far the major users of our restricted road network, and their numbers have increased steadily in recent years. An important source of motor claims is a lack of care in parking vehicles overnight. The position is aggravated by inadequate private garage and parking facilities for the 140,000 vehicles registered for use on the roads.

The cost of motor insurance has remained stable for several years, and premiums are low by comparison with most other areas of similar traffic density. If these disturbing trends continue, some radical adjustments in rating and underwriting may be necessary. In the life assurance field, the year 1970 proved to be one of continued growth for the market, and it is fair to say that for the member offices of the Life Assurance Association overall it was a record year for new business written. Once again, there was a significant increase in the number of employers establishing retirement schemes for their employees. Many such schemes were placed with local Life Offices who have considerable experience in this field. During the year, there was a tendency for the public to revert to the proven methods of saving with protection through life assurance, and the security offered by conventional Endowment and Whole Life Assurances appeared to be in demand.



Public Utilities

The Hong Kong Electric Co. Ltd.

— The company commenced supplying Hong Kong Island 80 years ago, in December, 1890, and now also supplies the neighbouring islands of Lamma and Ap Lei Chau.

Electricity is generated by plants at North Point, which has an installed capacity of 345 MW, and at Ap Lei Chau, which has an installed capacity of 120 MW. Two 125 MW sets are on order for Ap Lei Chau to keep pace with rising consumer demand, and 1970 saw the commencement of this power station's extension.

Work continued on the company's new offices and system control centre at Kennedy Road, and service to the public was further improved by the opening of two additional branch offices.

Maximum demand on the company's generating plant rose to 304.4 MW in 1970, an increase of 11.1 per cent over 1969. The number of consumers increased by 4.08 per cent during the year, and sales of electricity amounted to 1,210.4 million kWh, an increase of 8.74 per cent. These were made up of: domestic and residential, 323.8 million kWh; commercial, 638.6 million kWh; industrial, 241.4 million kWh; street lighting, 6.6 million kWh.

China Light & Power Co. Ltd.

— The generating station at Hok Yuen, Kowloon Bay, has a capacity of 630 MW, of which 390 MW is owned by China Light and 240 MW by Peninsula Electric Power Co. Ltd., an enterprise in which the partners are Esso and China Light. The power station at Tsing Yi, owned by Peninsula Electric, has two 120 MW units operating. Four similar 120 MW units are due to be installed at varying intervals before the middle of 1973, followed by two 200 MW units. Peninsula Electric's generating stations are constructed and operated by China Light. Main transmission is carried out at 132 kV, 66 kV and 33 kV. Primary distribution is effected at

11 kV, except on some rural lines which are 6.6 kV. Local distribution is at 346V 3-phase and 200V single phase, with a master-controlled frequency of 50 cycles. In the urban areas, all lines are underground.

Sales and numbers of consumers have risen rapidly over the years. A large NCR computer installation handles the ever-increasing billing work, as well as many other functions.

Under the new tariff system adopted in 1969, a maximum demand tariff ("Bulk Tariff") was made available to all bulk users from January, 1970. A modern single meter block tariff ("General Tariff") applies to all other consumers.

During the period from 1966 to 1969 the maximum demand in MW has gone up some 35 per cent while the total number of units sold has risen 42 per cent and the number of consumers has increased over 20 per cent. Records this year show that the rate of growth has been maintained during 1970. Maximum demand is up 11 per cent from 1969, while the numbers of units sold and the number of consumers have increased 12 per cent and 6 per cent respectively.

Hong Kong Telephone Co.

Ltd. — The total number of telephones installed in Hong Kong at the end of 1970 exceeded 575,000, equal to approximately 14 telephones per 100

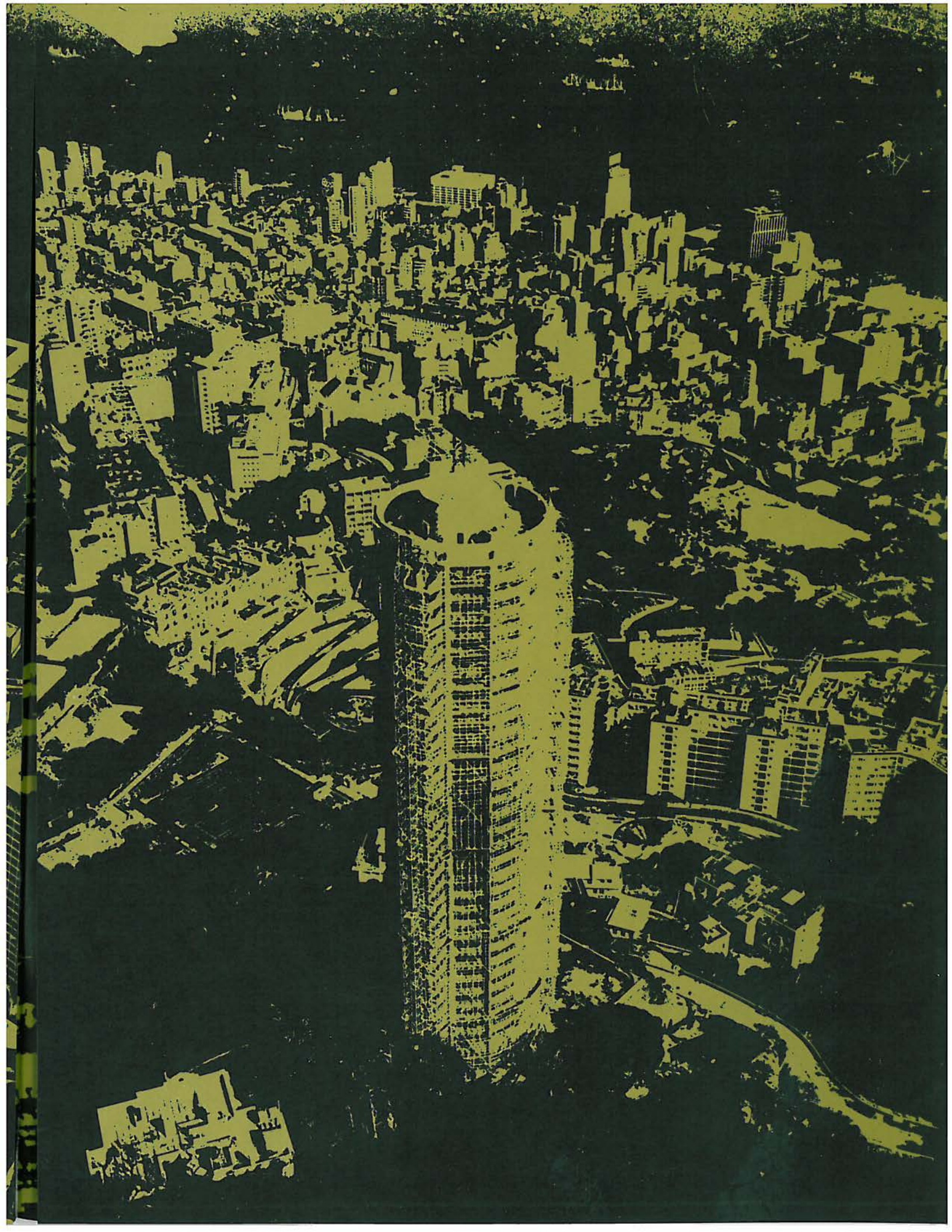
population — the highest penetration figure in Asia apart from Japan. The application rate for new telephones continued at a high level, averaging about 8,500 per month over the year. Only in two or three areas does an applicant have to wait for more than a very short period for a telephone. The annual growth of the system has been 20 per cent for some years — the highest in the world.

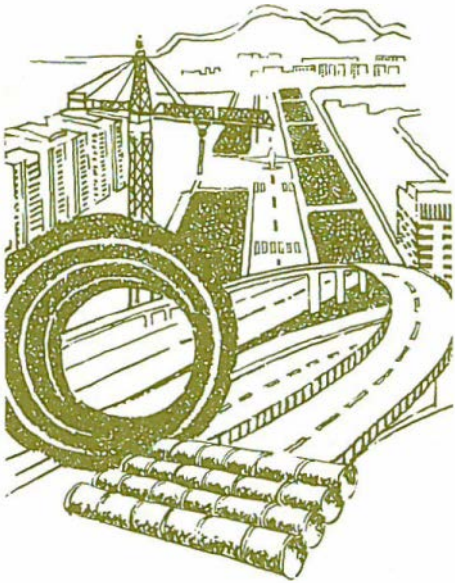
Approximately 72,000 new lines were installed during 1970, and it is anticipated that this number will be exceeded in 1971.

The volume of overseas traffic has risen tremendously in recent years, and the total number of international calls made from Hong Kong during 1970 exceeded 765,000, an increase of almost 34 per cent over the previous year. There are direct dialling facilities from the company's international switchboard to the UK, Europe, the USA, Canada, Australia, Singapore, Malaysia, Japan, Taiwan, Macau, the Philippines, Borneo and New Zealand.

The company moved into the electronic field during 1969-1970 when the first semi-electronic exchange at Lai Chi Kok was brought into service with an initial installation of 10,000 subscriber lines.







Public Works

The year 1969-1970 saw a considerable revival of activity in the building industry, thus bringing to an end the rapid and progressive decline experienced in former years. The extent of this revival is illustrated by the number of submissions for new buildings approved in 1969, which was the highest since 1965. A very firm demand for Crown land also developed during the year for all types of development, and one lot, in the heart of the Kowloon Peninsula, suitable for hotel purposes, attracted international attention and was sold by auction for a record price of \$130 million (\$2,661 per square foot). With the shipping industry turning to containerization, a need also arose for land to be used in connection with these operations. Grants were made to two of the established wharf companies for the construction of container freight stations to be used in conjunction with their existing facilities.

A draft Outline Zoning Plan for the 280-acre Urban Renewal District between Sai Ying Pun and Central Hong Kong was prepared by the Town Planning Board and exhibited for objections. At the same time, the planning and land problems of the 13-acre Pilot Scheme Area, situated within that District, were considered in depth by a departmental working party, and a further report for comprehensive redevelopment

prepared. Funds were approved for this Urban Renewal, and a start has been made on acquiring sites required to implement the scheme.

In September, Messrs. Freeman Fox and Partners were appointed to undertake further and more detailed investigations into all aspects of the Underground Railway project, in the light of revised population forecasts. These investigations included revised traffic studies and assessment of alternative routes and fare structures from those recommended in the Consultants Mass Transit Report; a complete and detailed review of all construction methods, rolling stock, equipment and station layout and design; and more precise estimates of construction costs, private land required and resumption costs. In addition, a comprehensive series of soil tests and analysis were carried out, and route alignments were under constant review to meet day-to-day developments.

With the publication of the Long Term Road Study Report, and its acceptance by Government as a guide for PWD planning, critical examination of the recommendations made were carried out before any were adopted for implementation.

The effect of the Urban Renewal, Underground Railway and Long Term Road Study proposals upon public and private development had to be assessed in detail. On

average, four cases a week were considered to determine whether plans for the redevelopment of private property would frustrate the schemes and methods devised. In no case during the year was it necessary to stop any development, although, in one or two cases, major modifications to foundation layouts were necessary.

During the year, approval was obtained to extend the water resources survey studies.

Investigations continued into the probable expansion of demand and the regulated yields for all existing and proposed developments, including the catchments associated with the proposed High Island Scheme. Satisfactory progress was made on a study of the future demand for water and the further development of resources. This includes the economics of a low use factor desalting plant to complement existing and planned resources, and large scale high use factor desalting plants to meet future needs, possibly in conjunction with the generation of electricity for the Power Companies using a nuclear reactor.

Expenditure on Public Works Department non-recurrent and recurrent items, excluding personal emoluments, totalled \$385 million compared with \$391 million in 1968-1969. Although there was a significant increase in recurrent expenditure, the expenditure on Public Works

non-recurrent items dropped from \$292 million to \$284 million. This was due to a \$37 million drop in Waterworks expenditure, mainly as a result of the completion of major projects and the re-appraisal of programmes for the next few years.

While expenditure on building and civil engineering works was more than that of the previous year, it was nevertheless below expectations because of contractors' financial difficulties. During the year, six contracts had to be re-entered, and this further underlined the need for a re-appraisal of the financial stability of those contractors approved to undertake Government contracts. There now exists a procedure for examining the audited accounts of PWD contractors and, if it is established that a contractor does not have resources sufficient to carry out Government contracts, appropriate action is taken.

This action can take one of several forms, e.g. down-grading the contractor, suspension from tendering, or limiting the volume of contract work to a level commensurate with the contractor's financial resources. A continuous 24-hour water supply was maintained throughout the year despite extremely low rainfall after August.

However, to conserve water in the older reservoirs, more use had to be made of Plover Cove water. This involved enlarging,

temporarily, the pumping capacities of the River Indus, Tai Pao Tau, and Sha Tin Pumping Stations.

Tenders were called for the raising of the Plover Cove dams and spillways to increase its capacity from 37,378 million gallons to 51,778 million gallons. In addition, a contract was let for the site investigations for the tunnels and dams of the High Island Scheme, which will form a new 60,000-million-gallon reservoir in the sea, on the lines of Plover Cove. Contract documents for the large-scale tests of this reservoir were being prepared.

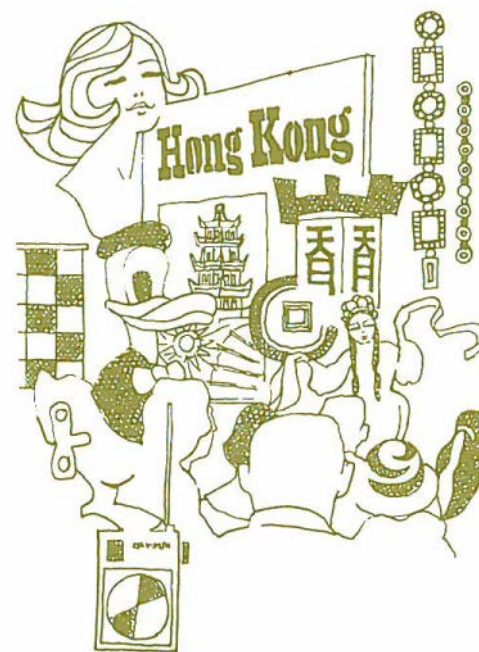
Tenders were invited from selected firms for the supply and erection of the small experimental desalting plant of 50,000 gallons/day capacity.

Following the decision to proceed with the construction of the Cross Harbour Tunnel, which was announced during the year, the road works for the tunnel connections on both sides of the harbour were commenced.

Construction and planning of major road improvements of the Colony's road network continued unabated, particular emphasis being paid to grade separated schemes to ease vehicular traffic congestion. On Hong Kong Island, widening work on Upper Albert Road was started, and sections of the waterfront road were opened to vehicular traffic as construction works were completed. In Kowloon, flyovers

at the junction of Princess Margaret Road/Fat Kwong Street/Pui Ching Road and at the Chatham Road/Princess Margaret Road junction were completed and opened to traffic, while work was commenced on the flyover complex at the Kowloon City Roundabout and the Prince Edward Road/Choi Hung Road Roundabout. Development of Kai Tak Airport continued, and an additional 22,420 square yards of concrete pavement for aircraft maintenance was completed. The third stage in the modification of the passenger terminal to cater for the increased passenger flow of the 'Jumbo Jets' was also virtually completed. The work included extensions to existing buildings, additions of aircraft parking stands, 'air bridges', and other modern passenger and baggage handling facilities.

In October, the new Tai Lam Women's Prison was completed. This prison, the first of its kind to be built in the post-war era, contains cottage-type buildings, dormitory blocks, hospital, laundry, etc., and provides accommodation for 400 inmates. Under the Government Resettlement and Low Cost Housing Programme, 51,100 individual domestic units were provided, and construction of buildings providing a further 342,000 units was in hand. In addition, seven estate schools were completed and another 32 are under construction.



Trade Promotion

For the Hong Kong Trade Development Council, the past year has been marked by a steady expansion of activities both at home and abroad.

The Council has again pursued a policy of fostering Hong Kong's trading position in overseas markets through participating in missions and trade fairs and, at the same time, expanding and strengthening its services to manufacturers and exporters in Hong Kong. For instance, during the past year its Trade Enquiries

service, in conjunction with other organisations, has handled nearly 50,000 enquiries — a threefold increase since 1967.

The service also arranged individual appointments with manufacturers and exporters for more than 1,700 overseas businessmen who called at the Ocean Terminal headquarters. In addition the TDC's Display Centre (which introduced a number of specialised exhibitions) had over 140,000 visitors — a near record attendance. The Centre also registered 10,000 personal trade enquiries, 6,000 of which were from visiting foreign importers. To facilitate rapid processing of trade enquiries, the Council has installed a computerised factory index.

The five new offices opened during 1970 are in Frankfurt, Vienna, Los Angeles, Chicago and Tokyo.

With its other offices in London, Brussels, Stockholm, New York, Nairobi and Sydney, the Council now offers Hong Kong businessmen widespread facilities for providing on-the-spot marketing information and new business contacts in all the major export markets of the world.

The *Hong Kong Enterprise* continued to stimulate trade enquiries, and increased its circulation from 25,000 to 35,000 copies per month.

There has been a gratifying response from advertisers in the

Enterprise, the twice-yearly *Apparel*, and the annual *Toys*, who have benefited from taking space in these publications.

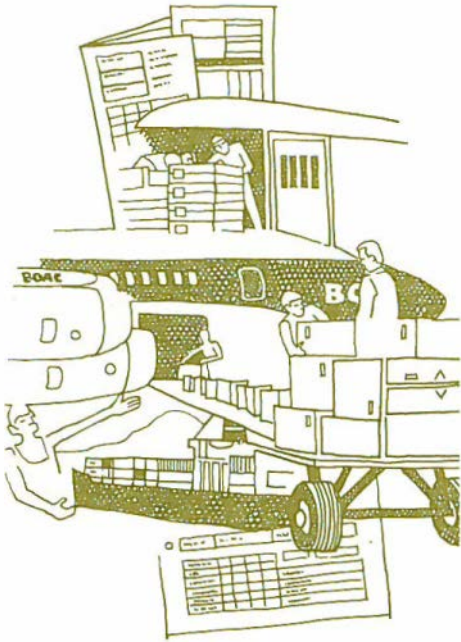
Advertising fees were increased as from November. *Enterprise* is now being distributed in 154 countries.

The TDC was again active in a vigorous promotional programme, helping a cross-section of manufacturers and exporters to participate in nine major overseas trade fairs and exhibitions.

The TDC also planned and sponsored five outward trade missions — to the Middle East, Europe, Australia, the United States and Japan — and played host to two incoming missions, from Japan and South Africa.

In Hong Kong, the Council again organised and promoted the annual Ready-to-Wear Festival in March and, for the fourth successive year, participated in the CMA's Exhibition of Hong Kong products.

In all, the Council helped nearly 300 Hong Kong firms to promote their products in trade fairs, missions and festivals during 1970, many of them trading directly overseas for the first time.



current policies has now reached 600 as against 500 12 months ago. Over the year, maximum liability assumed increased by \$80 million to \$640 million, while business declared for cover each month is now running at a level of approximately \$80 million. The goods which are the subject of export credit insurance follow, pretty faithfully, the pattern of Hong Kong's overall export business, and there have been few changes in emphasis over the last 12 months. Textile manufactures continue to be predominant, and again represent 44 per cent of total coverage. Toys, including plastic toys, come next with 10 per cent, followed by footwear, wigs, and metal products. The UK continues to be the major market for insured export credit, representing 40 per cent of the Corporation's estimated outstanding liabilities at any one time. Western Europe, with Western Germany becoming increasingly important, represents another 27 per cent, and North America (where a great deal of business is still conducted on letter of credit terms and which is thus outside the scope of the Corporation's coverage) represents 17 per cent. Nevertheless, despite the dominant position of these traditional major markets for Hong Kong goods, it seems likely that the Corporation's facilities are encouraging exporters to

diversify into new markets. During the year under review, the Corporation quoted premium rates for 139 markets. The value of credit insurance coverage as a protection against bad debts is well illustrated by the Corporation's claims experience. In a year when the USA was experiencing a business recession, and when tight money policies, which inevitably produce a crop of business failures, were being pursued in a number of important markets for Hong Kong exports, claims paid amounted to some \$2 million. They covered markets as far apart and different in their economics as Japan, the USA, the UK, the Pacific Islands, Canada and Malaysia. The Corporation issues insurance policies and does not itself provide finance. However, the value of its policies, as a form of collateral security to bring forth finance for export, is well illustrated by the fact that, at the end of the year, no less than 38 different banks in Hong Kong had registered assignments of policies issued by the Corporation.

Export Credit Insurance

With Hong Kong's export trade continuing to expand at a brisk rate, it is not surprising that the business of the Export Credit Insurance Corporation has also increased considerably over the last 12 months. The number of



Tourism

Hong Kong's tourist industry opened the new decade with record breaking visitor figures, gratifying progress in planning and construction of new hotels, and a number of new attractions. The total number of visitors to Hong Kong in 1970 was 927,256, a 21.18 per cent increase over 1969. The increase, greater than estimated or anticipated, is attributed partly to the successful World Exposition held in Osaka,

Japan, from March to September. Package tours from around the world to Expo '70 all included a visit to Hong Kong as well. Visitors to Hong Kong from the United States continued to represent the largest single percentage of the total. US visitors in 1970 numbered 251,609, an 18 per cent increase over 1969. Japanese visitors numbered 168,473, a 17 per cent increase.

During the year, there was a noticeable increase in interest in Hong Kong from the European, Canadian and Australian markets — areas of great potential. The Hong Kong Tourist Association hopes soon to step up its activities in these areas. There were also very satisfactory increases in travel to Hong Kong from neighbour countries in Asia, with the exception of the Philippines, which is suffering economic and currency hardships.

In Hong Kong during the year, progress was made on planning and construction of new hotels needed for anticipated increases in visitors over the next few years. Five major projects, each with 800 or more rooms, are under way, as well as a number of smaller projects. These new hotels will begin opening this year, and in 1972 and 1973. Besides accommodation, much work was done during 1970 on providing new and expanded amenities, attractions and

services for Hong Kong's visitors. These included new harbour tours, a helicopter transfer and sightseeing service, the opening up of Lantau Island for groups of tourists, a new 18-hole golf course at Fanling, two wax museums, and an arts and crafts centre.

The Tourist Association, during the year, expanded its activities abroad with the addition of an office in Frankfurt, West Germany. In New York City, the HKTA office moved into the same premises with the Trade Development Council, strengthening both organisations and avoiding duplication of effort. With this outstanding beginning to the decade, Hong Kong's tourist industry looks forward with cautious optimism to breaking the one million mark in annual visitors soon, and the two million mark by 1980.

Annual General Meeting 1970

Annual General Meeting Held April 7, 1970.
The Chairman, the Hon. M. A. R. Herries, told the meeting:

The Report and Accounts for the Year ended December 31, 1969, have been in your hands for some time and, with your permission, I will take them as read.

The Accounts show a continuing satisfactory position, with a balance of some \$241,000 being available for transfer to General Reserve. The buoyant income position, particularly from Certification Fees, is a clear indication of the increasing use members make of the facilities which the Chamber provides. Your Committee deemed it wise to accept the offer of additional space adjoining our offices in Union House, so that a thorough reorganisation of our office lay-out could be undertaken. The necessary structural alterations were completed in August, and the revised lay-out has greatly added to the comfort and convenience both of the Staff and of members, and of other visitors to the Chamber.

The full effect on costs of this additional space, and of extra staff engaged to cope with the ever-growing volume of our work, will be reflected in next year's accounts but, even after taking this into account, your Committee is fully confident that the time has come for the Chamber to expand its trade

promotion activities. In consultation with the Trade Development Council we are seeking ways for applying an increasing proportion of Chamber Funds to the furthering of members' interests.

I am glad to be able to report to members that the arrangements I mentioned at last year's annual meeting, for turning the former Dependants Fund into a Charitable Trust, were completed on July 3 with the passing, in the Legislative Council, of the Hong Kong General Chamber of Commerce Special Relief Fund Ordinance. Again, I should like to thank the Hon. Attorney General for all the personal interest he took in placing the Fund on its present less restrictive basis. With the powers given to us, the Trustees have been able to give some assistance to members of the forces of law and order who were injured in 1967, or since, and to dependants of any who have lost their lives on duty since the close of that emergency. I should like to emphasize what I have said in my printed Statement on the subject of technical education and the urgency of expanding facilities for it. Even when the additional technical institutes and the Polytechnic are established, there will be a minimum of two years before they can put trained personnel back into industry. It is, therefore, vital that there be no delay in the implementation of this

programme designed to meet a shortage which exists now, and difficulties in recruiting the necessary staff must be overcome. Whilst on the subject of education, I think it appropriate to refer to the question of teaching standards of languages, particularly English. Some 64 per cent of our direct exports are shipped annually to English speaking markets, and I am afraid that the standards of English achieved by a great majority of the secondary school leavers who seek employment in commerce are just not up to what is required for the conduct of correspondence in this trade. Whilst we in the Chamber of Commerce fully appreciate the problems faced by the Colony's educators in this connection, I would urge the Director of Education to re-examine syllabuses with a view to giving school leavers a greater comprehension and facility in the everyday use of this admittedly difficult language, which is so vital in the conduct of trade. Though I doubt if any claim of a cause and effect nature would be widely accepted, it is surely not entirely a coincidence that, in the three and half years since the Trade Development Council was formally established on October 1, 1966, the annual total value of direct exports of Hong Kong goods has increased by some 83 per cent. We congratulate the Council and its able and energetic

permanent staff on this visible evidence of the success which has attended their efforts. The return of Mr. Cater to Government has, I know full well, created serious problems for the Council in finding a successor to him as Executive Director, and we can count ourselves lucky that the coincidence of time and need made it possible for Mr. Terence Sorby to take over these most important duties. Mr. Sorby comes to the TDC with a wealth of successful experience in the administrative side of our industrial and commercial development, and he can take over his new duties confident of the full support and co-operation of the Chamber and all other responsible commercial and industrial associations. I am happy to report a further year of harmonious and fruitful co-operation with, and from, the various departments of Government whose duties have a bearing on the interests of the Chamber and its members. The list of 'thank you's' is too long to give in detail, and I am sure our many friends will not take it amiss if I single out the Information Services Department for particular congratulation on its successful co-ordination of Hong Kong's first ever participation in a World Exposition. The Hong Kong Pavilion at Expo '70 in Osaka, sails and all, has gained acclamation from all

corners of the World. It has been another busy year in the Chamber, and particularly so in the Certification Department, as I have already mentioned. The co-ordinated certification system that was worked out, not without some difficulties, is operating smoothly and well, and I should like to express the Chamber's thanks, as an issuing authority, to the Commerce and Industry Department for co-operation and support in further investigation and action on the cases where our own inspectorate staff find some irregularity. Unfortunately, there have been one or two instances where the Committee has had to use the disciplinary powers given to it under the Chamber's Articles, but I am confident that the firm line which the Chamber is determined to maintain in this connection is reacting to the good of the Colony's trade as a whole. Our Business Promotion Department, whose activities are not so readily identifiable in the Accounts, has also been a hive of activity, and it achieved a notable success in its handling of the programme for the London Chamber of Commerce Trade Mission, for whose members no less than 122 separate appointments were made. Similar arrangements, sometimes in conjunction with Trade Commissions or Consular offices, and sometimes on our own, have

been made for other visiting missions, and a heavy programme is in train this year when we are collecting the spin-off of groups en route to, or from, Japan for Expo '70.

I should like to thank all my colleagues on the General Committee, and on various Sub-Committees of the Chamber, for the unfailing support they have given me during my two years of office, and I am sure I am voicing the feeling of all members when I thank them for the time and care they have devoted to Chamber affairs. Our thanks are also due to Mr. Kite and his hardworking staff for their achievement in rising to each occasion and for the enthusiasm with which they have met the ever-increasing demands on them.

I now have much pleasure in formally proposing that the Report and Accounts for the year ended December 31, 1969, as presented, be adopted. After this proposal has been duly seconded, I shall be glad to answer, to the best of my ability, any questions that members may have.

Speech by Mr. E. Petersen, seconding the proposal by the Chairman of the Chamber for the adoption of the Report and Accounts for the year ended December 31, 1969.

Mr. Chairman:

It is very appropriate that the Chamber's Annual Report deals in some detail with the remarkable progress in the

Colony's export trade during 1969, and also warns of the difficulties that the trade may be facing in the form of further import restrictions in our export markets.

There has hardly been a time when one could not point at potential dangers to our economic development. However, it is my opinion that, even if the dangers at present loom a bit larger than recently, the Colony's industry is now better equipped than ever before to meet such challenge. The Hong Kong miracle could not have happened had it not been for a particularly industrious population. However, with the increased emphasis on automation, hard work and initiative will not always be able to carry the day on their own merits. It is, therefore, most gratifying that apart from the much-needed improvements in primary and secondary education, the Government is taking active steps to increase facilities for technical training. These efforts will be partly wasted, however, if we do not all give our support by making the utmost endeavours to create as good career possibilities as possible for the locally-educated young people. In the same way as our industry is becoming modernized, the business life is also undergoing important changes. Through its own efforts and its close involvements in numerous other organisations, the Chamber is

playing a significant role in keeping the Hong Kong business community abreast with the latest developments.

One cannot fail to be impressed with the range of the Chamber's activities, and I feel it is appropriate to congratulate the Chairman and all concerned on the part the Chamber is playing in the success story of Hong Kong.

In particular, I have the greatest admiration for the personalities who, despite demanding positions in private business, and often unbelievably busy schedules, still find time to work for the good of the entire community within the framework of the General Chamber of Commerce.

Mr. Chairman, Fellow Members, With these very few observations, I take much pleasure in seconding the Chairman's proposal that the Annual Report and Accounts for 1969, as presented, be adopted.

Speech by the Hon. J. D. Clague proposing a vote of thanks to the Hon. M. A. R. Herries.

Mr. Chairman, Gentlemen, Before allowing today's proceedings to be closed, I am sure it would be your wish, as it is the wish of my colleagues on the General Committee, that a formal vote of thanks be accorded to our Chairman, Mr. Herries.

Mr. Herries has been a most valuable member of your Committee, having served the

Chamber and its members in many capacities, not least as Vice-Chairman and Chairman, and as a representative of the Chamber on the Legislative Council.

In addition to his work for the Chamber, Mr. Herries has performed a formidable number of duties in the public interest. Amongst these has been his work as Chairman of the University's Grants Committee and Chairman of the Executive Committee of the Community Chest, together with his work on the Trade Development Council and many Government Advisory Committees.

Mr. Herries will be moving to London in the comparatively near future, and it is a source of considerable satisfaction to all concerned that we will have in London such a staunch supporter of Hong Kong.

I feel you would also wish me to record our thanks to Mrs. Herries, who has not only done a lot of welfare work over the years, but has also been of great assistance in supporting Mr. Herries in his arduous tasks.

I now have much pleasure in formally moving that all present at this meeting wish to record their thanks to Mr. and Mrs. Herries, as well as their very best wishes for their future happiness and success.

<u>1969</u>			<u>HK\$</u>
	General Fund		
\$1,144,886	As at 31st December, 1969	\$1,386,643.09	
<u>241,757</u>	Add: Excess of Income over Expenditure for the year	<u>180,670.72</u>	
<u>\$1,386,643</u>			1,567,313.81
	Reserves		
\$ 200,000	Trade Promotion	\$ 200,000.00	
<u>11,000</u>	Fluctuation in Value of Provident Fund Investment	<u>11,000.00</u>	
<u>211,000</u>			211,000.00
\$ 45,000	Staff Hospital and Surgical Expenses Fund		45,000.00
<u>\$ 111,919</u>	Staff Superannuation Fund		102,071.13
	Current Liabilities, Provisions and Receipts in Advance		
\$ 53,000	Leave Passages	\$ 42,000.00	
<u>132,057</u>	Creditors	<u>89,836.22</u>	
<u>361,200</u>	Subscriptions for 1971 Received in Advance	<u>448,400.00</u>	
<u>\$ 546,257</u>			580,236.22

Note: These Accounts do not include the Assets and Liabilities of the Staff Provident Fund for which the Chamber acts as Trustee.

G.M.B. Salmon *Chairman*
P. G. Williams *Vice Chairman*
J.B. Kite *Secretary*
Lowe, Bingham and Matthews
*Chartered Accountants,
Treasurers.*

\$2,300,819

HK\$2,505,621.16

<u>1969</u>		<u>HK\$</u>
	EXPENDITURE	
	Staff	
\$1,144,563	Salaries and Staff Quarters	\$1,312,663.80
118,907	Contribution to Staff Provident Fund and Endowment Policy	132,492.99
27,446	Medical Expenses	17,197.42
56,289	Leave Passages (including Provision)	38,162.45
10,546	Local Travelling	13,778.60
5,119	Training	13,208.53
19,338	Recruiting	1,544.00
<u>\$1,382,208</u>		<u>1,529,047.79</u>
	Office	
\$ 228,626	Rent, Light and Telephone	\$ 241,077.80
\$ 118,514	Printing and Stationery	115,376.20
33,971	Postages	39,877.47
1,871	Telegrams and Telex	2,161.50
21,459	Sundry Expenses	19,393.98
19,711	Maintenance, Repairs and Cleaning	22,156.24
75,280	Structural Alterations	9,740.00
9,177	Books and Newspapers	10,612.97
<u>508,609</u>		<u>460,396.16</u>
\$ 4,638	Insurance	
	Services	6,598.25
\$ 1,500	Audit Fee	\$ 1,500.00
15,000	Treasurers' Fees	15,000.00
—	Consultant's Fee	3,000.00
5,124	Legal Fees	4,651.00
<u>\$ 21,624</u>		<u>24,151.00</u>
	Property Expenses and Depreciation	
\$ 6,918	Property Expenses — 73 Mt. Kellett Road	30,109.70
48,756	Depreciation on Property, Motor Car and Furniture and Fittings	47,936.94
<u>\$ 55,674</u>		<u>78,046.64</u>
	Subscriptions and Educational Donations	
\$ 15,144	Subscriptions to Trade Associations	\$ 21,232.19
14,075	Scholarships and Other Donations	11,825.00
<u>\$ 29,219</u>		<u>33,057.19</u>
\$ 74,991	Publications	\$ 119,115.28
49,910	Advertising	62,161.05
95,475	Trade Promotion Expenses	140,387.01
33,535	Credit Information Bureau	23,471.45
3,557	Transfer to Provision for Staff Provident Fund Investment Fluctuation	—
<u>\$ 257,468</u>		<u>345,134.79</u>
\$ 241,757	Balance — Excess of Income over Expenditure for the year	180,670.72
<u>\$2,501,197</u>		<u>HK\$ 2,657,102.54</u>

The Hong Kong General Chamber of Commerce
Income and Expenditure Account
for the year ended 31 st December, 1970

<u>1969</u>		<u>HK\$</u>
	INCOME	
\$ 655,800	Members' Subscriptions	709,200.00
1,728,908	Fees	1,783,286.50
10,118	Other Income	19,893.96
106,371	Interest	137,722.08
	Provision for Diminution in Value of Investment written back	7,000.00

\$2,501,197

HK\$ 2,657,102.54

Sub-Committees

Arbitration and Surveys

Hon. G. M. B. Salmon,
R. P. Parcell, M.B.E.
E. J. S. Tsu

Accountants' Advisory

Thomas Le C. Kuen & Co.
Lowe, Bingham & Matthews
Peat, Marwick, Mitchell & Co.
Wong, Tan & Co.

Certification

H. C. Fung, O.B.E.
A. C. W. Blaauw
B. Johnson
J. C. B. Slack
L. H. Williams

Exports

A. C. W. Blaauw
C. I. Chan
Henry Fung
O. E. Julebin
D. C. le F. Edwards
J. MacKenzie
N. P. Pavri
H. Schneider

Imports

J. J. G. Brown
J. A. Cheetham
A. J. Dodd
H. Hefti
D. P. Inglis
R. P. Parcell, M.B.E.
G. H. Pritchard
C. F. von Sydow

Legal

I. R. A. MacCallum
B. S. McElney
G. E. S. Stevenson
W. Turnbull

Publications

Hon. G. M. B. Salmon
D. A. Adkins
J. MacKenzie

Shipping

A. G. S. McCallum
H. D. Carl
M. J. Connor
R. M. Hall
H. Hennig
Simon Lee
D. K. Newbigging
D. Reid
C. L. Pan

Taxation

K. A. Miller
J. C. Hodson
B. Johnson
M. K. Tan
P. A. L. Vine, O.B.E., V.R.D.

Credit Information Bureau

H. Hefti
R. Hawley
E. J. V. Hutt
B. Johnson
J. A. Hawkins

Textiles

P. G. Williams
Hon. T. K. Ann, O.B.E.
Hon. S. S. Gordon, C.B.E.
H. Keswick
H. T. Liu
R. P. Parcell, M.B.E.
E. J. S. Tsu
Francis Tien
I. T. Yu
Jack C. Tang

Trade with China

J. J. G. Brown
M. Curran
D. P. Inglis
N. J. Harbor
W. Russell
H. Schneider
R. Stauffer

Trade Co-ordination

Hon. G. M. B. Salmon
P. G. Williams
A. C. W. Blaauw
J. J. G. Brown
A. G. S. McCallum
H. C. Fung, O.B.E.

Officers of the chamber since its foundation

Officers Of The Hong Kong General Chamber Of Commerce

Year	Chairman	Firm	Vice-Chairman	Firm
1861	Alexander Percival	Jardine, Matheson & Co. Ltd.	W. Walkinshaw	Turner & Co.
1862	James MacAndrew	Jardine, Matheson & Co. Ltd.	C. W. Murray	Brey & Co.
1863	J. J. Mackenzie	Dent & Co.	C. F. Still	Liyall, Still & Co.
1864	H. B. Gibb	Gibb, Livingston & Co.	H. B. Lemann	Gilman & Co. Ltd.
1865	H. B. Lemann	Gilman & Co. Ltd.	H. B. Gibb	Gibb, Livingston & Co.
1866	John Dent	Dent & Co.	P. Ryrie	Turner & Co.
1867	P. Ryrie	Turner & Co.	W. Nissen	Siemssen & Co.
1868	P. Ryrie	Turner & Co.	G. J. Helland	J. Burch & Co.
1869	W. J. Bryans	Turner & Co.	G. J. Helland	J. Burch & Co.
1870	W. Keswick	Jardine, Matheson & Co. Ltd.	J. B. Taylor	Smith Archer & Co.
1871	P. Ryrie	Turner & Co.	A. Zimmern	Reiss & Co.
1872	P. Ryrie	Turner & Co.	L. Kahn	Reiss & Co.
1873	P. Ryrie	Turner & Co.	L. Kahn	Reiss & Co.
1874	P. Ryrie	Turner & Co.	James Crieg	The Hong Kong and Shanghai Banking Corporation
1875	P. Ryrie	Turner & Co.	James Crieg	The Hong Kong and Shanghai Banking Corporation
1876	P. Ryrie	Turner & Co.	W. Keswick	Jardine, Matheson & Co. Ltd.
1877	W. Keswick	Jardine, Matheson & Co. Ltd.	H. H. Nelson	Chartered Mercantile Bank
1878	W. Keswick	Jardine, Matheson & Co. Ltd.	H. L. Dalrymple	Birley & Co.
1879	W. Keswick	Jardine, Matheson & Co. Ltd.	H. H. Nelson	Chartered Mercantile Bank
1880	W. Keswick	Jardine, Matheson & Co. Ltd.	H. H. Nelson	Chartered Mercantile Bank
1881	W. Keswick	Jardine, Matheson & Co. Ltd.	P. Ryrie	Turner & Co.
1882	F. B. Johnson	Jardine, Matheson & Co. Ltd.	H. L. Dalrymple	Birley & Co.
1883	F. B. Johnson	Jardine, Matheson & Co. Ltd.	P. Ryrie	Turner & Co.
1884	W. Keswick	Jardine, Matheson & Co. Ltd.	P. Ryrie	Turner & Co.
1885	W. Keswick	Jardine, Matheson & Co. Ltd.	P. Ryrie	Turner & Co.
1886	P. Ryrie	Turner & Co.	A. P. MacEwen	Holiday Wise & Co.
1887	P. Ryrie	Turner & Co.	A. P. MacEwen	Holiday Wise & Co.
1888	P. Ryrie	Turner & Co.	J. Bell Irving	Jardine, Matheson & Co. Ltd.
1889	P. Ryrie	Turner & Co.	J. Bell Irving	Jardine, Matheson & Co. Ltd.
1890	E. Mackintosh	Butterfield & Swire	A. P. MacEwen	Holiday Wise & Co.
1891	E. Mackintosh	Butterfield & Swire	J. J. Keswick	Jardine, Matheson & Co. Ltd.
1892	E. Mackintosh	Butterfield & Swire	J. J. Keswick	Jardine, Matheson & Co. Ltd.
1893	J. J. Keswick	Jardine, Matheson & Co. Ltd.	A. G. Wood	Gibb, Livingston & Co.

Year	Chairman	Firm	Vice-Chairman	Firm
1894	J. J. Keswick	Jardine, Matheson & Co. Ltd.	E. Mackintosh	Butterfield & Swire
1895	A. G. Wood	Gibb, Livingston & Co.	A. McConachie	Gilman & Co. Ltd.
1896	A. McConachie	Gilman & Co. Ltd.	Herbett Smith	Butterfield & Swire
1897	R. M. Gray	Reiss & Co.	Herbett Smith	Butterfield & Swire
1898	R. M. Gray	Reiss & Co.	Herbett Smith	Butterfield & Swire
1899	R. M. Gray	Reiss & Co.	A. McConachie	Gilman & Co. Ltd.
1900	R. M. Gray	Reiss & Co.	J. J. Keswick	Jardine, Matheson & Co. Ltd.
1901	Sir Thomas Jackson	The Hong Kong and Shanghai Banking Corporation	C. S. Sharp	Gibb, Livingston & Co.
1902	C. S. Sharp	Gibb, Livingston & Co.	E. A. Hewett	P. & O. Steam Nav. Co.
1903	E. A. Hewett	P. & O. Steam Nav. Co.	D. R. Law	Butterfield & Swire
1904	E. A. Hewett	P. & O. Steam Nav. Co.	D. R. Law	Butterfield & Swire
1905	E. A. Hewett	P. & O. Steam Nav. Co.	A. G. Wood	Gibb, Livingston & Co.
1906	E. A. Hewett	P. & O. Steam Nav. Co.	A. G. Wood	Gibb, Livingston & Co.
1907	E. A. Hewett	P. & O. Steam Nav. Co.	A. G. Wood	Gibb, Livingston & Co.
1908	E. A. Hewett	P. & O. Steam Nav. Co.	A. G. Wood	Gibb, Livingston & Co.
1909	E. A. Hewett	P. & O. Steam Nav. Co.	J. R. M. Smith	The Hong Kong and Shanghai Banking Corporation
1910	E. A. Hewett	P. & O. Steam Nav. Co.	J. R. M. Smith	The Hong Kong and Shanghai Banking Corporation
1911	E. A. Hewett	P. & O. Steam Nav. Co.	H. Keswick	Jardine, Matheson & Co. Ltd.
1912	E. A. Hewett, C.M.G.	P. & O. Steam Nav. Co.	N. J. Stabb	The Hong Kong & Shanghai Banking Corporation
1913	E. A. Hewett, C.M.G.	P. & O. Steam Nav. Co.	C. H. Ross	Jardine, Matheson & Co. Ltd.
1914	E. A. Hewett, C.M.G.	P. & O. Steam Nav. Co.	J. W. C. Bonnar	Gibb, Livingston & Co.
1915	E. A. Hewett, C.M.G.	P. & O. Steam Nav. Co.	J. W. C. Bonnar	Gibb, Livingston & Co.
	D. Landale	Jardine, Matheson & Co. Ltd.	J. W. C. Bonnar	Gibb, Livingston & Co.
1916	G. T. Edkins	Butterfield & Swire	S. H. Dodwell	Dodwell & Co. Ltd.
1917	P. H. Holyoak	Reiss & Co.	S. H. Dodwell	Dodwell & Co. Ltd.
1918	P. H. Holyoak	Reiss & Co.	S. H. Dodwell	Dodwell & Co. Ltd.
1919	S. H. Dodwell	Dodwell & Co. Ltd.	E. V. D. Parr	P. & O. Steam Nav. Co.
1920	P. H. Holyoak	Reiss & Co.	E. V. D. Parr	Mackinnon, Mackenzie & Co.
1921	P. H. Holyoak	Reiss & Co.	A. O. Lang	Gibb, Livingston & Co.
1922	A. O. Lang	Gibb, Livingston & Co.	D. G. M. Bernard	Jardine, Matheson & Co. Ltd.

Year	Chairman	Firm	Vice-Chairman	Firm
1923	D. G. M. Bernard	Jardine, Matheson & Co. Ltd.	E. V. D. Parr	Mackinnon, Mackenzie & Co.
1924	J. Owen Hughes	Harry Wicking & Co.	A. O. Lang	Gibb, Livingston & Co.
1925	P. H. Holyoak	Holyoak, Massey & Co. Ltd.	G. M. Young	Butterfield & Swire
1926	D. G. M. Bernard	Jardine, Matheson & Co. Ltd.	A. O. Lang	Gibb, Livingston & Co.
1927	D. G. M. Bernard	Jardine, Matheson & Co. Ltd.	T. G. Weall	Dodwell & Co. Ltd.
1928	T. G. Weall	Dodwell & Co., Ltd.	C. G. S. Mackie	Gibb, Livingston & Co.
1929	B. D. F. Beith	Jardine, Matheson & Co. Ltd.	W. H. Bell	Asiatic Petroleum Co. (South China) Ltd.
1930	C. Gordon Mackie	Mackinnon, Mackenzie & Co.	T. H. R. Shaw	Butterfield & Swire
1931	W. H. Bell	Asiatic Petroleum Co. (South China) Ltd.	T. H. R. Shaw	Butterfield & Swire
1932	J. A. Plummer	Bradley & Co.	T. H. R. Shaw	Butterfield & Swire
1933	T. H. R. Shaw (Acting)	Butterfield & Swire	T. H. R. Shaw	Butterfield & Swire
1934	C. Gordon Mackie	Mackinnon, Mackenzie & Co.	T. H. R. Shaw	Butterfield & Swire
1935	W. H. Bell	Asiatic Petroleum Co. (South China) Ltd.	W. H. Bell	Asiatic Petroleum Co. (South China) Ltd.
1936	S. H. Dodwell	Dodwell & Co. Ltd.	S. H. Dodwell	Dodwell & Co. Ltd.
1937	M. T. Johnson	Mackinnon, Mackenzie & Co.	A. W. Hughes	Union Insurance Society of Canton Ltd.
1938	A. L. Shields	Shewan, Tomes & Co.	A. L. Shields	Shewan, Tomes & Co.
1939	T. E. Pearce	John D. Hutchison & Co. Ltd.	T. E. Pearce	John D. Hutchison & Co. Ltd.
1940	T. E. Pearce	John D. Hutchison & Co. Ltd.	J. K. Bousfield	Asiatic Petroleum Co. (South China) Ltd.
1941	J. K. Bousfield	Asiatic Petroleum Co. (South China) Ltd.	S. H. Dodwell	Dodwell & Co. Ltd.
1942 to 1945	War in the Pacific		S. H. Dodwell	Dodwell & Co. Ltd.
1946	R. D. Gillespie	Imperial Chemical Industries (China) Ltd.	G. Miskin	Gilman & Co. Ltd.
1947	R. D. Gillespie	Imperial Chemical Industries (China) Ltd.	G. Miskin	Gilman & Co. Ltd.
1948	C. C. Roberts	Butterfield & Swire	P. S. Cassidy	John D. Hutchison & Co. Ltd.
1949	P. S. Cassidy	John D. Hutchison & Co. Ltd.	P. S. Cassidy	John D. Hutchison & Co. Ltd.
1949	P. S. Cassidy	John D. Hutchison & Co. Ltd.	N. O. C. Marsh	Mackinnon, Mackenzie & Co.
1950	C. C. Roberts	Butterfield & Swire	C. Blaker, M. C.	Gilman & Co. Ltd.
1950	C. C. Roberts	Butterfield & Swire	P. S. Cassidy	John D. Hutchison & Co. Ltd.

Year	Chairman	Firm	Vice-Chairman	Firm
1951	P. S. Cassidy	John D. Hutchison & Co. Ltd.	C. Blaker, M. C.	Gilman & Co., Ltd.
1952	H. J. Colfar, C.B.E.	Imperial Chemical Industries (China) Ltd.	C. Blaker, M.C.	Gilman & Co., Ltd.
1953	C. Blaker, M.C.	Gilman & Co., Ltd.	J. A. Blackwood	Butterfield & Swire
1954	J. A. Blackwood	Butterfield & Swire	R. Gordon	Jardine, Matheson & Co. Ltd.
1955	J. A. Blackwood	Butterfield & Swire	L. B. Stone	Union Insurance Society of Canton Ltd.
1956	C. Blaker, M.C.	Gilman & Co. Ltd.	J. D. Clague C.B.E., M.C.	John D. Hutchison & Co. Ltd.
1957	C. Blaker, M.C.	Gilman & Co. Ltd.	L. B. Stone	Union Insurance Society of Canton Ltd.
1958	J. D. Clague C.B.E., M.C.	John D. Hutchison & Co. Ltd.	B. T. Flanagan	Mackinnon, Mackenzie & Co.
1959	J. D. Clague, C.B.E., M.C.	John D. Hutchison & Co. Ltd.	H. D. M. Barton M.B.E.	Jardine, Matheson & Co. Ltd.
1960	G. M. Goldsack	Dodwell & Co. Ltd.	W. C. G. Knowles	Butterfield & Swire
1961	W. C. G. Knowles	Butterfield & Swire	S. S. Gordon	Lowe, Bingham & Matthews
1962	W. C. G. Knowles	Butterfield & Swire	S. S. Gordon	Lowe, Bingham & Matthews
1963	S. S. Gordon	Lowe, Bingham & Matthews	G. R. Ross	Deacon & Co. Ltd.
1964	S. S. Gordon	Lowe, Bingham & Matthews	G. R. Ross	Deacon & Co. Ltd.
1965	G. R. Ross	Deacon & Co. Ltd.	J. Dickson Leach, O.B.E.	Union Insurance Society of Canton Ltd.
1966	G. R. Ross	Deacon & Co. Ltd.	J. Dickson Leach, O.B.E.	Union Insurance Society of Canton Ltd.
1967	J. Dickson Leach, O.B.E.	Union Insurance Society of Canton Ltd.	M. A. R. Herries, M.C.	Jardine, Matheson & Co. Ltd.
1968	M. A. R. Herries, O.B.E., M.C.	Jardine, Matheson & Co. Ltd.	G. M. B. Salmon	Mackinnon, Mackenzie & Co. of HK Ltd.
1969	M. A. R. Herries, O.B.E., M.C.	Jardine, Matheson & Co. Ltd.	G. M. B. Salmon	Mackinnon, Mackenzie & Co. of HK Ltd.
1970	G. M. B. Salmon	Mackinnon, Mackenzie & Co. of HK Ltd.	P. G. Williams	Dodwell & Co. Ltd.

Chamber's Representatives on the Legislative
Council of Hong Hong Kong

1884-87	T. Jackson (A. P. MacEwen 1886)	The Hongkong and Shanghai Banking Corporation Holiday, Wise & Co.
1887-90	A. P. MacEwen (B. Layton 1888)	Holiday, Wise & Co. Gibb, Livingston & Co.
1890-1902	T. H. Whitehead (A. MacConachie 1894) (H. Smith 1900) (J. Thurburn 1900) (R. G. Shewan 1902)	Chartered Bank of I.A & China Gilman & Co. Butterfield & Swire Mercantile Bank Shewan, Tomes & Co.
1902-1906	R. G. Shewan (H. E. Pollock, K. C., 1903)	Shewan, Tomes & Co. Barrister at Law
1906-1915	E. A. Hewett (M. Stewart 1908 and 1912) (J. W. C. Bonnar 1912)	P. & O. Steam Nav. Co. Stewart Bros. Gibb, Livingston & Co.
1915-1926	P. H. Holyoak (S. H. Dodwell 1917) (E. V. D. Parr 1919) (A. O. Lang 1921) (D. G. M. Bernard 1926)	Reiss & Co. (later Holyoak, Massey & Co. Ltd.) Dodwell & Co. Ltd. Mackinnon, Mackenzie & Co. Gibb, Livingston & Co. Jardine, Matheson & Co. Ltd.
1926-1927	D. G. M. Bernard	Jardine, Matheson & Co. Ltd.
1927-1931	J. Owen Hughes (B. D. F. Beith 1929)	Harry Wicking & Co. Jardine, Matheson & Co. Ltd.
1931-1935	C. G. S. Mackie (W. H. Bell 1932)	Mackinnon, Mackenzie & Co. The Asiatic Petroleum Co. (South China) Ltd.
1935-1936	W. H. Bell	The Asiatic Petroleum Co. (South China) Ltd.
1936-1937	A. W. Hughes	Union Insurance Society of Canton Ltd.
1937-1938	M. T. Johnson	Mackinnon, Mackenzie & Co.
1938-1944	A. L. Shields (J. K. Bousfield 1939)	Shewan, Tomes & Co. Ltd. The Asiatic Petroleum Co. (South China) Ltd.
1946-1948	R. D. Gillespie	Imperial Chemical Industries (China) Ltd.
1948	C. C. Roberts	Butterfield & Swire
1948-1953	P. S. Cassidy (C. Blaker, M. C., 1949)	John D. Hutchison & Co. Ltd. Gilman & Co. Ltd.
1953	H. J. Collar, C.B.E.	Imperial Chemical Industries (China) Ltd.
1953-1958	C. Blaker, M.C. (J. A. Blackwood, 1954 and 1955) (J.D. Clague, C.B.E., M.C., T.D. 1956)	Gilman & Co. Ltd. Butterfield & Swire John D. Hutchison & Co. Ltd.
1958-1960	J. D. Clague, C.B.E., M.C., T.D.	John D. Hutchison & Co. Ltd.
1960-1961	G. M. Goldsack	Dodwell & Co. Ltd.
1961-1964	W. C. G. Knowles (J. Dickson Leach, O.B.E., 1963)	Butterfield & Swire Union Insurance Society of Canton Ltd.
1964-1968	G. R. Ross (J. Dickson Leach, O.B.E., 1965) (M. A. R. Herries, M.C., 1967)	Deacon & Co. Ltd. Union Insurance Society of Canton Ltd. Jardine, Matheson & Co. Ltd.
1968	M. A. R. Herries, O.B.E., M.C. (G. R. Ross, O.B.E.,)	Jardine, Matheson & Co. Ltd. Deacon & Co. Ltd.
1969	M. A. R. Herries, O.B.E., M.C. (G. M. B. Salmon) (G. R. Ross, O.B.E.)	Jardine, Matheson & Co. Ltd. Mackinnon, Mackenzie & Co. of HK Ltd. Deacon & Co. Ltd.
1970	G. M. B. Salmon	Mackinnon, Mackenzie & Co. of HK Ltd.

