



The Bulletin

The Hong Kong General Chamber of Commerce



September 1970

In Brief

News and announcements
from Hong Kong and abroad

□ The Packaging Centre, which was set up by the Federation of Hong Kong Industries has launched a new publication entitled 'Packaging Today' which stresses the importance of packaging and aims at keeping Hong Kong businesses up-to-date on the latest developments in packaging. The Chamber has several copies of this new publication available in its library.

In addition, the Federation has just put out a **Transport Packaging Survey** done by Hideo Shimashita. Copies of this report may also be seen in the Chamber's library.

□ The Chamber has received a copy of Buvoha Trade Letter 1970, containing the names and addresses of a large number of **industrial and commercial businesses in the Netherlands**, which are interested in establishing trade relations with firms abroad. The Chamber's copy of this publication is available for members' perusal in the Library. Members who would like their own copies should apply to The Commercial Intelligence Office Dept. "Buvoha Trade Letter", Amsterdam C. (Holland), 16 Oudebrugsteeg.

□ The Trade Development Council will be participating in the **International Household Goods and Hardware Exhibition in Cologne** which will be held from the 14th-17th February, 1971. Members who are interested in taking part in this fair should contact Mr. R. Chiu at the TDC (Tel. K-670-151, ext. 23) for further information and Application forms.

Applications must be returned no later than Saturday, 3rd October.

□ **The Annual Report of the Hong Kong Export Credit Insurance Corporation** has recently been published. Members can see a copy in the library.

□ The Chamber has received a limited number of copies of **two Trade Development Council reports**, one is on the Australian Market for Imported Wigs and the other is on Japan-Basic Marketing Information for the Hong Kong Businessmen. Both of these reports are available on a first-come-first-serve basis. Interested members should apply in writing to W. S. Chan, Business Promotion Department, Room 936, Union House, Hong Kong.

□ A limited number of copies of the first issue of '**Hong Kong Clothing and Textiles**', a study published by the Hong Kong Trade Development Council, is available to members at the Chamber also on a first-come-first-serve basis. Interested members should apply in writing to W. S. Chan, Business Promotion Department.

This first issue examines Hong Kong's recent decline in performance in clothing exports particularly in its major markets, the USA, UK, and West Germany. The study attributes this decline to a shift in clothing demand to synthetic garments; a shift which seems to indicate the need for Hong Kong to make rapid adjustments into the production of synthetic clothing for export in order to keep up with its competitors, Japan, South Korea and Taiwan.

Cover: During the period from January to June 1970, the most impressive advance in export sales was made by the wig industry, with sales up 80 per cent compared with the first half of 1969. Wigs are now challenging toys as Hong Kong's second biggest export industry. The industry exported more than \$466 million worth of goods in the first six months of this year.

Decimal Currency in the UK

As members probably know, decimal currency will be introduced in the UK shortly. The London Chamber of Commerce has sent the Chamber the following explanatory note about the new system, which may help clear up any questions members may have.

On Monday 15 February, 1971, the pound/new penny system will become the currency of the UK.

The decimal currency, like the present system, will be based on the pound sterling, whose value is not affected. But the pound will be divided into 100 new pence, instead of 20 shillings each of 12 pence. The pound (£) and the new penny (p) will be the only denominations of money. There will be no intermediate unit like the shilling in the present currency.

There will be a changeover period beginning on 15th February ("D-Day") lasting not longer than eighteen months: during this period both £ s.d. and decimal coins will be in circulation. At the end of the changeover period pennies and three-penny pieces will be demonetised. Circulating shillings and florins (i.e. 2-shilling pieces) will however continue to be used as 5p and 10p coins and the sixpence will be retained as 2½p for at least two years after D-Day.

There will be no changeover period in banking as it would be impracticable for the banking system to work in both the old and new currencies.

Therefore from 15 February, 1971 banks will work exclusively in decimal currency. In order to effect this changeover as quickly and smoothly as possible the banks will be closed from the conclusion of business on 10 February, 1971, until opening on 15 February, 1971. For the days when the banks are closed, overseas firms expecting payments from British firms may experience some slight delay.

The banks will, however, provide facilities at their offices in airports and sea terminals for the exchange of foreign currency to meet the needs of international travellers during the period when the banks will be closed. Ordinary bank branches will *not* be open to cash travellers cheques etc.

Bills of Exchange due for payment on the 11 and 12 February, 1971, will be payable on 10 February, 1971, and Bills of Exchange due for payment on 13 and 14 February, 1971, will be payable on 15 February, 1971. All Bills of Exchange, drafts, promissory notes and cheques etc. drawn up to and including 14 February, 1971, must be drawn up in existing currency even though they may not be due or presented for payment until after the date of the changeover. From 15 February, 1971, all such documents must be drawn up in decimal currency.

There will be six decimal coins in all; the bronze ½p, 1p and 2p, which will not be legal tender until D-Day; and the three cupro-nickel coins which are being put into circulation as current coins before D-Day: the 5p, 10p and 50p.



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The Bulletin

The Hong Kong General Chamber of Commerce
Union House, September

Hong Kong's usual criterion of success is the monthly export figures produced by the Census and Statistics Department. From — it seems — time immemorial, these have continued to go up month after month with almost boring monotony.

But how well are we really doing? Hong Kong does not produce any figures for Gross National Product, which is usually regarded by economists as being the basic measurement of economic progress.

For those unfamiliar with the economists' jargon, Gross National Product is the sum of a nation's exports of goods and services, public authorities' current spending, gross fixed capital formation, consumer spending and incomes received from abroad.

The categories that make up Gross National Product are usually in themselves regarded as key indicators of the state of an economy, although they are not the only indicators.

Figures of this type are always difficult to collect. And even when the harvest of statistics is garnered, the implications are often far from clear.

This was the message that emerged from a recent congress held in London under the sponsorship of a firm of stockbrokers, which discussed the meaningfulness of econometrics.

(*Econometrics?* — The art of

measuring trends in an economy.)

The experts decided that perhaps their tools were not altogether precise and that predictions based on such tools were not so much better than inspired crystal ball gauging.

So perhaps Hong Kong's reliance on simple export figures is not all that bad a gauge?

There is however another, perhaps more important, indicator that Hong Kong regularly produces. These are the reports produced by the Labour Department Statistics Unit. Among other things, this unit measures the number of people who are gainfully employed, and the number of jobs available for people but not currently filled.

According to Labour Department there are today more businesses, more jobs occupied, and more jobs begging for workers in Hong Kong than ever before.

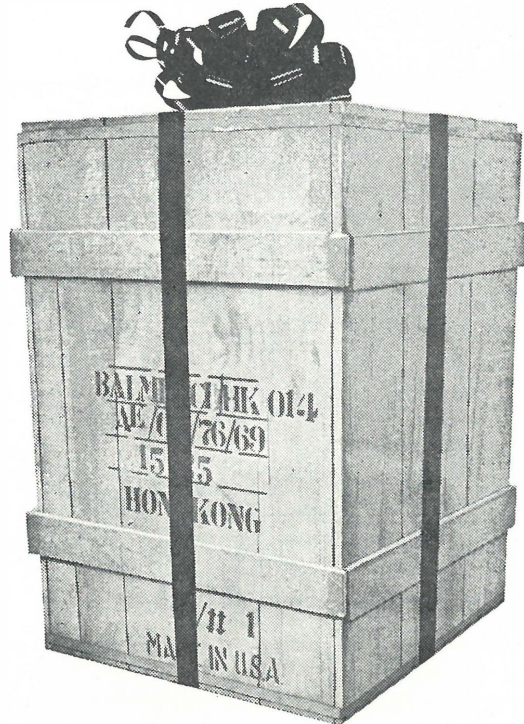
This situation could of course change almost overnight. But this applies equally to any other economy in the world.

In the meantime, the implications are clear. We are either (a) one of the world's most successful economies or (b) lousy users of our labour resources.

Which is the correct interpretation?

Chairman: G. M. B. Salmon; *Vice Chairman:* P. G. Williams; *Secretary:* J. B. Kite; *Assistant Secretary:* R. T. Griffiths; *Business Promotion:* S. L. Chung, W. S. Chan, A. Chung, P. Choy, Miss C. Fung; *Certification:* A. C. C. Stewart, F. M. Castro, W. K. F. Wang, C. T. Wu, H. Cheng; *Public Relations:* Harry Garlick, Lee Sherard; *Membership:* C. Tsang, *Office Supervisor:* V. Wong.

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THE CHARTERED BANK

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Well, are we the GENERAL Chamber?

Visitors often ask 'why call yourself the *General* Chamber of Commerce?' Our answer is usually to point out that membership covers a diversity of types of business, is not restricted by race or nationality, and that our functions cover a wider area than some of the more specialised associations in Hong Kong.

Size of itself is only the starting point, since the Chamber has long maintained that its strength lies in its spread of membership. The majority of the Chamber's members — some 1100 — are importers, exporters or merchants. As we are a Chamber of *Commerce* this is understandable.

The significant point is that the remaining 700 of our membership illustrate why we are the *General* Chamber of Commerce. The majority of this section is made up of manufacturers. The others, while small in number are important in what they represent, and include Hong Kong's major banks, insurance companies, shipping companies and airlines, as well as solicitors, accountants, advertising agencies and public utility companies. Naturally, this type of organisation is not so common in Hong Kong as either manufacturers or merchants.

In order to look more closely at the representative nature of our membership, the Business Promotion Department earlier this year undertook a comparative membership analysis. They looked at the membership of the American Chamber of Commerce, the Chinese Manufacturers' Association,

the Federation of Hong Kong Industries, Hong Kong Exporters Association, Hong Kong Japanese Chamber of Commerce, and the Indian Chamber of Commerce. Research was based on the published membership lists of the various organisations dated either 1969 or 1970.

The only association with a membership approaching that of the General Chamber was the Chinese Manufacturers' Association, which, according to their 1969 directory, was 1532. The published membership of other organisations individually did not exceed three figures.

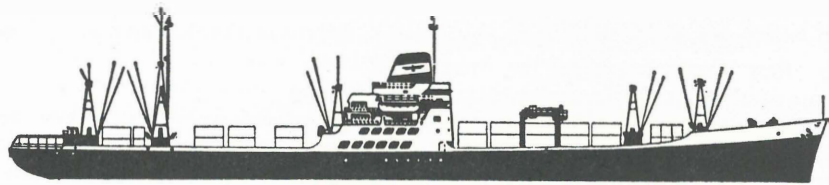
How does our membership compare with that of the other organisations?

Duplicated

By checking names of members in the published lists, we found a considerable duplicate membership. We looked at this duplicate membership in terms of firstly, the total number of members of the other organisations who were also members of the Chamber, and then computed this to show what percentage of the other organisation's membership this represented.

The results worked out as follows:— 29 per cent of the members of the American Chamber were also members of the General Chamber; and 9 per cent of CMA members, 27 per cent of FHKI members, 79 per cent of Exporters Association members, 20 per cent of Japanese Chamber members and 33 per cent of Indian Chamber

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members were also members of the Chamber. In other words, with the exception of the CMA, a high percentage of members of other associations were also our members.

The Business Promotion Department decided to take the analysis further by looking more closely at the number of members of the Chamber who described themselves as manufacturers.

Checking by phone

The first point to emerge was that we appeared to have more manufacturer members than the Federation of Hong Kong Industries. This seemed flattering, but somehow unlikely. Many hours of careful telephoning followed to check on the accuracy of our records.

This part of the survey was useful since it showed that, as always happens in cases of this kind, some of the information on our lists was out-of-date or had been loosely recorded. Errors in the latter category were not however solely the responsibility of the Chamber since several members admitted to describing themselves as manufacturers when the strict right to do so was perhaps questionable.

Some in fact turned out to be manufacturer's agents or representatives, while other members had a controlling interest in a manufacturing company which in its own name was not a member of the Chamber (it has long been a rule of the Chamber that subsidiary and associated companies do not qualify for membership automatically on the election of the parent company).

One outcome of the analysis was

to show clearly that the time was ripe to up-date the Chamber's records of importers and exporters. Various factors had contributed to this opinion, notably the decision to extend the number of markets covered by the punched card system of processing trade enquiries. The survey of members served to hasten a decision on the point.

Eventually, it emerged that the Chamber's membership among manufacturers was 444.

Among the Chamber's manufacturing members were companies representative of most of Hong Kong's industries. Garments (97 members), plastic products (37 members), wigs (30 members), electrical appliances (28 members) and toys (22 members) were well represented. Other manufacturers ranged from representatives of the ivory industry to shipyards. In all 36 different types of manufacturing were represented.

As a final step, the Business Promotion Department tried to isolate the overall overlap of manufacturing memberships. Of the 444 manufacturers who were members of the Chamber, 232 were members of the Chamber only, 78 were also members of the FHKI, 54 were members of the CMA, and a further 80 were members of all three.

There is of course no end to the tricks that can be played with figures, and we admit that the results of our exercise are not necessarily final. The Chamber undertook the survey mainly for its own information, in order to understand better the needs of its membership.



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Mr. Tsang will be calling a look at Membership Department

Clement Tsang, the Assistant Secretary in charge of Membership, is loner with a very important job — to recruit new members and to see that the Chamber's VIPs — i.e. its over 1,700 members — are happy with the Chamber's services.

In order to carry out the first of these tasks, he personally visits all companies or firms which have indicated an interest in joining the Chamber. During his visit, he has a chance to see the organisation in operation, and conversely, they have the opportunity to find out more about the Chamber's facilities and activities.

Next, an application is submitted by the prospective member. Clement Tsang screens the application carefully. If he recommends it, and the application is supported by two companies which are already members in good standing, it is passed on to the Chamber's General Committee for formal approval and final election to membership.

Clement Tsang stresses that big or small, new or old, locally owned or international, in whatever line of business, if the company is established and reputable, the Chamber welcomes it to its membership.

Most of this Assistant Secretary's time is spent on keeping up-to-date on members and their businesses in order to ensure that the Chamber is serving them as effectively as it can.

The Department maintains complete and detailed records on all members, so that the Chamber knows exactly who, among its vast membership, which covers virtually the whole

span of Hong Kong's commercial world, to contact when an appropriate matter arises.

Unfortunately, unless members telephone or drop in for a specific reason, the amount of information coming from members to the Chamber is limited.

How does the Chamber deal with this problem? Clement Tsang is the answer. Literally, a "man on the go", he makes over twenty personal visits to individual members in the course of a week and thereby acts as the link between members and the Chamber.

In this capacity, he talks to members about a wide range of topics which deal with Hong Kong's trade and commerce. He notes down members' opinions, worries, and complaints and answers their questions.

Naturally Clement Tsang is also the chief sounding-board for the Chamber concerning the Chamber's services. Recently, an agitated member called him to complain that he had not been receiving any of the Chamber's publications for a long time.

Since the Membership Department spends a great deal of time and energy up dating such particulars on each and every member, Clement Tsang is very attentive to such complaints.

In this case, however, there was no big mystery as to why the member has not been getting mail from the Chamber — "He simply forgot to notify us when he moved," reports Clement Tsang.

"Do you suppose I should start a Member's Lost and Found Department?"

Member Profile - Jebsen Seventy-five years on

Two enterprising young men meet for a drink at the bar of a club. Ideas are exchanged and a new business venture is born.

The scene is certainly familiar. It has happened in fiction and in films countless times. It also happens in life.

One such meeting took place in 1895 in Shanghai. The two men, Jacob Jebsen and Heinrich Jessen, were to be the founders of Jebsen & Co., a company which has since come to occupy a leading position in the foreign trade of China and Hong Kong.

This year, Jebsen — which has been a member of the Chamber since 1896 — celebrates its 75th year. It can do so with pride. In view of the turbulent conditions which have existed in the Far East from the time the company was founded until the present, it takes luck to survive. But to develop a large and highly diversified modern trading organisation takes more than luck.

A living tradition

Today, many businesses hold very different basic policies and outlooks from those that they originally held. There are numerous reasons for this — changes in management and mergers are just two which come readily to mind.

In the case of Jebsen & Co., this is not true. Jebsen is still run by the two original families, Jebsen and Jessen, and it still retains its old flavour — one of daring, persistence,

boundless energy, and great foresight. Moreover, shipping is still one of Jebsen's main interests.

The company first began operations as agents for the M. Jebsen Shipping Company in Apenrade (a town located in the Duchy of Schleswig, which now belongs to Denmark, and has been renamed Aabenraa). The shipping company was owned by Jacob Jebsen's father, and operated 14 steamers in the China Coast Trade.

Ups and downs

As the business prospered, Jebsen & Co. branched out into trading in dyed satin (which proved highly successful) and other piece goods and sundries in South China. Later they became agents for BASF, (Badische Anilin und Soda Fabrik) dealing in dyestuffs, indigo, etc.

In spite of a minor setback in 1911, caused by the outbreak of the Chinese Revolution, Jebsen continued to grow, and soon expanded its activities into the export of Chinese products to Europe, America, and Australia.

During the First World War, Jebsen & Co. was almost completely wiped out. The M. Jebsen Shipping Company lost all its ships and the assets of Jebsen & Co. in Hong Kong and Canton were liquidated and the proceeds put into hands of the "Custodian of Enemy Property".

However, the partners refused to give up. When peace was restored in 1919, they returned to Canton and were able to re-establish Jebsen & Co.

by shipping a consignment of goods, which was stored in Hamburg during the war, to Canton, and selling it at a considerable profit.

In 1921-22 they finally received payments for their properties which had been confiscated during the war, and business also began picking up rapidly.

By the 1930's Jebsen & Co. was again prospering, especially in three areas — the import of chemical fertilisers, shipping, and the export of feathers.

Unfortunately, war again intervened and disrupted business — to such an extent, in fact, that by the end of World War II, the company had hardly any capital left.

Never give up

At the end of the war, Jebsen & Co., under the sole ownership of Michael Jebsen, the founder's oldest son, picked itself up, dusted itself off and rolled up its sleeves to start again on a small scale.

In the twenty-five years since the end of World War II, the company has managed to rebuild and expand its activities for the third time.

Today, Jebsen & Co. is one of Asia's largest suppliers of German industrial products, and is headed by three second-generation members of the two original families, Michael Jebsen; his younger brother, H. H. Jebsen; and A. P. Jessen, the son of founder Heinrich Jessen.

The company presently employs over 1,000 people and has branched out to represent more than 150 internationally known firms. In order to carry out its many diversified activities, it has seven highly specialized divisions — China Trade, Consumer Products, Chemical, Motor Car, Technical, Shipping and Airways, and Export.

Jebsen abroad

Aside from the two firms in Hamburg and Aabenraa set up to act as agents for the company, Jebsen's present policy is to provide strong regional service to its many principals, and it has therefore also established a network of companies in South East Asia — in Singapore, Kuala Lumpur, Bangkok and Djakarta.

The Chamber's ties with Jebsen started as early as 1896 when the company became a member. These ties are made even closer by Mr. H. Schneider, a Jebsen man since 1922, who has been an active member of the Chamber's Export, and Trade with China Sub-Committees for several years.

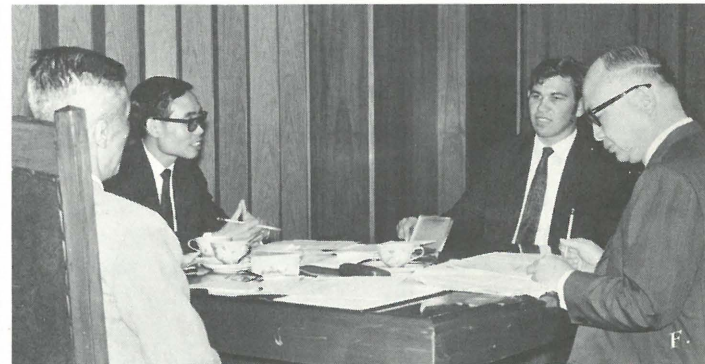
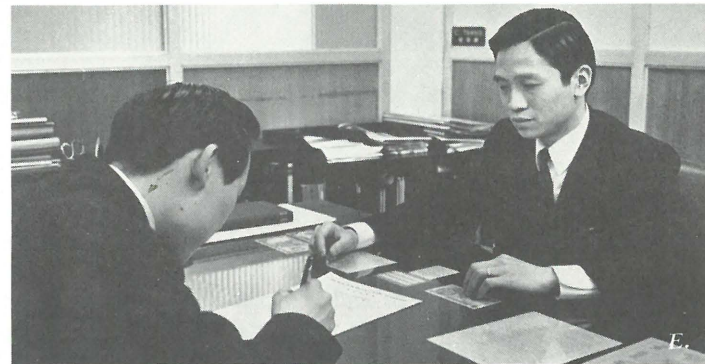
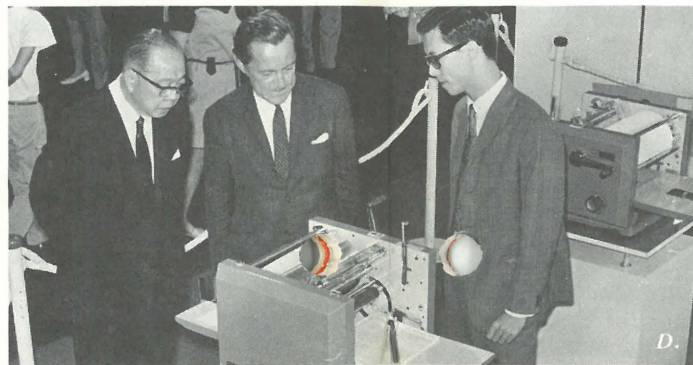
Secrets of success

"Jebsen has certainly suffered very severe setbacks during its existence, but it has been able to overcome them by skill and perseverance," Mr. Schneider claims.

He attributes the company's comeback after the Second World War to

Cont. p.16

Chamber News



- A. Mr. H. Schneider of Jebsen and Co. (See member profile P. 12).
- B. Mr. B. R. Motik (right) Chairman of the all Indonesian Importers Association, and a member of his delegation, with S. L. Chung. (See also P. 17).
- C. Mr. Chester C. Wine of the Texas Industrial Commission visited the Chamber as part of a fact-finding mission to study Hong Kong as a potential market for Texas products. He is seen here with Harry Garlick.
- D. The Hon. Sir Sik-nin Chau and Mr. Ian Tomlin, Chairman of the Working Party for Simpler Trade Documents at the opening ceremony of the Simpler Export Documents Exhibition which was held at the Ocean Terminal on August 24th. The exhibition featured office duplicating machines with particular emphasis on their use in preparing aligned documents. Copies of the Simpler Trade Document

- Booklets are still available to members at the Chamber.
- E. Clement Tsang, Assistant Secretary of the Membership Department, signing up a new member. (See also P. 11).
- F. The Chamber gives Chinese language exams in spoken Cantonese and Mandarin at regular intervals throughout the year to expatriates from the staffs of member companies. Mr. P. Alley (second from right) is seen here taking a Cantonese Language Examination at the Chamber on August 29th. His examiners are (from left to right) Mr. F. Sham of the University of Hong Kong, Mr. H. M. Chick of New Asia College, and Mr. C. S. Hung also of the University of Hong Kong.
- G. Mr. P. A. Prasada Rao, Minister of Commerce and Export Promotion, Government of Andhra Pradesh, India with the Secretary. (See also P. 17).

Chamber News

Cont from p.13

courage, able leadership, and the confidence of the principals in Jebsen & Co.

What does he see ahead for Jebsen? What new products, processes and innovations are now in the planning stage?

Aggressive and progressive

"The essential feature of Jebsen is that it is both aggressive and progressive. Just to give a few examples, Jebsen is now in the process of building two new fast freighters which are equipped with special gear to cope with container traffic.

"In addition we are the agents for Hapag Lloyd who will have third generation container ships in service by 1972 and to cope with this, the company is already training personnel both here and in Germany in all aspects of containerisation.

"We also believe in servicing every product we market. We have invested heavily in equipment and personnel to fulfil this task and at present employ over 300 people who are primarily engaged with after sales service."

Staff training

With new processes and equipment, Jebsen is very much aware of the need for trained technicians and specialists. Jebsen has always had a policy of doing its best in furthering and promoting local staff. For example, Jebsen often sends employees to their

principals overseas for training. "Jebsen's aim is never to get rusty, or let its employees get rusty," says Mr. Schneider.

On the other hand, Jebsen often brings in specialists from their principals to train their own and customers staff on new technical developments.

An electronic data processing Manager, hired from a top computer consultancy in Germany earlier this year, has established a Computer Department and is now preparing for the installation of a UNIVAC computer in 1971, and the total computerisation of all the company's operations by 1973.

Modern marketing

Jebsen also has an extremely modern approach to marketing. Their sales staff receives special marketing, packaging and sales training abroad in order to introduce them to new ideas and new methods. They are sent directly to the source of the products . . . i.e. where they are actually made. In this manner, they develop more than just a superficial contact and interest in the product they are trying to sell. By knowing more about their products, they are also naturally more confident when they try to sell. Jebsen has also adopted aggressive public relations, promotional and advertising methods as part of its overall marketing approach.

"At Jebsen," Mr. Schneider points

Cont p.25

□ Two new members have joined the Chamber's sub-committees. Mr. C. le F. Edwards of Jardine, Matheson & Co. Ltd. will take the place of Mr. H. Keswick on the Export Sub-Committee, and Mr. Niels Horn of The East Asiatic Co. Ltd. will step into the vacancy on the Trade with China Sub-Committee left by Mr. E. Petersen, who has been transferred to Ghana.

□ On August 11th, members of the All Indonesia Importers Association under the leadership of its Chairman, Mr. B. R. Motik visited the Chamber to discuss business opportunities in Indonesia. Mr. Motik reported that business is picking up once more in Indonesia. He gave the Chamber a list of members of the Association, which includes virtually all private importers in Indonesia. The Chamber was also given information on the State's general entrepot warehouse for imports, along with a booklet entitled a Business Guide Book to Djakarta, 1970. Members can see these publications in the Chamber's library or apply directly to GINSI, Importers Association of Indonesia, 1, Djl. Madjapakit.

□ A mission from the State of Andhra Pradesh in India led by Mr. P. A. Prasada Rao, Minister of Commerce and Export Promotion visited the Chamber on September 4th. Mr. Prasada Rao would be prepared to arrange for an escorted tour for any Hong Kong businessmen interested in exports from the State.

□ This issue of the Bulletin features an article on Jebsen & Co. (see p. 12) which is celebrating its 75th Anniversary this year. The Bulletin will be happy to feature similar articles on other members of the Chamber which also have interesting histories to relate or are celebrating a special occasion. The Chamber does reserve the right, however, to write its own article, and cannot accept stories that emphasize product publicity. Members with a story to tell should contact Harry Garlick or Lee Sherard.

□ During August, the Business Promotion Department dealt with 1,290 enquiries for importers and exporters and handled 53 trade complaints. The Department also arranged over 60 business contacts for members to meet delegates of visiting trade missions and individual businessmen. 165 letters of introduction for members to various trade organisations overseas were issued or endorsed.

□ The Certification Department reports that a total of 16,812 applications for Certificates of Origin were received in August. This is an increase of 4 per cent over the same period last year. Spot checks on 12.3 per cent of all consignments were carried out.

□ Seventeen new companies joined the Chamber in August. Present membership stands at 1786 as compared to 1638 last year at this time.

Pick of the Press

Reprinted from the Wall St. Journal

The US Economy - Again

In our April issue we reprinted a report from the Wall Street Journal, which attempted to describe to what extent — if at all — the USA was experiencing a recession. The Chamber has always maintained that the economic difficulties facing the USA were not serious. General opinion now is that conditions in the USA are showing signs of improvement. We follow-up with a report by Wall Street Journal staff writer Alfred J. Malabre Jr.:—

The recession that wasn't really a recession is being replaced by a recovery that isn't really a recovery.

That's the conclusion of a number of business economists. Few believe that the economy has actually been through a recession in recent months. And few now look forward to any vigorous pickup in the economic pace. Generally, they view recent signs of strength, such as reports of a rise in industrial production in July, merely as evidence that the economy isn't in major trouble. They definitely don't regard such developments as the beginnings of a sustained economic expansion.

Several economists come up with "blah," in an effort to characterize business activity. "It's been a blah year, and I expect it to continue to be a blah year," says George McKinney, senior vice-president and economist of Irving Trust Co., New York. "It's the year of the blah economy," declares Roy E. Moor, economist of Drexel Harriman Ripley Inc., a New York securities firm.

Even the National Bureau of Economic Research, the nonprofit New York-based organization that

officially sets dates of recessions and recoveries, is at a loss to describe current developments. "By historical standards, we haven't had any recession," says F. Thomas Juster, NBER vice president. "Yet we don't see any indication of a recovery either." He adds: "We may have to come up with new words to characterize episodes such as the current one. We're thinking of labelling it a retardation."

Although the overall economy may seem retarded or blah or just plain dull, analysts detect dramatically differing trends within the total picture.

Corporate spending, which has long been a source of strength, will increasingly act as a drag on the economy, in the view of most analysts.

Defence spending down

Another development tending to depress business activity, many economists say, is the fact that Federal defense spending is declining quite sharply. This spending, which reached a record annual rate of nearly \$80 billion in the third quarter of 1969, now is running at about the \$77 billion level, with no sign of any turn-around. Defense outlays account for more than three-quarters of total Federal spending. They amount to only slightly less than what consumers spend annually for durable goods, ranging from autos to kitchen appliances.

Defense spending, to be sure, is a highly unpredictable segment of the economy. It can be mightily affected by imponderables ranging from the strategic arms talks now going on between the US and Russia to the

planned peace negotiations in the Middle East. Another big uncertainty is the pace at which American troops are withdrawn from Vietnam.

In the long run, most analysts view the prospect of a decline in defense spending as highly beneficial to the country. "The defense spending cut-back will aggravate the unemployment problem in the short run," says Frank P. Murphy, chief economist of General Electric Co. "But it also provides the opportunity to activate the expanding list of long-deferred civilian programs."

Mr. Murphy estimates that present Vietnam withdrawal plans would bring defense outlays down to a rate of about \$70 billion annually by the end of 1971.

Most economists agree that declining outlays for defense and capital equipment would lead to a bona fide recession, in the absence of other developments. There are other factors in the outlook that should counter-balance the recessionary trends, however.

More to spend

The one most frequently mentioned is consumer spending.

Mr. Lashinsky of Inland Steel declares that "consumer spending seems to be on the way up." His company has noted "some recent improvement" in steel ordering from manufacturers of household appliances, he reports. Demand in the auto industry also shows signs of strengthening, he says, though he quickly adds that a long auto strike could cause severe problems.

A recent study by Don Conlan, a vice president and economist of Dean Witter & Co., a San Francisco securities firm, shows why many analysts expect a pickup in consumer expenditures. Consumers' savings in the second quarter amounted to 7.6 per cent of their after-tax income. Mr. Conlan notes that this savings rate is higher than at any time in three years. In the second quarter of 1969, the rate stood at only 5.3 per cent. In recent months, he also observes, the portion of after-tax income needed to service instalment credit repayments has declined. He concludes that the average consumer's financial position right now is unusually sound and that this constitutes "a very important plus" in the economic outlook.

Pay gains

Analysts generally do not believe that the long decline in stock prices will have a great impact on consumer outlays in coming months. They attach much more significance to the high rate of savings and continuing pay gains. As the economist for a large New York food company puts it. "All that money is going to start burning holes in people's pockets."

Another important plus, according to many analysts, is the fact that homebuilding, so long depressed, finally shows signs of a sustained recovery.

The Commerce Department reported that private housing starts in July rose 16 per cent from the June rate, to a seasonally adjusted annual rate of 1,585,000 units. The rise chiefly re-

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For students, there's the normal **Student Fare** of HK\$5,296 return (HK\$2,648 one-way) between Hong Kong and London, for which all full-time

students from 12 to 25 years old qualify, as long as they're resident and studying in Hong Kong or the U.K. Then there's the even cheaper **Off-Season Student Fare** of only HK\$3,530 return, for which the same students qualify, valid between December 1 and May 15 of the following year. And there's now the special **Students' Vacation Fare** to London (valid between June 15 and October 15) of just HK\$2,909 return, for which all full-time students from 18 to 25 qualify, if they're resident and studying in Hong Kong (with their wives or husbands qualifying as well).

Finally, there's the **Immigrant Fare** of HK\$1,360 one-way (Hong Kong to London), and there's the **Seamen's Fare**, also of HK\$1,360 one-way (for groups of at least 10 people), both of which apply year-round.

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flected increasing construction of apartment buildings of five or more units. Starts of single-family homes decreased slightly in July.

Pent-up demand

Most economists expect this trend to continue and probably accelerate. Du Pont's Mr. Reeder, for instance, predicts that home starts in 1971 will top this year's total by at least 20 per cent, with apartment units leading the way. He bases this estimate primarily on two considerations. He cites an "enormous" pent-up demand for housing. And he notes that mortgage funds for homebuilding are becoming more readily available. This, of course, reflects the fact that consumers have a high level of savings and are placing much of this money in thrift institutions which traditionally supply home mortgage funds.

Even a sustained, vigorous recovery in homebuilding activity, however, would be an insufficient basis for a forecast of general economic expansion, most analysts agree. They believe that the cross-currents under way in the economy preclude any dramatic changes in the broad indicators of business activity. A summary of how most analysts feel about some general yardsticks follows:

Unemployment may climb a fraction of a percentage point above the July rate of 5 per cent. But hardly anyone expects a rise to the 7 per cent-plus levels that have marked most post-World War II recessions. And most analysts predict that unemployment will probably be declining slightly by mid-1971.

Industrial production will probably show little change over the next several months. The Federal Reserve Board's production index rose slightly in July to 169.2 per cent of the 1957-59 average. Many analysts don't rule out the possibility of some monthly drops in the index later this year, especially if any auto strike develops. Almost nobody expects the index to get back up to the 174-plus levels reached in mid-1969 until at the earliest the third quarter of 1971.

Inflation

Inflation will continue to cause economic problems in coming months. But there is widespread belief that the worst of the price spiral is about over. Many economists caution, however, that inflation could rapidly worsen if the Government were to pursue highly expansionary fiscal and monetary policies in the months ahead.

Stock prices in general appear unlikely to move dramatically up or down. Stocks tied to such segments of the economy as homebuilding should generally show gains. Also, analysts note that productivity is beginning to rise in some industries, which should tend to push down labour costs and ultimately bolster corporate profits.

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WORLD-WIDE CORRESPONDENTS

New Crafts New Skills New Men

The Work of the Industrial Training Advisory Committee

"The rapid expansion of Hong Kong's industry which has been accompanied by a growing shortage of skilled and even semi-skilled labour has prompted Government to review its overall policy and the machinery necessary to carry out its objectives in the industrial training field."

The beginning

Thus, opened the explanatory memorandum that accompanied the invitation extended on 30th June, 1965 to the Chamber and other bodies in Hong Kong to nominate representatives to serve on the Industrial Training Advisory Committee.

The memorandum went on to state Government's revised policy and to outline firstly the division of responsibility between Government Departments for training at the operative, technician and technological levels and then dealt with the division of responsibility between Government and industry. For technologists and technicians, Government was to assume the major share of responsibility while at the operative level industry had to play its part.

Members

Then came the crunch: "An Industrial Training Advisory Committee will be formed." This Committee was to be non-statutory to begin with but might develop into a statutory body and was to consist of a Government Chairman, eight official (Government) and thirteen unofficial mem-

bers, the latter being drawn from four industrial and four workers organisation together with representatives of another five organisations of which the Chamber was one. Mr. I. H. Kendall, Chairman of ICI (China) Ltd. and a member of the Chamber's General Committee was our original nominee and was later succeeded by Mr. R. Burrell, DFC, of the same company, who continues to be the Chamber's representative.

Piles of work

The Committee as a whole meets once every quarter but in the intervening periods vast amounts of work are carried out by the various Industrial and Functional Sub-Committees appointed to consider specialised aspects of this vast and complex subject. By July 1967, these were in operation. The Industrial Committees covered building trades, clothing, electronics, textiles, plastics, and the engineering trades, including automobile repairs and servicing, electrical apparatus and appliances, shipbuilding and ship repairs and machine shop and metal working.

Each of these Industrial Committees had by its terms of reference to study the manpower needs of the industry, classify into various principal jobs the work done in the industry, and to set minimum standards for these jobs and advise on examinations and tests required to ensure their attainment. Additionally, they had to examine existing facilities for industrial training

Cont p.25

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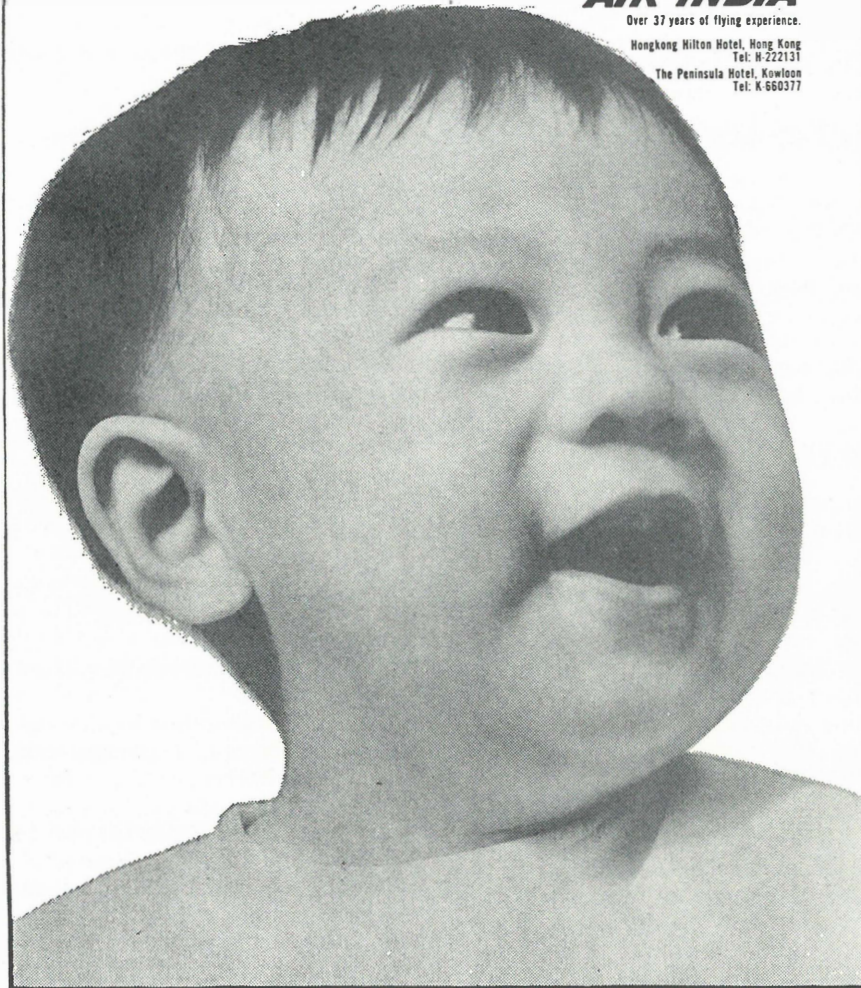
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Cont from p. 23

and recommend how they could be improved if expanded, and to act as a link on body between the industry and the various vocational training institutes.

Each of the Industrial Committees has started its operations by conducting a manpower survey of the industry and by June 1970 ten of these had been completed so that the main work now in hand is the completion of job specifications. Some idea of the amount of work involved in the operation of these ten industrial committees may be gathered from the fact that none has had less than 12 meetings and, between them, a total of 208 meetings have been held.

Vital contribution

Concurrent with the work of the Industrial Committees is that of the Functional Committees on Apprenticeship, Vocational Training and on Technical Institutes, all of which have already prepared the reports which were called for by the main committee.

Out of the work of the Industrial Training Advisory Committee is being evolved the pattern of the Colony's educational development in the technical field, a subject on the urgency of which hardly a single dissenting voice has ever been heard. The Chamber believes the work of this Committee to be vital to Hong Kong's continued industrial expansion and keeps itself continually informed on the progress being made.

Cont from p. 16

out, "we emphasize youth, and we try to keep a youthful outlook. We do not want to become staid and conservative. We are not afraid to invest in new things even though it may mean incurring risks."

Bright future

Did the 1967 riots cause any apprehension concerning the future of Hong Kong at Jebsen & Co.?

"Not at all. Jebsen did not let up in the least — instead, it forged ahead. After all," Mr. Schneider shrugged, "as we increased our business, we also increased the confidence of our buyers and our principals."

"No, Jebsen is not afraid of the future — and one very tangible proof of this is our plan for a new 18-storey Jebsen Building in North Point. Right now, Jebsen's various sales divisions, service stations and godowns are extremely scattered. We want to put them all under one roof — although we will continue to maintain our head office in the Prince's Building. We certainly wouldn't bother investing in such a sizeable piece of real estate if we didn't believe in the future of China and Hong Kong."

Undoubtedly Jebsen & Co. will enjoy a very happy Centennial Anniversary in another twenty-five years!

中文簡摘

工業訓練諮詢委員會

捷成洋行簡介

一九六五年六月三十日香港政府邀請本會及其他團體舉薦代表為工業訓練諮詢委員會之成員。附於邀請書之備忘錄謂：「由於香港工業發展迅速，形成技術及半技術工人缺乏，促使政府檢討其工業政策及工業訓練所屬之機構。」該備忘錄更指出政府重訂之政策及政府各部門對訓練各階層技術人員之責任，又提出政府與工業界對該等訓練責任之分野。

該委員會為一非法定性之委員會，但可發展為法定性。成員中，八位為官守委員，十三位非官守委員，主席由一政府官員擔任。非官守委員中之五席由五個商業團體選派。本會代表最先為會董簡杜先生（Mr. I. H. Kendall）——英國卜內門公司董事長；其後由畢魯先生（Mr. R. Burrell）繼任。畢氏亦隸屬卜內門公司。

工業諮詢委員會每季開會一次，日常工作則由各小組工業訓練諮詢委員會負責。屬下工業小組委員包括有：

- 建築業小組委員會
- 製衣業小組委員會
- 電子業小組委員會
- 紡織業小組委員會
- 塑膠業小組委員會
- 機械工程業小組委員會：其中包括汽車，電器用品，造船及修理，車床及五金業。

每一工業小組委員必需研究其行業之人力所需，將該行業之主要工作單位分類，並制定該等工作單位之最低水準以便考選人材有所依歸。彼等又需檢討現有工業訓練設備及提出改進辦法。

至本年六月底止，有十個小組委員會已完成人力需要調查工作，現正進行工作單位分類工作。在該等工作過程中，每一小組委員會會召集十多次會議。該等小組委員會並經常與學徒訓練，職業訓練及工業專門學校等委員會經常舉行會議，將各項所得報告送交工業訓練諮詢委員會審核。

捷成洋行自一八九六年開始，即為本會會員。該公司創辦入捷成及積臣兩氏於一八九五年在上海一偶然場合下，商議合夥經營生意，捷成洋行瞬即成立。覽於七十五年來，遠東局勢動盪未已，在此期間捷成洋行之業務能不斷滋長，其成就實非僥倖。又捷成氏及積臣氏兩位創辦人之哲嗣，至今仍繼續主理捷成洋行。

捷成洋行最初為一丹麥船公司之中國代理，該公司有十四艘船隻行走中國沿岸。其後又取得德國著名化學工業機構BASF之代理權，在中國推售染料及其他化學原料，同時，又將中國產品運銷歐美及澳洲各地。第一次大戰期間，因受「敵產監管」問題所限，全部資金遭凍結。大戰結束後，業務始漸蘇復。迨後業務又因第二次大戰而停頓。戰後經創辦入哲嗣之惨淡經營後，業務再趨蓬勃。

今天捷成是銷售德國產品最多多的洋行。顧員超過一千，而代理之國際性機構有百五十家，屬下有七個部門：中國貿易部，日用消費品部，化學物品部，汽車部，專門器材部，船務部，航空部及出口部。

總商會與捷成洋行之關係素來密切，近年來捷成之史來特先生更熱心會務，為本會中國貿易小組委員會會員。史氏以為「捷成之特質在於勇猛與精進」。例如，公司現正建造兩艘配合貨箱運輸之快速貨輪，又正在研究效果更皆之彩色菲林，並計劃「電腦化醫學」應用於香港使本港政府及私家醫院能利用資料處理法於診斷與治療。」捷成經常留意本地顧員升職機會，因此不斷派出他們到外國接受訓練。史氏指出，「捷成洋行很重視青春活力，因此常欲保持年青的面貌，我們不願變成沉滯與保守，雖然是帶冒險性的新事業，我們也不怕投資。」

史氏謂其公司對香港前途具有極大信心，捷成行正計劃興建一「捷成大廈」以便同時容納該公司各部門。

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我們是否名符其實的「總商會？」

來訪總商會的人仕常問及：「爲什麼你們稱爲總商會哩？」我們的答案是：「因爲本會的成員包括各種不同行業而沒有種族和國籍的限制。至於我們的活動範圍超越一般較爲專業性的團體。」

據工商署出版之工商業團體名冊所刊錄，本港共有超過一百五十多個工商業社團。其中，有等團體擁有會員數千，會員人數有等少至三幾名，如澳洲西提入口商會。

從該名冊所登載各會會員看來，總商會會員之衆多與其他團體比較未遑多讓。

其實，總商會之實力主要在於其成員林林種種，無所不包。顧名思義，本會會員以出入口商爲主——大約有一千一百名。但其餘三份一大部份爲廠商，其他包括本港各大銀行，保險公司，輪船公司，航空公司，與及律師，會計師，廣告公司及公共事業機構等。

爲了深澈了解本會成員在各行業之代表性，本會之商業促進部於年初以自己的成員與下列各商會作一比較：美國商會，香港中華廠商聯合會，香港工業總會，香港出口商會，日本人商工會議所和印度商會。該項調查工作以各會之一九六九年或一九七〇年出版之會員冊爲根據。純以會員人數而論，香港中華廠商聯合會一九六九年之會員數字爲一千五百三十二，較本會零遜。其他各會之會員人數祇數百名。

該項調查又顯示許多商行同時隸屬多個商會。統計結果如下：

美國商會——會員中百分之二十九

中華廠商聯合會——會員中百分之九

香港工業總會——會員中百分之二十七

香港出口商會——會員中百分之七十九

日本人商工會議所——會員中百分之廿

印度商會——會員中百分之三十三

(以上是隸屬香港總商會之會員百份率)

又據商業促進部調查會員行業所得，一些登記爲廠商之會員，其實業務乃廠家代理或代表或擁有某一工廠之股份控制權，而

該廠卻非本會一員。最後所得，身爲廠家之會員共有四百四十四名。該等會員中包括：製衣業(九十七名)，塑膠業(三十七名)，假髮業(三十名)，電器業(二十八名)，玩具業(二十二名)。其他有象牙製品及造船業。總計，共有三十六種行業。

此四百四十四位廠家會員，其中二百三十二名祇隸屬本會，七十八名同時隸屬香港工業總會，五十四名同時隸屬中華廠商聯合會。其他八十名則同是三大組織之成員。

我們深信這次調查所得，本會確是名符其實的「總商會」。副會長韋林士先生早已說過：「商會的活動是多方面而又富有彈性。對較新近成立的組織，如香港貿易發展局和科學管理會等，俱能與之合作，促進其成長。」

會員事務部

本會會員事務部由助理秘書會錫權先生處理。此部門之主要工作爲延攬新會員及注意現有之一千七百多會員對會務是否滿意，並徵詢彼等對香港工商業動向之意見。

對意欲加入總商會之商行，會君定當往訪，藉此認識該等商行之業務情況，亦可闡明總商會之各項活動及所提供予會員之多方面服務。

當預期會員將申請書遞交本會後，會君將逐一詳細審查。在其推薦下，將申請書交本會董事會作最後決定。每一申請書需由兩會員商行所簽署推薦。本會歡迎信譽良好之商行加入爲會員。其組織大小不拘，歷史新舊無論，本港或外資經營之各行業均可。

會君常與會員保持密切之聯絡，務使商會能切實地爲彼等服務。該部門備有各會員詳盡記錄以便商會需要與有關會員接洽時有所依歸。本會會員衆多包括本港工商界各種行業之人仕。

每星期，會君訪問超過二十位會員，暢談香港工商業之各種問題並聆聽彼等之建議與批評，予以答覆。



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