



The Bulletin

The Hong Kong General Chamber of Commerce



**HERE
WE GO
AGAIN**



AUGUST 1972

美國經濟與香港之前途

七月七日一位著名美國經濟學家連杜華教授對本會北美洲貿易區會員作演講，談及美國經濟與香港未來繁榮之關係，本刊特將其演詞節錄如下：

「我有很好的理由預料，無論美國經濟怎樣，在香港經營的商行其銷售貨品往美國的能力是不會受牽連。由於港美貿易對雙方有利而香港是站在出超的地位，因此我並不會感到驚奇，假定在我這一代有一天香港的平均個人入息超越美國。這當然涉及到那一類商業機構在十年或廿年後仍然可以存在。因為這類機構的資本要比較雄厚才可以負擔得起由繁榮帶來工資高的工人。

我所預期那種高度入息水平是要美國和香港的經濟都保持看「市場掛帥」才可以實現的。市場掛帥的經濟是生產和就業對購買者的消費決定有適當反應。這種經濟是基本上有動力的，因為生產提高才可以使工人和管理人員獲得更多入息，但並不保證這動力的經濟和每一個人都得到較好的生活。如果錯誤的政策多，它的實現可能受到阻礙。我遺憾地說，那些錯誤政策的不良後果，似乎正在美國盛行。因此個人的入息在那裏正在停滯階段，而香港人的入息，正急速地趕上來。

目下美國情況並不美妙。我們有着不需的經濟衰退和通貨膨脹。其嚴重情況並非一般人所了解，而有可能變成更壞。但我想指出，我們不能將現時情況，歸咎執政的政府。

在其他轉變以前，我們在美國經濟本身那種通貨膨脹的形勢。由一九六零年至一九六五年，消費指數每年增加百份之一點五。這並不算得是嚴重的通貨膨脹，而且在組織不斷轉變下的一個動力社會，物價上漲是合乎規律的。在這些年頭裏，工資和投資都增加，國際貿易入超。在此期間提出了幾項新的福利計劃，但幾百萬人却放棄此等計劃而

出來找工作。同樣地，政府的支出在總支出上的比例並沒有增加。因此並沒有赤字預算的趨勢。

在一九六六和六七兩年，每年百份之二點五強，這較諸以往六年每年多增百份之一，但由於六六年和六七年經濟基本結構轉變率加速了，這個增加是頗合理的。

一九六八和一九六九是關係重大的兩年。雖然過往物價安定，但這時有一個很廣泛的政治辯論，謂由於越南戰爭費耗，將會帶來由需求而引起的通貨膨脹。雖然該項費用已經有一個時期保持不變，而在總費用內所佔甚少。但國會及聯邦儲備當局——並不是尼克遜政府——相信越南耗費這套理論及制止通貨膨脹的需要。因此他們提高稅率，並實行金融收縮政策。

是個用意良好而以爲可以制止通貨膨脹的努力，其結果是立即見到而無可避免的。消費指數戲劇性地上升，因為消費稅和利息率佔上升重要部份。換句話說，那些所謂增加息率和稅率的遏止通貨膨脹政策其影响是使人民對房屋、汽車、旅行和娛樂等支付更多。同時由於加稅和利息增加減弱了購買力，以致不能跟隨生產的增加，使失業開始孕育。就業減縮是無可避免的，因為商人不會僱請工人來生產不能出售的貨物。

我的第一個結論是：假如國會和聯邦儲備當局不是銳意遏止通貨膨脹，美國是不會有通貨膨脹，失業和貿易限制等接踵而來的。換句話說國會及聯邦儲備金當局，使我們陷入這個困境，因為他們相信一九六八年政治上的花言巧語預測通貨膨脹，而所採取對策剛好使預測變爲事實。

我的第二個結論是目下的情形比我們一

人所了解的壞得多。尤其是國家的經濟活比失業指數所顯示的較為低。失業人數僅至百分之六，但閒置的資本達百分之二十至三十。如果這比率是準確的話，我想美現時的經濟活動是在其能力以下，有幾千美元是沒有被運用，而勞工方面有四份一沒有充份就業，或者在過去幾年來有很多是未能充份就業的。

入口在美國經濟上微不足道，大概在購方面，百分之四是來自外國而我們的產品祇有百分之四是外銷的。因此：假如尼克總統能超過主張限制入口，人民的夢想探行動將百分之二十五入口貨改為本國生產在本國總銷路祇增加百分之一，和我們需增加百分之二十至三十來恢復充份就業的標。

美國的貿易和外匯收支出現預期不到的大數字。此舉可令聯邦儲備金當局限制貨流通和信用收縮，以期提高利率引致外國欸。根據以往表現，這種限制是聯邦儲備當局一貫作風，雖然這種做法足以阻止經濟蕭條和及早完結。

另一途徑，就是外匯收支不平衡，可能致入口更多，入口管制或美元浮動或貶值無論如何一樣，尤其是入口管制會對香港不良影響。不幸地，雖然入口管制對整個經濟並不重要，但為了政治的原因直接管制很可能的。

阻止入口限制是需要的，有些人應該告美國羣眾及其政客，關於入口對整個經濟無關重要的，因為他們以為數字很大。你還沒有將這些消息供給他們，實在使我覺煩惱，因為美國人需要知道，入口對他們經濟的影響。

在短期說來，像香港那些靠出口的經濟地方，應正式請求美國對他們所得來的美不要計算在外匯收支赤字內，因為你們的圖不是將美金換回本國貨幣。或者你們可對美政府作許諾聲明，所得美金祇作貿易，或在將購回美國貨品。】

談港元與英鎊浮動

港幣對美元採取固定匯率，和暫時放棄英鎊為本位的行動是明智和符合實際的行動。如果有人覺得政府發言人以往在有些情形下顯得猶豫，這一次行動是很勇敢，在時間上說來並不鹵莽或緩慢。

在近年來香港的成功使它對英鎊越來越獨立。但在五年前英鎊貶值時，我們還很依賴英鎊，以至行動上表現出沒有信心。七月六日是香港在近年歷史上對金融問題首次作獨立性的決定。

不幸地，財政司的行動對英政府六月廿三日的決定帶來給我們的問題却沒有幫助。取消英鎊海外區引起香港其他性質的問題。以往三年以來香港已成為一金融中心。股票市場活動全面加強了香港的經濟，尤其是對籌備資金來發展工業，地產、旅遊、貿易和其他服務性的企業。

雖然香港股票市場並不依靠英國金融機構來支持，但這些機構對整個市場的結構是有其重要性的。

目前本港並無什麼重要機構，（例如投資公司、信託公司或保險公司），投購大量股份，但在英國該等機構以大量資金投入股票市場，使整個股票市場支持力很大。彼等可包銷或分銷主要股權，或投購買入大量股票，和承擔有限公司之資金合併及收購等事情。

由於外匯管制法例之實施，在香港註冊之公司不能收購在英國註冊之機構。這便也就阻撓香港公司之分散之前途。

簡言之，這投資獎勵辦法防礙了香港與倫敦自由交易——而倫敦是本港通常接觸之主要國際金融市場。

香港有理由向英政府要求彼等取消此投資獎勵措施。

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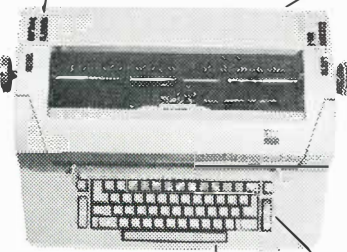
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The Bulletin

The Hong Kong General Chamber of Commerce

The fixing of the parity of the Hong Kong dollar in terms of the US dollar, and the temporary abandonment of the sterling standard, was a sound and realistic act. If one considers the masterpieces of dither that have on occasion emerged from the spokesmen of the Hong Kong government, one must also conclude that it was an act of courage, carried out with timing that was neither precipitate nor tardy.

In recent years Hong Kong's success has allowed it to become increasingly independent of sterling. But the devaluation/revaluation of 1967 shows that only five years ago we were so strongly dependent on sterling to be unable to act with conviction. July 6 was probably the first time in Hong Kong's recent history that a major currency decision has been made on a truly independent basis.

Unfortunately, the Financial Secretary's act will not help us with the other problem flung into our face by HMG's decision of June 23. The abolition of the Overseas Sterling Area raises for Hong Kong problems of a different nature.

During the last three years there has been substantial growth of Hong Kong as a financial centre. Stock Exchange activity has contributed greatly to the overall strength of the Hong Kong economy, particularly in raising new finance for industry, real

estate, tourism, trading, etc.

While the Hong Kong stock exchanges are not dependent on the support of UK financial institutions, these institutions do play an important part in the overall market mechanism. This will be restricted by the introduction of the investment currency premium.

At present there do not exist major Hong Kong institutions (eg. investment companies, unit trusts and insurance companies) that are buyers of large blocks of shares, but UK institutions have contributed to the strength of the stock market precisely through their capacity to deal in large blocks of shares. They can underwrite and sub-underwrite major rights issues; take up placings of large blocks of shares; and underwrite for cash merger and take-over situations.

Hong Kong-based companies will also be prevented from taking over United Kingdom-based companies by issuing new shares because of the new Exchange Control regulations. This is detrimental to the diversification prospects of Hong Kong-based companies.

In short, the introduction of the new arrangements removes Hong Kong's free access to London—the one major international capital market usually available to the Colony.

A strong case exists for the Hong Kong Government to seek from the British government a reconsideration of this decision.



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Incomes, inflation and imports

Professor John Lindauer, a prominent US economist, addressed members of the North America section on July 7, with a provocative and thought provoking analysis of the relationship between the US economy and HK's future prosperity. He is the author of several books on economics, and has testified before the Banking and Currency Committee of the US House of Representatives, as well as its Ways and Means Committee during their deliberation on policy making. We publish here a shortened version of his talk:—

I think that there are good reasons to expect that the ability of firms located in areas such as Hong Kong to sell in the United States will not be compromised by whatever conditions exist in the United States' economy. Indeed I would not be at all surprised if Hong Kong's favourable and mutually advantageous position *vis a vis* the United States does not allow its per capita income to exceed that of the United States in my lifetime. This, of course, would have substantial implications for the type of firm which could expect to remain in business in Hong Kong for longer than the next 10 or 20 years; this would

be to become relatively capital-intensive in order to afford the high-priced labour that inevitably accompanies such prosperity. The high and equalizing levels of income which I expect for the future will of course only occur if both the United States and Hong Kong continue to maintain market-oriented economies where in production and employment occur in response to the spending decisions of purchasers. Such economies are inherently dynamic because higher levels of produc-

tion are the means by which higher incomes are earned by workers and management. But this dynamic state of economic progress and the better life that it means for everyone is not guaranteed: it can be prevented if enough of the wrong policies are implemented. The effects of such adverse policies, I regret to say, seem to be prevailing today in the United States. This is why income per person there has temporarily stabilized and so that incomes in Hong Kong are catching up at a rapid rate.

Administration not to blame

Things are not going well in the United States today. We have, most unnecessarily, a recession and inflation. These conditions are far more severe than is generally understood and there is every possibility that they will get worse. I would, however, like to call your attention to, and indeed emphasize, one theme: that is that the present Administration is not to blame for the situation. Consider the inflationary position of the United States economy prior to all the changes.

cont'd.



Patrick Wong knows a lot about connections.

Patrick is a family man. Spends a lot of his spare time working round the house. Fixing connections. Patrick also makes a lot of good connections for many of Hong Kong's exporters. Patrick is one of our experts on international trade. You'll find the most modern banking facilities at all of our branches. Facilities backed by 119 years of world wide banking experience. You'll also find people like Patrick.

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From 1960 through 1965 the consumer price index rose about 1½ percent per year. This is hardly a severe inflation and quite consistent with the upward drift of prices associated with the continuing changes in the structure of a dynamic economy such as ours.

During 1966 and 67 the consumer price index rose slightly more than 2½ percent per year.

War spending

But the crucial years of 1968 and 1969 arrived and despite the previous price stability, there was extensive political debate about a forthcoming demand-pull inflation because of Vietnam war spending, even though the annual total of such spending had been constant for some time and was itself so small in total as to only be enough to buy a few months *growth* in the United States' production capacity. In any event, Congress and the Federal Reserve—not the Nixon administration—believed the campaign rhetoric about Vietnam spending and the need to stop an inflation. They raised taxes and put into effect a tight money policy.

The results of these well-meaning and supposedly anti-inflationary efforts were inevitable and immediate: the consumer price index jumped dramatically since excise taxes and interest rates comprise a substantial portion of it. In other words, it rose immediately to reflect the fact that so-called

anti-inflationary policies of higher interest rates and taxes mean that people have to pay more for such things as housing, cars, travel and entertainment. At the same time, unemployment began to develop as the higher taxes and tight money slowed purchasing in the economy so that it could not keep pace with the economy's rising production capacity. The recession in jobs was inevitable. Businessmen would not hire labour to produce goods and services that they could not sell.

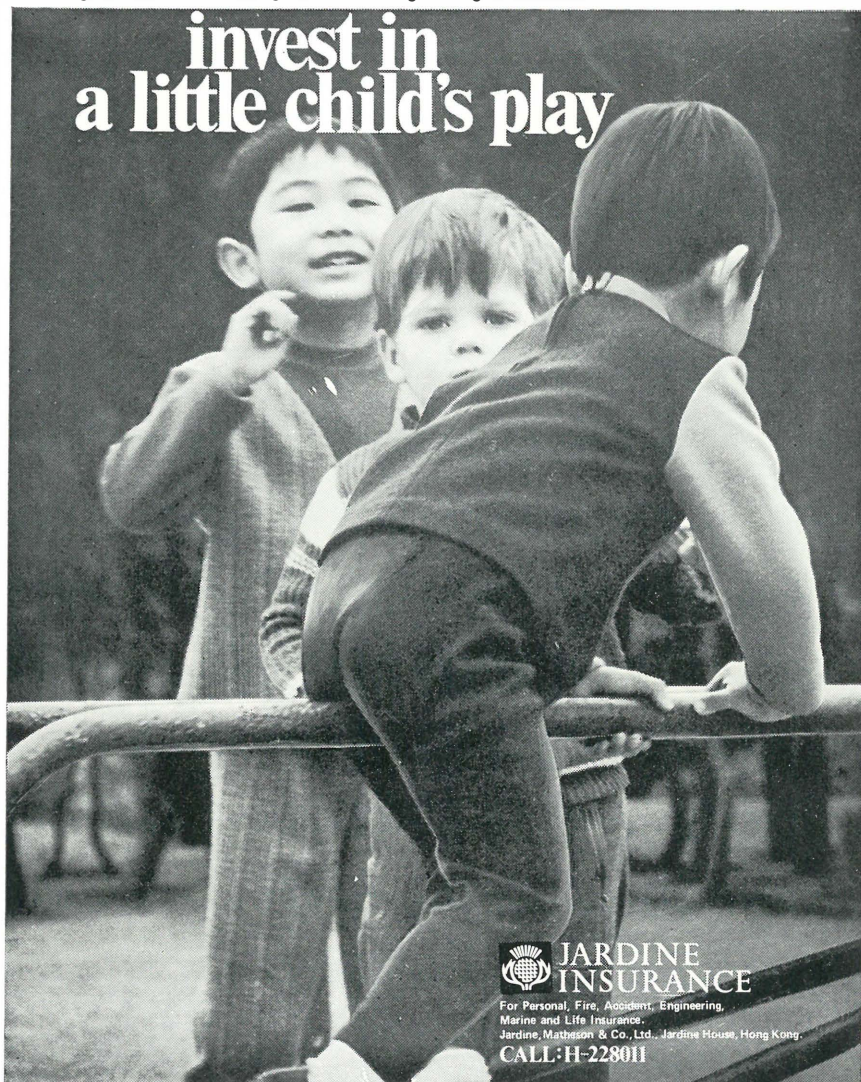
This leads me to my first conclusion: that the United States would never have had the inflations and the unemployment and the trade restrictions that followed it if the Federal Reserve's Governors and the Congress had not fought inflation. In other words, Congress and the Federal Reserve got us into this mess because they believed the 1968 political rhetoric predicting inflation and responded with policies that literally made the prediction come true.

My second conclusion is that things are much worse today than is generally understood. Specifically, the nation's economy is presently operating much further below capacity than is suggested by the so-called labour unemployment rate that is commonly used to estimate the economy's performance. The labour rate of unemployment only rose to six percent. But capital unemploy-

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ment is presently in the range of 25-30 percent. The bigger figure for capital is significant because the capital rate is unaffected by the political considerations that so often surround the labour estimates that are released. In other words, if the capital rate is correct, and I think it is, the United States is now operating several hundred billion dollars below capacity and as much as one-fourth of the economy's labour force has become unemployed or substantially underemployed in the past few years.

Beyond the wildest dreams

Imports are of little significance to the United States economy, only about four percent of what we purchase is produced abroad and only about four percent of what we produce is sold abroad. Therefore, if the Nixon moves had succeeded beyond the wildest dreams of their advocates and caused a 25 percent shift from imports to domestic production, it would have increased sales in the country by one percent. This is the increase that we need every 60 or 70 days just to stand even with our increased production capacity, and far below the 20 to 30 per cent increase now needed to restore full employment. Alternately, the payments position could lead to either additional import controls or the further floating or devaluing of the dollar by the United States. Either case, and particularly the former, would

adversely affect Hong Kong. Unfortunately, despite the economic insignificance of imports, direct restrictions are quite possible for political reasons.

The economy's trade and payments balances are running deficits of unexpectedly large sizes. This could, God forbid, lead the Federal Reserve to restrict the availability of money and credit in order to push up interest rates so as to attract foreign deposits. Such a restriction would be quite in keeping with the Federal Reserve's past performance even if it would tend to prevent the recession from being ended.

It is necessary for someone to head off the direct import restrictions, to inform the American public and politicians of the overall insignificance of imports. They really think they are quite large. Such information has not been provided and this annoys me since Hong Kong, if no one else, has a vested interest in the American public's knowing the economic facts of life regarding imports — that they do not take American jobs and are not very important to the American economy.

Ail that might be necessary in the short run is for a few export oriented economies such as Hong Kong to officially request that the dollars that they obtain not be counted as part of the United States payment deficit, because their intention is to permanently not convert such dollars?

News from the TDC

This month *The Bulletin* starts a new occasional series, in which we publish market reports supplied by the Trade Development Council. These reports come straight from the horse's mouth, as it were—ie. from the TDC's men-on-the-spot overseas.

Toy manufacturers and exporters will wish to know that the U.S. Food and Drug Administration has developed a 'consumer deputy' programme, which will assist consumer-interest groups in their search for unsafe toys in retail outlets. Meetings with various retail associations will be held to study ways of speeding up the removal of banned toys from store shelves and of differentiating unsafe toys from those which have been redesigned to meet safety standards. The Administration is also considering bringing in a regulation whereby coding stamps will be required on each toy.

Coding stamps

These stamps will have the name of the manufacturer and the date in which the toy was placed on the market. Since January 1, 1972, 4,000 toys have been seized by the U.S. Authorities. These include a substantial number of imported items found to be highly flammable or likely to cause injury.

Importers of goods to Canada may find the following information of interest to them:
As from December 1, 1972, the

Textile Labelling Act will come into effect. The regulations of the Act are designed to provide Canadian consumers with full information as to fibre content in practically all wearing apparel, fabrics and household textile products sold in Canada. Labels providing this information and the country of origin in both English and French must be attached to the product or be clearly visible to the consumer at the time of purchase.

Imported textile products

The Canadian Importers Association Inc. sent a formal letter to the Department of Consumer and Corporate Affairs regarding the status of imported textile products imported before December 1, which may not meet the requirements of these new textile labelling regulations and which may still be in the 'distribution pipeline' after that date. The answer they received was that all articles shipped by a manufacturer, Canadian or otherwise, after December 1, 1972 would have to comply with the new regulations. However, products in the secondary distribution chain at that date should be permitted to be sold without the necessary labelling. A manufacturer in this sense includes the foreign producer and the effective date is equally applicable. Others in the chain such as importers, wholesalers and retailers may dispose of stocks that have been shipped by the effective date.

Briefing

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

□ Members should by now have received our circular on **The Hong Kong Diary**. This is a luxury desk diary for presentation this coming Christmas to overseas customers and contacts. It is a prestige gift that recipients will be proud to display on their desks.

Features of the Diary include a luxury padded cover in simulation leather, that is discreet and tasteful; date-a-day pages designed to help the businessman to record efficiently his appointments and his use of time; an introductory page giving space for an individual inscription by the donor, emphasising the personal nature of the gift and three information sections, giving a general introduction to Hong Kong. A sample is available at the Chamber for inspection, but **orders must be in by July 29 latest.**

□ The International Trade Committee has agreed that the Chamber, in conjunction with the Working Party on **Simpler Trade Documents**, should organise a series of **demonstrations** to familiarise Members of Area Sections with the recent changes that have been made in trade documents, and the potential benefits available to exporters wishing to make use of the new simplified system.

The first demonstrations have been arranged for members of the United Kingdom Area Section. Sessions for members of

other area sections will follow.

It has been reported that savings of up to 70 per cent in the costs of export documentation can be realised by the use of the new simplified system. Apart from this, the new system is slowly replacing present procedures and the time may well come when Members will be obliged to adopt the simplified system.

□ If your manufacturing concern employs not more than 200 workers, and does not have more than HK\$600,000 in proprietors' funds, you can take advantage of a **new loans scheme for the purchase of new machinery and equipment** to help increase the productivity and profitability of your factory.

Instituted by the Hong Kong Government, the Loans for Small Industry Scheme is designed to overcome some of the difficulties that small industrialists have experienced in obtaining loans for this purpose.

It does this with the help of the Hong Kong Productivity Centre, which undertakes technical viability studies of the applicants' proposals.

Government is willing to underwrite the risk of the new venture for which capital is required, thus making loan applications more acceptable to the banks. Successful applicants will obtain

Picture Briefing

A 30-strong trade mission from Taiwan visited the Chamber on June 14 and held discussions with the Japan, Taiwan and South Korea Area Committee. The mission was led by Mr. Y. C. Liu (3rd from left) and Mr. J. C. Chi (5th from left).

The Chairman, Mr. P. G. Williams was a guest of honour at the opening of the 1972 Korean Products Exhibition at the KOTRA Trade Centre on June 16. Seen here during the ribbon cutting ceremony (from left) are Mr. Chu Kyung Don, Director of KOTRA, the Chairman and Mr. Chang Nam Park, Consul General of Korea.

On June 23, the Chamber's doors were thrown open to welcome members who had recently joined the Chamber. Veronica Loo, head of the Statistics Section is seen explaining the work of her section.

Mr. John MacKenzie, Chairman of the Chamber's new East Europe Area Committee. (See Pen Profile p. 17.)

The Director, Mr. J. B. Kite, addressed officers of the Labour and Marine Departments as part of their training on July 4.

The Central American Area Committee received the Jamaican Trade Mission when they visited the Chamber on June 30. Mr. Richard Wang, Chairman of the Committee is seen here welcoming Mr. Carlton Alexander, leader of the Mission. Looking on is Mr. F. M. Castro, Asst. Mgr.—International Trade Department, and Mr. Nester Woolery, a member of the mission.



Briefing - continued

medium term loan capital at reasonable rates of interest for the purchase of productive equipment and machinery. Loans will be for not less than \$50,000 or more than \$250,000.

Information and further details can be obtained from the Loans for Small Industry Branch, Tung Ying Building, 5th Floor, Nathan Road, Kowloon. (Tel: K-676392).

□ Plans for a joint TDC — Chamber trade mission to the Middle East are being finalised and the mission should be leaving for the area between mid-November and early December. Stopovers will include Dubai, Bahrain, Kuwait, Saudi Arabia, and North Yemen.

The mission will not exceed 15 delegates and products which will be represented include men's and ladies' garments, underwear, shirts, toys, plastic-ware, torches, paints, watches and watchbands, radios, travel goods, ladies' handbags, vacuum flasks and jugs, enamelware, electric ceiling fans, locks, padlocks and hinges, lanterns and stoves.

The mission will be interested in both buying and selling.

Participation is open to all local manufacturers, exporters and importers. Interested Members should contact Mr. Clement Tsang for further details (H-237177 or H-245075).

□ A report on the UNCTAD III session on Shipping at Santiago, Chile, is available at the Chamber. Members who wish to see the report should contact Miss Nancy Leung (H-237177 Ext. 24).

□ The Chinese University Appointments Service has published a booklet entitled "Placement Information 1972" which Members may find useful if they are thinking of recruiting graduates. Courses that students are required to take are outlined. It also contains reply forms, which when received by the Appointments Service, will facilitate the work of finding the right person for a post.

□ Preparations are now under way for the symposium on Through-Transportation which will be held in two sessions at the Hilton Grand Ballroom. The Cantonese session will be on August 3 while the one in English will take place on the following day, August 4.

The symposium will be conducted by Hong Kong men for Hong Kong men and will be principally directed to the education of traders who will be receiving and despatching containerised cargo. Great interest has already been shown by Members. For those who are interested in attending the symposium, they are asked to contact Miss Cecilia Fung. The admission fee will be \$30 per head.

Pen Profile

John MacKenzie

The view from the window of John MacKenzie's North Point office seems to reflect the role he plays in the affairs of Hong Kong. It encompasses practically all of the Colony from Central District right through to the airport. His role, however, is not that of the outsider looking in. On the contrary, he is very much part of the picture.

Some men seem old by the time they reach their mid-forties. John MacKenzie seems younger — especially when he's speaking. The ingredients of a conversation with him include a large quantity of sense and a fair measure of humour.

John MacKenzie is a Scotsman born on Clydeside. He came to Hong Kong in the early 1950's, and has lived here ever since. He is married with three teenaged children. His son is now at Edinburgh University and his two daughters attend Island School here.

John MacKenzie is the managing director of Hutchison-Boag Ltd. one of the largest companies in Hong Kong. He is also a director of various local and overseas companies, which keeps him busy even days a week.

His business commitments come first but it is his participation in other activities that throws him into the limelight.

"I guess you can say I'm a meddler in affairs." So far he has managed to 'meddle' beneficially in several areas. These include the Employment Assistance Scheme for the handicapped, the Grant-ham Scholarship Fund, the Shippers' Council, Productivity Council, the Red Cross, the Manage-

ment Association—the list seems endless.

At the moment, his most time-consuming activity is the Urban Council. John MacKenzie is one of the newest appointed Urban Councillors. True to form, he is outspoken and says what he thinks. He has strong ideas about the Council and what it can do. 'It has direct contact with the people and this is a very important asset for us.'

Unanimity of opinion

At the start, John MacKenzie was surprised at the internal differences that often created misunderstandings within the Council. The situation, however, has improved and Councillors are at last coming to the conclusion that there is strength in unanimity of opinion. 'What I think is important is, whether elected or appointed, we are all Councillors first, and foremost, and we are all there because we have an interest in the community. The press does a disservice in differentiating too much between us.'

Within the Council, John MacKenzie is a member of three of the eight select committees. He is on the Environmental Hygiene Committee, which is responsible for the forthcoming 'Keep Hong Kong Clean' campaign.

cont'd.

He is vice-chairman of the Recreation & Amenities Select Committee and is working to increase the number of recreational amenities, especially public swimming pools. His third select committee deals with Resettlement. 'I think a tremendous amount has been achieved in providing low-cost housing since the Shep Kip Mei fire of 1953, but the good work must continue. The rainstorm disasters have again brought the problem of public housing urgently into focus.'

East Europe

John MacKenzie's most recent activity is his promotion of the East European Area Committee of the Chamber. 'The Committee was formed because there is a role for the Chamber to play in the development of trade with the area, particularly as a communications link with Chambers there and, through them, with the various state trade organisations. We have received favourable responses from a number of these Chambers. The formation of the East European Area Committee will allow for greater specialisation within the region and a two-way flow of information. People tend to lump the area into one big entity. It is not; it is made up of a number of individual states, each different from the others and, for this reason, we have created eight individual Trade Sections within the East European Area Committee.'

To John MacKenzie, the Chamber has progressed rapidly in these last few years and he is happy to see the formation of new committees such as International Trade which allow for greater membership participation. At the same time, he feels that the Chamber's new initiatives in community affairs through its domestic committees such as Home Affairs is changing the idea that the Chamber is far too 'inbred'. He welcomes change and quotes approvingly from Mr. Robin Brook's address as retiring President at the recent London Chamber A.G.M.: 'Systems which have served well for over a century are not necessarily ideal for the completely changed circumstances of today.'

Horses

He has one other activity that gives him a great deal of pleasure and that's watching his new horse, 'Kilcoy' (named after a cadet branch of the Clan MacKenzie), at Happy Valley. When asked why he gets so involved in so many projects, John MacKenzie had this to say, 'If you live in a community and earn a livelihood from it, you have a responsibility to put something back into it. At least, that's the philosophy at the start. After that, it becomes a bit compulsive! The only problem is that when you stop to take stock you find, suddenly, that your children are young adults.'

Action, Reaction – and Inaction HK's Environmental Problem - Part II

In New York City, where construction is constantly in progress, there are often signs near construction areas stating 'Build we must for a better New York'. In Hong Kong, this is also true. While the noise from piledrivers and the rest are sometimes deafening, Government is hard put in some cases to know what to do. Night roadwork, for example is essential since it is becoming increasingly difficult to make minor repairs during peak hours.

This is perhaps as good an example as any of the complexities of the entire environmental problem. If we want a better transport system, new buildings, etc., we must put up with certain inconveniences.

As a matter of fact, if we think about the major problems that the UN Conference on the Environment in Stockholm faced last month, it boils down to precisely this problem. The developing countries, and that includes Hong Kong, are anxious to raise their standard of living — and one of the main ways is by developing industry and foreign investment. If, however, the problem of pollution means that industry is going to face environmental controls in the form of taxes, etc., the rate of growth of these countries will suffer sorely.

At the same time, one of Asia's major assets is its enormous work force. In Hong Kong, where we have no natural resources, the Colony's hard-working population,

and its manufacturing and exporting output make up the backbone of local economy. We must maintain a certain amount of economic growth in order to stay competitive on the world market, but, as the Conservancy Association so rightly points out, at the same time, in order to achieve a stable society in harmony with its environment, we may have to change our direction of growth.

Disenchantment

Even in America, where the environmental pollution movement has progressed the farthest of all, there has been a growing amount of disenchantment with the movement. Why? Because it has been pointed out that the people who are most concerned about the environment are those who are comfortably situated, and can afford the leisure of thinking about pollution, and moreover are articulate enough to express their pessimism about the future of the world, from the point of view of the deteriorating environment.

A great number of US citizens on the other hand, are barely able to think about much more than their day to day existence.

So, if there is a problem in America with getting people interested, in Hong Kong, the problem must be multiplied ten fold. Somehow, the population must be controlled, and the standard of living must be raised. The Conservancy Association feels that

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the latter may well be the key to the control of the population, which is essential to the entire environment problem here.

It is therefore most important for Hong Kong to give first priority to its people — the people who will be in Hong Kong for a long time to come, not the transients. And along this line, it is imperative for the Colony to continue its economic growth, particularly with the establishment of new industries, etc. which will not only provide employment for our population, but also inspire confidence in the future of the Colony.

Information necessary

Mr. Michael Webster, Executive Secretary of the Hong Kong Conservancy Association, agrees, 'Hong Kong is a relatively small area. It can be planned, the population is adaptable and we even have the money, and all the natural geographic advantages to solve the environmental problems that exist here.'

'What we need is more information. We need to know what we want to do and then organise ourselves to do it.'

The Conservancy Association is one group that has been actively working to make Hong Kong a better place to live in.

In the Colonial Secretariat in the Buildings and Lands Branch, another man is deeply concerned with the problem of pollution in the Colony, Mr. G. Barnes, the

Secretary of a Government Advisory Committee which was set up in October of last year to look into pollution of land and water.

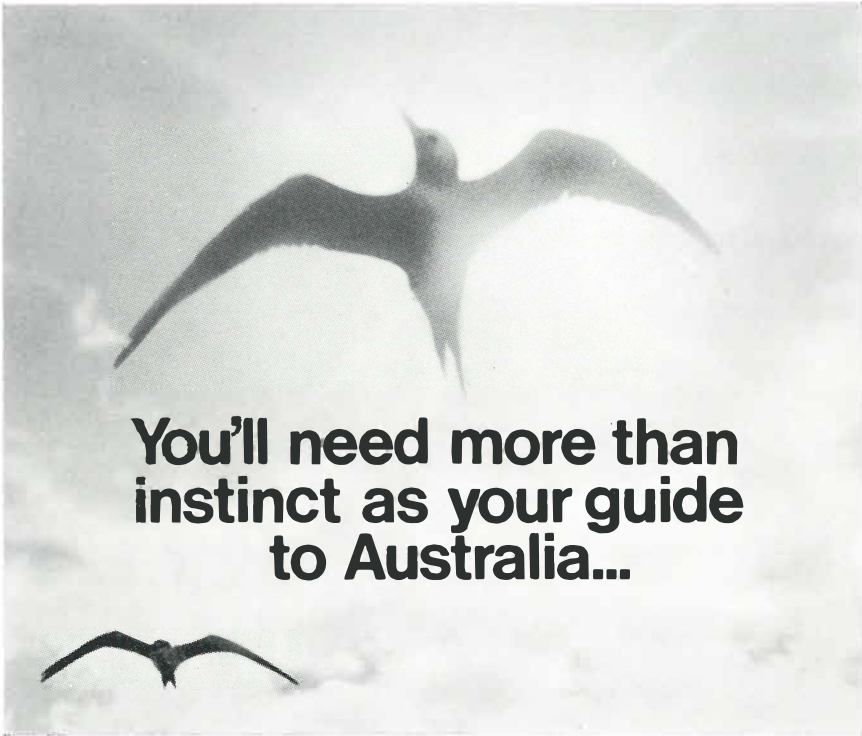
'The Committee is actually a co-ordinating body which has as its job to see where controls are needed, where existing machinery is not working, and what aspects of pollution are not covered by legislation.'

The Committee consists of five unofficial members and seven representatives of Government departments including the Department of Commerce and Industry, the Public Works Department, the Urban Services Department, the Medical and Health Services, the Marine Department and the Agriculture and Fisheries Department, and Mr. Barnes himself. The Chairman of the Committee is Mr. H. M. G. Forsgate, an unofficial member of the Urban Council and a member of the Chamber's Council.

Catalyst

'The Committee is a catalyst to get the various appropriate departments involved to take action, and this is precisely what is happening already. The Committee will be reporting to Government shortly, but in fact many departments have already taken the first steps to initiate appropriate action.' Mr Barnes noted.

'Our main concern is to get as close to the general environmental problem as possible to determine



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what kind of effects it will have on the living conditions of the people of Hong Kong in the broadest sense'.

At Hong Kong University and the Chinese University various search projects are also being undertaken to help in Hong Kong's fight against pollution. The difficulty in the academic world is that environmental problems require interdisciplinary co-operation and coordination. Perhaps, eventually the Universities will follow the lead of other countries and offer degree courses in environmental engineering, etc., but this is in the future. At present, Hong Kong has no pollution experts as such, and depends a great deal on expertise from abroad. Nonetheless, the research being done at the two Universities is valuable, and will be even more so later on when the parameters of the problem become better defined.

Balancing the scale

What does all this activity add up to? Essentially it adds up to a better balance on the pollution scale, and that in itself is a very heartening sign.

It has been suggested to Government by the Chamber that one centralised body should be created to coordinate and control all efforts directed toward the preservation of the environment — land, air & sea, and that an appointment might be made on the director level to administer this body. No

reply has yet been received and at present, there are several Government Committees working on the pollution problem.

The first area in which Government took action was that of air pollution. A Committee on Air Pollution was appointed in December 1966 to determine the causes and the extent of air pollution, and to recommend amendments or changes to make the Clean Air Ordinance a more effective Ordinance. It was also established to recommend additional statutory or other controls that might be needed.

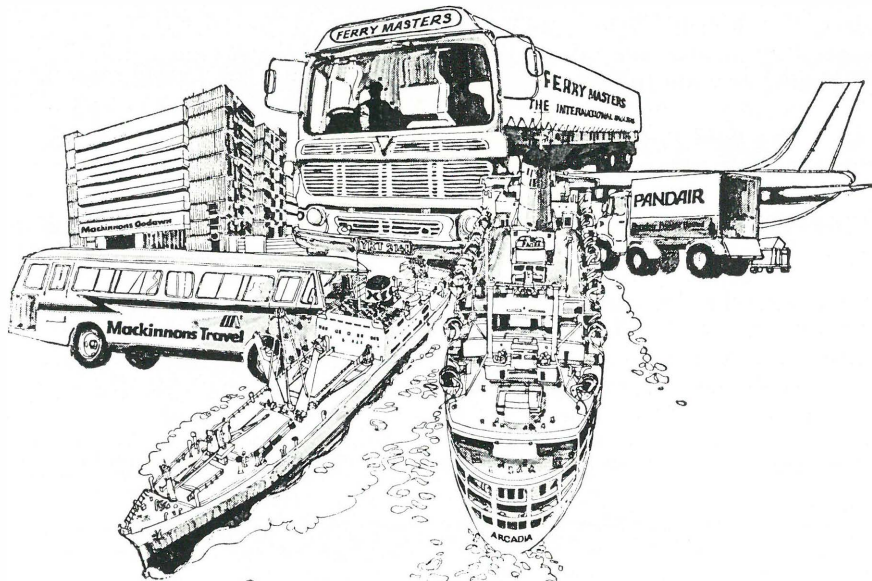
In 1968 on the recommendation of the Committee, the Government appointed a Smoke Abatement Officer in the Labour Department. The Clean Air Ordinance was enacted in 1959 and revised in 1964. The Ordinance provides for the declaration of smoke control areas in which emissions of smoke would be strictly controlled — which virtually covers the entire Colony.

Other recommendations by the Committee included the compulsory use of emission control equipment for all new petrol-driven vehicles imported into the Colony by 1973.

On the whole, the work of the Air Pollution Control Unit of the Labour Department has improved or at least held the line as far as air pollution in the Colony is concerned, especially in the problem areas of Kun Tong, Hung Hom and North Point.

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The number of motor vehicles on the road is increasing at a fantastic rate, and causing not only problems of air pollution, but transport problems as well. To combat the air pollution part of the question, Government is now considering a proposal to set up a semi-automatic vehicle inspection centre to cope with regular inspection of all vehicles.

On the other hand, the transport part of the problem is similarly serious and involves town planning — especially the planning of roads. Although there are those who feel that Hong Kong is years behind in town planning, Government is now working hard on the problem. There is of course a tremendous backlog to catch-up with.

Perhaps even more serious is the problem of improvements on the old resettlements estates. The new estates such as Pak Tin and Wong Chuk Hang are well-planned. But the older ones lack proper facilities—sanitation facilities, convenient transportation, etc. Government's plan to redeveloping the Shep Kip Mei estate, the oldest multi-storey resettlement estate, is certainly one step in the right direction toward correcting the present situation. Government now realises that only by making the estates more habitable will people develop any sense of pride and responsibility towards the facilities provided.

Along the same lines, Mr. Webster

points out, it is absolutely essential that a comprehensive plan for the use of land should be made public to all and that what it dictates, by way of zoning, etc. must be enforced effectively. The Colony Outline plan which Government has, is firstly, not available to the public and secondly, is not statutory; it is only a 'guide' for Government.

Unfortunately although it provides an excellent opportunity to institute much needed land controls, when the renewed crown leases are introduced, Government cannot change the uses for the land in question, unless the leaseholders agree.

Legislation is answer

Mr. Barnes says that legislation is the answer. He feels that pollution control by lease enforcement could never be as effective as legislation which would make certain that the actual polluters were subject to appropriate controls.

Legislation is expected to be passed within this year or early next year requiring industries that produce trade effluents to apply for a licence which can only be obtained by proving that wastes will be properly treated before being released. Mr. Barnes points out that this kind of legislation, if it had been passed earlier, would have minimised the tannery problem. This proposed move is based on existing legisla-

tion in Singapore which has proved to be very effective.

The cost of reducing pollution will hit certain effluent-producing industries, but these industries are actually few in number—the chief offenders being the dyeing, starch, food canning, electroplating and tanning industries.

It has also been suggested that industry might be given financial incentives eg. on anti-pollution concessions by such devices as a taxation allowance on all new plants with a specific anti-pollution function.

Recycling is still another obvious solution to the pollution problem. Waste is already big business in industrialised countries like Britain, where the turnover of reclaimed materials exceeds HK\$21,000 million. Hong Kong can well learn a lesson from this — recycling can be profitable business. In recycling resources, a company can profit socially and financially.

In the New Territories the main action taken by the Advisory Committee is the reassessment of ways of cleansing the New Territories. A staged program for the construction of public conveniences is now underway; and the extension of sewage systems throughout the New Territories is under further investigation.

Animal wastes in the New Territories, is another problem which has the authorities stumped. The density of pigs is greater in

the New Territories than anywhere else of comparable size in the world, so it is not surprising that pig manure constitutes such a major headache. The professionals who have been approached on this subject advise recycling as the most economical way of dealing with the problem.

To combat sea pollution, the Marine Department is actively engaged in expanding its existing harbour cleansing fleet. For a trial period of twelve months, the department is providing a boat-to-boat refuse collection service within the Yaumati and Causeway Bay typhoon shelters, a general scavenging service within the port of Aberdeen, and a free ship-to-ship refuse collection service in the harbour.

Best test

These are but a few steps that are being taken to help Hong Kong improve its environment. They are expensive steps, but then, the environment is the most precious asset we have, and unlike many places, Hong Kong has the money. Perhaps one of the most ambitious and best 'tests' of the seriousness of the Colony's intentions to really tackle our environmental problems will be the 'Keep Hong Kong Clean' Campaign due to start in November.

In a future issue of *The Bulletin*, the Chamber will look into the preliminary work that has already gone into the Campaign and the actual plans for it.

(續)漫談香港「污染」問題

在美國紐約的建築地盤附近，你可見到一些寫着——為一個較美好的紐約而建築——的標記。在香港而言，情形亦為相似。工人在夜間趕修道路，因為在繁忙的日間修路損壞輕微的地方是較為困難。但政府明文規定於深夜十一時至凌晨六時是禁止任何打樁工作的進行，以防破壞大眾的安寧，而目下正考慮於此方面進一步的限制。一如我們假若需要較好之交通系統和新的建築物，我們定要容忍所引起不便之處。

實際上，去月在瑞典首都斯得哥爾摩舉行之聯合國人類環境會議席上所討論的，正是這問題。在發展中之國家——包括香港——正渴望提高其生活水準，而其中一方法就是發展工業及促進外資投資。但假若工業要面臨環境之管制，如加收重稅等，那末，此等國家之經濟增長率定當蒙受困苦。

同時，勞動力就是亞洲主要財富之一。在香港，我們缺乏天然資源，但我們勤勞的工人、製造之產品及出口貨物等均為我們經濟之主幹。我們需要保持一定之經濟生長率以保持在世界市場上的競爭性。但正如長春社曾強調：為了達成一個與週遭環境互洽之堅穩社會，我們也許要改變一下成長的方向。

在美國，最為關心環境污染的人就是生活舒適而有閒暇時間想及此問題的一羣。在另一方面一大部份美國人均為日常生活而憂慮。在他們眼中，「污染」此問題並不嚴重，因為他們所關注者就是如何為衣食奔波。這情形在香港更為顯著。因此我們要在人口方面加以控制，而亦要提高生活水準。換言之，香港要給予其居民一優先權。而這也就是說香港要保持其經濟生長，尤其要發展新工業等；這不但可給予居民更多就業機會，亦可對本港之前途加予信心。但此等工業之成建亦計劃週詳，避免對環境有所污染及破壞了原來之目標。

香港長春社執行秘書韋士德先生曾指出：「實際上，我十分贊成在南丫島興建之煉油廠，如果該計劃經過審慎的設計，而設備妥善，由煉油廠而引起之污染便微不足道。但通常是意外的油漬漂散才引起困難，但假若政府能準備適當之工具以備不時之需，我認為該煉油廠並不會給我們什麼不利之處。而實在它對香港甚為有利。從它的建設可表現出我們對香港頗具信心。香港的面積實在很小，但我們可作週詳的計劃。我們的居民甚具彈性，我們亦擁有財力和天富地理性優勢以解決目下存在之週遭環境引起之困難。」

長春社為一關注本港與環境有關之各方面問題之組織，彼等甚積極工作，使香港成為一美好之居住之所。

在輔政司之田土處，白爾士先生——政府諮詢委員會之秘書——對污染此問題亦大為關注。該委員會於去年十月成立，主要工作為究研陸上及水上之污染問題。

委員會之成員包括了五位非官守會員及七位政府部門之代表，此等部門為工商處、工務局、市政事務處、醫務衛生處、海事處及農林漁業管理處等。該委員會主席為本總商會一董事——霍仕傑先生。彼亦任市政局一非官守議員及本會諮詢董事局董事。

據白爾士先生稱：「短期內委員會將向政府作一報告。但實際上，很多有關部門已採取初步步驟所需之行動。我們之主要目的為儘量找出環境上之問題以決定該採取之行動。由於本港之經濟繁榮，有賴工商業之發展，而大多數居民均聚集於市區。因此，那就是我們所應該着重的地方。但這並不等於我們全忽視了位於新界之農田地域，但市區為我們優先注意的地方。」

香港大學及中文大學亦舉行了多項研究計劃以助香港征服污染此一問題。但目前，香港缺乏一些污染問題專家，而只倚賴來自

外於此方面之專門人材。但該兩所大學所行之研究工作實屬難能可貴。

在過去很多年來，本港對污染這問題漠不關心，這就是因為香港並不如別些先進國一樣面臨污染的困難。但目下，此困難已萌芽畢露，而定要在其達成危險程度時加以理。

總商會亦曾向政府有關當局建議設立一中央性機構，全面控制陸地、空氣及海水引之污染問題。本會亦建議政府委任一處長人員出掌此部門。但至目前，政府並未就此方面作答。

於一九六八年，在上述委員會推薦下，府於勞工處委任一「烟霧管制人員」，負指導熔爐管理人員該如何正確使用儀器，亦負責訓練其他「烟霧管制人員」。

大致說來，勞工處之「空氣污染管制組」已大大改善了本港之空氣所引起之污染問題，尤其於官塘、紅磡及北角等地而言，更顯著的改善。

本港道路上的車輛日增，這不但引起空氣污染之問題，亦導致嚴重的交通困難問題為應付空氣污染此癥結，政府正考慮建設車輛檢驗中心之建議。目下並沒有明文規定車輛要定期接受檢驗，但為道路安全起見，是應有的措施。

在另一方面，由於車輛日增而引之交通問題亦同時引起在城市策劃方面之嚴重困難——尤其有關道路設計之問題。很多人認為却擴闊道路外，政府應考慮立例訂明私家車及貨車應否在繁忙時間內在路上行駛。

由較舊之徒置區引起之問題亦相當嚴重較新興建的徒置區，如白田及黃竹坑均為劃妥善，但其他各區均缺乏良好的水廁設及便利之交通系統等。政府重建石硤尾徒置區之計劃堪藉衆贊，因為政府了解到惟有善居住環境才可維持居民之自尊，及對各設備負責及保養。

長春社之執行秘書韋士德先生曾指出：府應公開土地如何利用之計劃。但政府之

本港分區藍圖並非公開化，它的作用為予政府適當之「指引」。

污染專家一致認為在新界而言，該處之污染問題乃由小型製造工業及農林工業所引起。彼等贊同在該區於工業發展之際積極對污染問題加以控制。

於本年內或明年初將有法案立例務請工廠申請一許可證，此等許可證用以證明彼等會正確處理清除廢物。該項建議乃基於星加坡目下之法案，該法案在星加坡執行至為有效。

在污染法例管制下，受影響之工業包括漂染業、罐頭食品製造業和皮革製造業等等。

曾有人建議予以工業金錢上支助以抵禦污染此問題——如減少稅收等。

於新界而言，動物之排泄亦引起另一個甚為嚴重的問題。在該處蓄養的豬隻為數甚多，因此引致有關其排洩方面之問題。專家們提議將糞便作為農地之肥田料，藉此解決困難，又可將廢物利用。但不幸地，新界的農夫們慣於利用化學肥田料。除非豬隻之糞便宜於搬移，農夫們終於會照樣用化學肥田料。

至於海水污染方面，海事處正加強其海港清潔艦隊以對海水污染加以控制。海事處亦試驗在油麻地及銅灣避風塘採取一沿舟收集垃圾服務。試驗期為十二個月。而該處亦詳細檢討此工作之有效之處。

在維多利亞海港內亦有免費收集廢物之服務，但這只包括日常家庭廢物，而商業上之廢物均由船主或其代理商負責。

以上所述為香港如何改善其週遭環境之一些方法。但這些方法的執行，甚為昂貴。但環境為我們寶貴之財富，而香港財力富庶。而將於十一月舉行之「保持香港清潔運動」正可表現出香港極願意澈底解決本港之環境污染問題。

下期本「會訊」將談及「保持香港清潔運動」之初步工作及其計劃，敬希留意。

Date: August 3 (in English) August 4 (in Cantonese)

Time: Assemble at 3.30 pm
First paper commences approx. 4.00 pm

Venue: Grand Ballroom, The Hongkong Hilton

Event: The Chamber's symposium on all aspects of

Through Transportation

Apply to Cecilia Fung, Hong Kong General Chamber of Commerce,
Ninth floor, Union House, for details

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