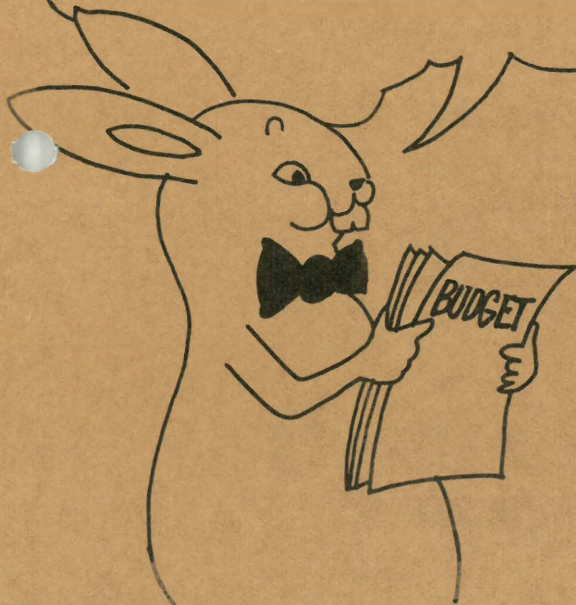




# The Bulletin

*Phew, we seem to have got  
through that one all right,  
but what comes next...*

see page 5





## 奇妙的巧合

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## 剖視「財政預算案」

由香港無綫電視主辦之「香港財政預算案」特備節目中，本會會長霍沛德先生為討論會成員之一。在節目總結時，出席座談三位人士對一九七五年至一九七六年預算案有三種不同的結論。滙豐銀行的鮑約翰把財政預算案列為「保守之預算案」。遠東經濟評論的鮑寧說：這是一個「激進的財政預算案，為稅收制度帶來基本的改變」。本會主席則描述它是一個「仁慈因此是一個好的財政預算案」。

### 保守及穩健

誠然一九七五年的財政預算案是相當保守，財政司並沒有提出任何重要性的新稅項，而加稅方面在實際上說來是很緩和的。雖然如郵政服務方面的加價在比率上甚大，在另一方面財政司夏鼎基先生對一九七五年的經濟不存太多的期望，因此避免作革命性的措施。

### 激進的一面

來年的財政預算案亦可稱為「激進」，因為溢利稅是一九六六年以來首次增加。在此期間公司的溢利稅有甚為可觀的增長。財政司暗示將來會實行更嚴峻的措施，因此明顯這是急進的途徑。

### 仁慈的預算

但最後一般的輿論同意，最少從工商業方面說來，這似乎是一個「仁慈」的財政預算案。雖然可能這是一種消極性的判斷，因為商界人士對預算案都預期較強硬的措施，因此對最壞的打算未實現而覺得鬆一口氣。

### 各方之抗議

本會只收到少數會員對預算案提出微詞

。例如：一位會員對新的水費收費構成辦法是否公平，提出質問，並對財政司認定大量用水者為浪費用水者的論調表示懷疑。在細則方面，財政司所謂沐浴者及用洗衣機的人都是浪費用水需要提出證據，因常理可使我們知道很多可變的事物皆能導致此種情形的。去年汽車一行業被受打擊後，是否財政司正向家庭用品業下手？

航空公司，包括國泰航空公司亦對飛機升降費用增加提出抗議。現時有些抱怨者認為，差餉、印花稅、郵費等的增加，連合起來使在香港經營的成本增加了。溢利稅增加百份之十，差餉增加百份之二十，支票印花增加百份之五十，郵費增加百份之一百，這些增加並不是無關重要的。不幸的是商界人士所受影響最大。

但從投訴者的聲朗顯示，一般工商業人士都不為已甚。對香港總商會來說這是值得告慰。因為去年秋季財政司呼籲公開討論香港財政問題，本會曾提議多項增加稅收的建議，如銀行牌照費，商業登記費用，賭博稅等都付諸實行。但讓我們快快補充一下，我們並無建議增加溢利稅。

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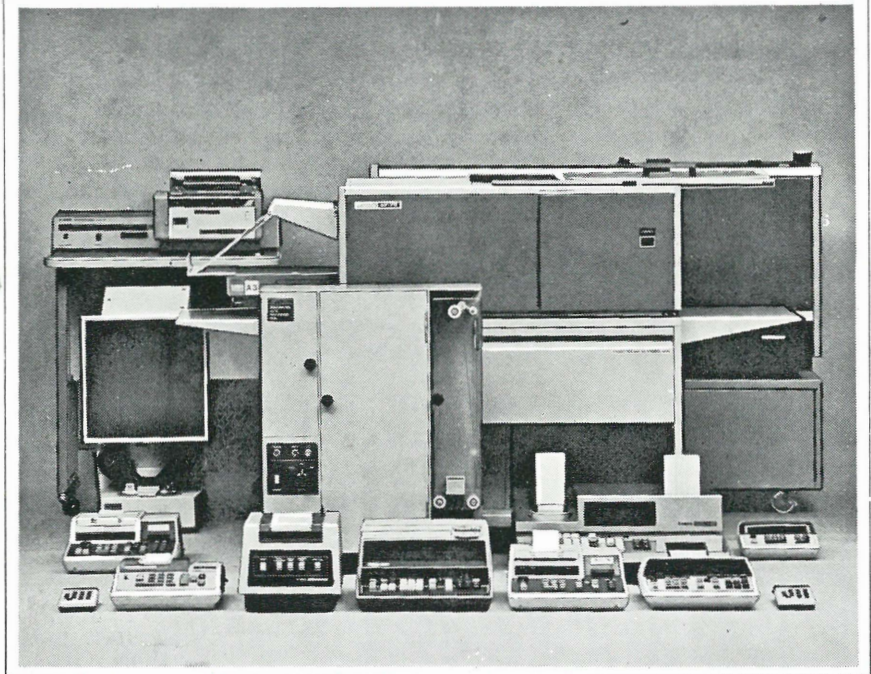
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其實各項增加中甚少是無可避免的。例外的是差餉，飛機升降費，海港費用。在這一方面除非採取激烈或消極的行動，否則無可避免。在另一方面那些無可避免的增加中，在目前環境，銀行沒有可能有大發展，紡織品出口證的申請亦不會大野增加。甚至溢利稅，祇要有真正利潤後才需要付出。

### 過份樂觀？

由此却引起另一論點。財政司對其數項措施帶來的稅收預測是否過份樂觀呢？例如：今年公司的溢利會減少，此種趨勢會持續多久呢？同時增加稅率來抵償稅收的減少可以達到甚麼程度？因為要退還預付的溢利稅將是更加複雜。

財政司的分散政策是明智之舉，使某一方面的減少可以從另一方面獲得補償。最大的增加將希望由溢利稅和差餉方面得來，其他的增加之收獲將甚少，那些具有創新性的如紡織品出口證費用增加，祇是抵消成本性質。

如果財政司所預期各點得到實現，他的財政預算案總影響可以有輕微的擴展性作用。政府的投資計劃對就業方面可以幫助私人去兩年來的鬆弛而對香港經濟有貢獻。在過企業方面政府的開支已經佔國民總生產百分之十四至二十。但如果實際稅收與預期計劃不符，那末我們和政府在一九七六年的處境是可能嚴酷的。

### 赤字預算案

除此以外，財政司決心將政府開支在有限度內維持不變。無論赤字財政預算對有更多天然資源的經濟有多大好處，在依靠入口的香港而言，這路徑是行不通的。財政司對那些忠告他在目下經濟衰退的情況下，增加開支來解決就業問題，一定感覺無限吸引力的。短期雖然會減少失業，却會引起通貨膨

十六點五，是政府未實施徵收股息所得稅前的臨時措施。多數商人都假定從政府的言論看來，當股息稅的徵收成為法律後，溢利稅將回復到百分之十五。但就我們所知，財政司並未有作這樣的諾言，事實上，他亦很難作這樣的承諾。他祇是說對高度的溢利應作額外的稅收，並彼又宣佈成立一委員會來檢討稅務法例。該委員會將注意基本的原則而不是行政的細則。這小心謹慎的言辭並沒有指明該委員會是否被請求考慮增加標準稅率、或附加稅的形式。在其他情形不變下，這兩點似乎可以作為基本原則，而不是行政的細節看待。

### 稅率低而優

本會仍然反對標準稅率作任何有幅度性的增加，因為標準稅率低是香港與其他地區比較下給予商人的基本好處。香港與其他遠東地區相比尚有其他的優點。但大體說來此等優點為其他不利條件所抵消。例如香港的勞工比印尼有訓練有素，但地價却昂貴得多。香港的稅收制度對商人有利的是無可置疑，財政司一定體會得到此點。

### 節約·緊縮

關於財政預算案所帶來的影響，我們深信財政司所提出的措施是不會引起通貨膨脹。很多增加是關乎消費者，而不是社會整體。舉例如酒和烟的加稅，雖然對個人是一種厭煩，但最少有機會由節約而獲得「免稅」。同樣地消費下降，可以使入口的付出張目得到穩定下來。因為大部份烟和酒是入口的。同時沒有人希望因緊縮通貨的結果而影響本地生產，以致使就業情形更加惡化。甚至增加支票印花稅、水費、郵費等，個人仍然有對消費方面有伸縮的餘地。

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## The Budget—kind or ominous?

**D**URING the *HKTVB* Budget Special, on which our Chairman, Mr. Peter Foxon, was one of the panel, three somewhat different summings-up of the 1975/6 budget were given. Mr. John Boyer of the Hongkong and Shanghai Bank referred to it as a 'holding budget'. Mr. Philip Bowring of the *Far Eastern Economic Review* called it a 'radical budget that paved the way for fundamental changes in the taxation system.' Our chairman described it as 'a kind and therefore good budget'.

The 1975 budget was certainly a holding budget in that no significant new types of tax were introduced and increases were in real terms modest—even when, as in the case of postage charges, the percentage hike was large. It was also a holding budget in the sense that Mr. Haddon-Cave refused to expect too much of the economy in 1975, and therefore thought it best to avoid revolutionary measures.

Yet it was also a radical budget because profits tax was increased for the first time since 1966, despite the fact that during the intervening years real profits for many HK companies have improved substantially. And it was of course radical in the more obvious sense that Mr. Haddon-Cave hinted at the implementation of harder hitting changes in the near future.

But the final consensus of opinion, at least as far as the business community is concerned, seems to be that it was indeed a 'kind' budget—although this is perhaps a somewhat negative verdict in that many businessmen had anticipated stiffer provisions and were relieved to find that their worst expectations had not been realised.

Accordingly the volume of protest

reaching the Chamber from members has been small. There have, it is true, been the inevitable objections. For instance, one member queried the equity of the new structure for water charges, and questioned the soundness of the Financial Secretary's assertion that large-volume users of water are also necessarily 'extravagant' users of water. On a point of detail, the FS's claim that the 'takers of baths and users of washing and washing-up machines' are the extravagant users of water requires further evidence, since common sense manifestly suggests that many variables affect the situation. Having dealt a swingeing blow to the motor trade last year, is the FS now after the domestic appliance trade?

Airlines, including Cathay Pacific, have also made known their objection to the increase in landing fees. And there have been a few murmurings about—not so much the individual—but the combined effects of rate increases, stamp duties, postage charges etc. on the costs of doing business in HK. A 10 per cent increase in profits tax, a 20 per cent increase in rates (perhaps the most costly of all), a 50 per cent increase in cheque stamp duty, and a 100 per cent increase in local postal



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charges are not insignificant.

However, the muted tone of all complaints suggests that business as a whole took the increases well. This is in a sense a relief for the Chamber since, as our contribution to the Public Debate called for by the FS last Autumn, we put forward as suggestions several of the changes that have been implemented, particularly those concerning bank licences, business registration fees, and betting taxes.

### Profits tax to stay up?

The increase in corporation profits tax from 15 to 16½ per cent has been introduced as an interim measure for the year 1975/6 in order to keep Government revenue buoyant pending the introduction of a dividend withholding tax. Most businessmen have assumed on the basis of this statement that Corporation profits tax will revert to the standard 15 per cent when (and if?) the dividend tax passes into law. So far as we know, however, the FS has not committed himself to this, and it would indeed have been difficult for him to do so. But he has alluded to the desirability of some form of surcharge on "high-level" profits, and he has announced the intention to set up a committee to review the Inland Revenue ordinance. This committee will 'be concerned with basic principles rather than administrative details'. This cautious phrasing gives no indication of whether the committee will be invited to consider an increase

in the standard rate or the imposition of a form of surcharge. Other things being equal, it seems however that these are two points that might well be regarded as 'basic principles' rather than 'administrative detail'.

The Chamber remains opposed to anything other than a very marginal increase in standard tax rates on the grounds that a low tax rate is the most fundamental advantage HK can offer to the businessman, in comparison with other areas in the region.

Turning to the likely effects of the Budget, we believe the moves introduced by the FS will not be unduly inflationary. Many fall on the spenders, rather than inescapably on the community as a whole. Extra taxes on liquor and tobacco, to take the obvious examples, although personally irksome to individuals, do at least offer the in-built opportunity for "avoidance" by economies in consumption. Equally, a fall in consumption would also have the effect of stabilising the imports bill, since much locally consumed tobacco and liquor is imported.

At the same time, one would not want the deflationary effects to spill over too hard onto local production of these products and hence aggravate the employment situation.

Indeed, few of the increases are inevitable—increases in rates, landing duties and harbour charges being exceptions that could not be avoided without drastic and negative action. On the other hand, among the other



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unavoidable increases, there is not likely to be at present a great expansion in the banking system, or a tremendous increase in applications for textile export licences. And even with profits tax—one is only obliged to pay if one is actually making profits!

And this does of course give rise to another point—has the FS perhaps been over-optimistic in his forecast of the revenue that his measures will produce? For example, it seems likely that profits will fall steadily this year. How long will the trend continue, and how far therefore will the increase in rate compensate for the fall-off in revenue that may otherwise accrue, which may in turn be additionally complicated by the need to make re-payments under provisional tax arrangements?

The FS has had the wisdom to scatter his eggs among many baskets, so that a decline from one source may well be made good by a windfall from others. The largest increases thus expected to come from profits tax and the general rate, while all other increases are small in likely yield, and at the extreme innovations such as the charge for textile export licences are in any case largely of a cost-covering nature.

#### **Mildly expansionist**

If the FS's expectations are realised, the overall effect of his budget may be mildly expansionist, in that Government's contribution to the economy via the employment occurring in the implementation of

capital projects may help to take up slack from the private sector. Already Government spending on GDP has risen from 14 to 20 per cent of total in a period of some two years. But if projections do not accord with actual revenue, the situation facing the Government—and all of us—in 1976 could be grim.

Despite this, the side of the FS's efforts that has not perhaps attracted the attention—and praise—due is the determined effort to hold Governmental expenditure within limits. Whatever may be the advantages of deficit budgeting in economies with greater natural resources, the import dependent nature of the HK economy prohibits this course. It must have been tempting for Mr. Haddon Cave to have followed the advice of those who would have him spend his way out of the current recession, with its attendant employment problems. The effect however of such a course in HK could well result in a short term alleviation of unemployment at the expense of a soaring rate of inflation and a crippling of HK's ability to benefit from the resurgence in world demand when it comes.

It is salutary to contemplate the scale of the pruning operation carried out by the FS in reducing drafted expenditure of \$7987m to proposed expenditure of \$6545m (disregarding the \$70m contingency fund). The increases asked for by some departmental heads must, in present circumstances, have been beyond the bounds of common sense, even





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allowing for the propensity of Government departments to ask for \$1 million in the hope of getting \$900,000.

### Savage enough?

These disallowed demands came of course at the end of a year in which Government's costs increased by 33 per cent, which in turn represented a 28 per cent increase on 1972/3. Government has repeatedly told the consumer that the rate of inflation in HK stabilised last year—apparently this trend did not hold in Government itself. In the circumstances, one is tempted to ask if Mr. Haddon Cave has been sufficiently savage, particularly at the nuts and bolts level of Departmental productivity, which in volume terms must account for a considerable proportion of recurrent expenditure—87 per cent of total proposed expenditure is now recurrent, rather more in fact than the FS appears to consider healthy.

Government servants are in the main excluded from sharing the burden of short-time working or outright redundancy, which is shouldered principally by the commercial and industrial sectors. And, with perhaps the exception of some grades, Government has not done badly in pay increases in recent years. Commerce and industry have in turn the right to expect that Government servants will accept their share of the burden of recession by giving optimum value for money spent.

Looking to the future, what may

we expect of coming budgets? The FS has revealed his thinking in his one/three/ten year programme approach. But he has left the detail vague—probably advisedly so. Few for example can forecast what the proposed committee on the Inland Revenue Ordinance may recommend concerning basic rates of taxation or what future rates of inflation will be.

The pattern that seems to emerge from recent years is that Government spending and revenue tends to follow the pattern of the economy. When HK has done well, Government revenue has done well. In expansionary years, revenue exceeds forecast, despite increases in expenditure, but if leaner times are to be with us for long, it is virtually impossible for the inflationary trend in Government spending be met from the windfall of unanticipated revenue. Already the more gloomy of economists regard the growth of the postwar decades as possibly untypical and believe that they may not return within the foreseeable future. Those less pessimistic forecast a cycle of periods of growth-with-inflation alternating with periods of recession-with-price-stabilisation.

Perhaps the days when we could look forward to gradual but sustained real growth in income from year to year are gone forever? If so, the implications are profound not only for the Financial Secretary but for all of Hong Kong, which after all largely exists in its present form simply as a phenomenon of the growth of the past two decades.

## Progress in the pollution battle

IT is nearly three years since *The Bulletin* took a look at the problem of pollution in HK and outlined some of the plans or policies that had been put forward. The problem had been little studied up till then and there was nothing which could be called an overall policy on the environment. However, about one year after we wrote that article the Environment Branch was set up in the Colonial Secretariat with a view to eventually formulating an overall policy on the environment and enacting comprehensive legislation. Much has been achieved in this direction, and we feel it is time to bring Members up to date on some of the developments.

The two committees which formerly advised the Governor on pollution — one for land and water and another for air pollution — were reconstituted towards the end of 1973 to form a single committee with broad terms of reference. These were, basically, to keep under constant surveillance the state of the environment and to work out appropriate measures to combat pollution. The Advisory Committee on Environmental Pollution, or *Epcom* for short, comprises 28 members, of whom 16 are from outside Government, and its Chairman is John Marden, a prominent member of the Chamber's General Committee.

*Epcom* is further divided into three sub-committees, for land and water, air, and noise pollution. The Chairmen of these three committees are Gerry Forsgate, Walter Sulke and Henry Litton respectively. The former two are both active on Chamber committees. Clearly the membership of *Epcom* represents a fair balance of Government and non-Government, particularly business interests. This reflects the need to ensure that the economy as well as the environment is adequately protected.

As we pointed out in the original

article, in combatting pollution it is necessary to make a distinction between what is an unpleasant but unavoidable by-product of urbanisation and industrialisation, and what is actually or potentially dangerous, or sociologically and ecologically unacceptable. Obviously priority must be given to preventing the latter type of pollution. Nobody would dispute the desirability of improvements in what is termed the 'quality of the environment' — which includes better town planning, cleaner air to breathe, less environmental noise and so on, but at the same time care should be taken to protect economic growth and living standards.

Indeed, the risk of jeopardising economic growth has led some developing countries to object strongly to any suggestion of laying down rigid anti-pollution standards on an international level, as has been proposed by some of the developed countries. It is all very well, they say, for experts in the developed countries to claim that the world is threatened with ecological disaster unless urgent anti-pollution measures are taken. However, such action would in effect shackle the up-and-coming developing

countries, for whom rapid growth is the number one priority. And they have a point. Pollution can not be viewed as an isolated problem. Our Members would surely agree — and

Government recognises the fact — that there must be a balance between environmental quality on the one hand and continued expansion of industry, commerce and tourism on the other.

Industry, for its part, generally recognises the role it must play in shaping and influencing the environment. This influence may sometimes be negative, but can also be positive. As stated by the International Chamber of Commerce in a list of guidelines it drew up last June: 'Industry must operate as an integral and responsible member of the community. It can only prosper to the common benefit if its activities are acceptable.'

The environmental responsibilities of industry include, for example, resource management and long-range planning, plant location and facilities design, product selection and process design, pollution controls and co-operation with Government to improve the quality of the environment.

Under the general heading of water and land pollution come most of the visible, and unsightly forms — refuse, sewage, harbour pollution, oil pollution and industrial and agricultural waste. Of these the most widespread is refuse, the collection and disposal of which is in the hands of the Urban Services Department.

Since the beginning of the Clean Hong Kong campaign in 1972 there has been a marked improvement in

the appearance of our city, an improvement often remarked upon by visitors who were here before the campaign began. However, there is much that remains to be done, particularly in the field of education.

During the past three years the volume of rubbish collected by the USD has increased by more than 30 per cent. Now more than 3,000 tons of lap sap are disposed of everyday either by incineration or controlled tipping. Incineration is the more desirable of the two methods, although it can create pollution problems of its own. When the two existing incinerators were built, at Kennedy Town and Laichikok, they were slightly removed from residential areas, but such is the rate of urban expansion in HK that today they are right on top of crowded estates. The Kennedy Town incinerator is being fitted with a set of nozzles which will increase the speed of efflux and, it is hoped, blast the smoke higher into the atmosphere. If the experiment is successful the Laichikok incinerator will be similarly 'nozzled'. A third incinerator is planned for Kwai Chung.

The main site for controlled tipping is Gin Drinkers Bay. Here a whole bay is being filled in with solid wastes, eventually to reach a height of nearly one hundred feet above sea level. The area will be grassed over and used for recreational purposes — a fine example of how something as unpleasant and unwanted as refuse can be put to a constructive use.

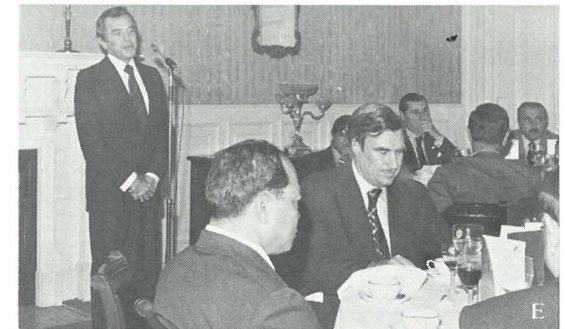
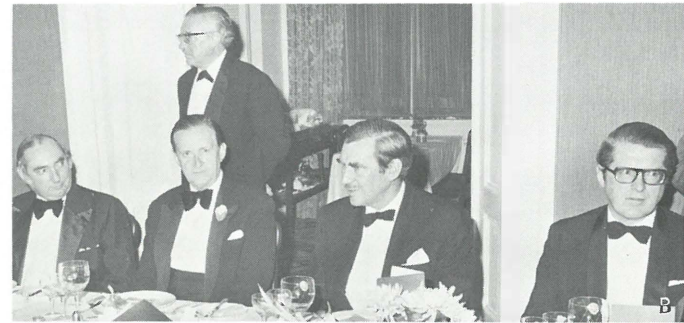
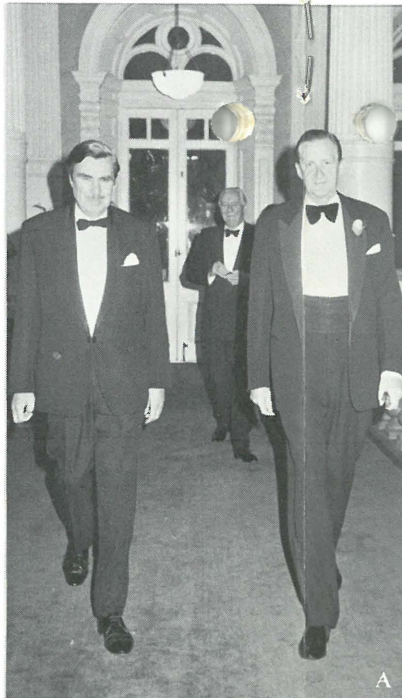
One interesting method of disposing

cont'd p. 17.



# Picture Briefing

- A. & B. The Chamber gave its first Annual Dinner at the Hong Kong Club on 5th February when the guest of honour was His Excellency the Governor. A shows the Chairman, Peter Foxon, accompanying HE into the Club; while B shows at table (from left) the Vice-Chairman, Mr. L. W. Gordon, HE, the Chairman and Mr. D. H. Jordan, Director of Commerce and Industry.
- C. A trade mission for the Middle East, organised by the TDC in conjunction with the Chamber, departed the Cairo on 22nd February. Other stops on their itinerary are Beirut, Jeddah, Dubai, Bahrain and Kuwait. Accompanying the Group is W. S. Chan, Assistant Secretary in charge of Chamber membership.
- D. & E. The Council held its annual luncheon for members of the consular corps in two 'halves' on 25th February and 4th March. D) Among those present were (from left) Mr. Dennis H. S. Ting and Mr. H. W. L. Paul of Council, Mr. Vuong Hoa Duc, Consul-General for Vietnam, Mr. Philip Choy of the Chamber's staff and Mr. Takeshi Muto, Consul for Japan. E) The Consul-General of Mexico and Dean of the corps, Mr. Ramon Rodriguez Benson, thanks the Chamber.



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of, or rather utilising wastes — industrial and agricultural as well as lap sap — is recycling. If ways can be found of recycling which are commercially viable, or at least not unbearably costly, it is obviously highly desirable from the ecological point of view.

A recent report from Shanghai, a city with many of the same problems as we have, told how 120,000 tons of raw materials valued at roughly HK\$50 million were extracted from rubbish and waste in 1973. These materials, the report added, were not only useful in socialist construction, but also helped to improve environmental hygiene. An example was quoted of how a highly effective and non-poisonous insecticide was manufactured by soaking and chemically treating cigarette butts. A shop in Shanghai which specialises in the recovery of waste materials had in two years collected 11.5 tons of cigarette butts, enough to produce insecticide for nearly 600 hectares of farmland. How about it, enterprising HK businessmen? Is anyone prepared to set up a cigarette-butt insecticide factory here?

## Pig pollution

A major source of pollution in the New Territories is poultry and pig waste. NT farmers keep their pigs in sties with concrete floors which are cleaned by hosing. Apart from requiring some ten gallons of precious water per pig per day, this operation also results in the gross pollution of stream courses. It is technically possible to treat the pig wastes to produce highly effective manure—indeed, this

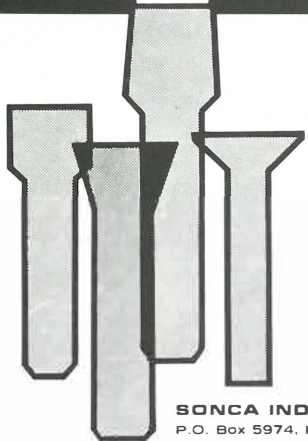
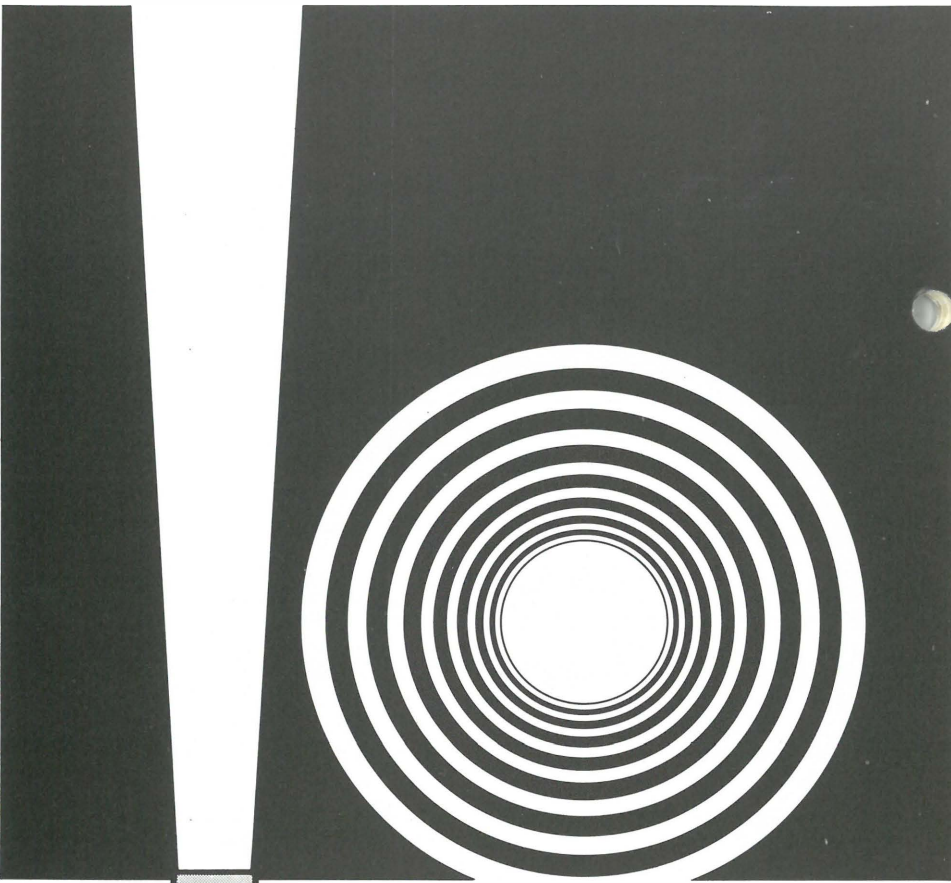
is done on a very large scale in China — but since other forms of fertilizer are readily available in HK such an operation would not be viable. Moreover, there is insufficient land (or if you like, too many pigs) in the New Territories to take all the pig wastes in a straightforward manuring operation. However, the Agricultural and Fisheries Department recently set up an Agricultural Waste Treatment Unit to advise farmers on waste treatment and disposal methods, and to carry out pilot studies.

Sewage disposal in HK is made much easier by the strong tidal flows which scour the harbour twice daily. As a result, sewage pollution is not a great problem, with the exception of a few black spots where the stench at low tide can be a bit ripe.

The Government is to prepare a McKinsey-style 10-year programme plan aimed at improving methods of sewage treatment and disposal, and there is also an experimental sewage plant at Shek Wu Hui in the New Territories where various methods are being tried out.

Keeping the harbour fragrant is the province of the Marine Department which operates a daily harbour cleansing service. It is an offence to dump rubbish in the harbour and anyone found guilty is liable to a fine of \$20,000 and imprisonment for six months. Nevertheless, even this would seem to be insufficient deterrent, for an estimated 6,500 tons of refuse are recovered annually from the harbour and the typhoon shelters and





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a considerable amount is constantly floating in the waters around Hong Kong. Not only is floating refuse unsightly and a hazard to swimmers, it can also cause considerable damage to small craft and block up the intake systems of ships, power stations and other installations.

The huge oil spillage on Aplichau in November 1973 highlighted the need for a comprehensive contingency plan for waging 'warfare' against oil slicks. (Not that the Government was *totally* unprepared for the Aplichau spill, but it did come in for a good deal of criticism at the time). As a result a Subcommittee on Oil Pollution (SCOOP) was set up to ensure that in the event of a future large oil spill all the available resources of several Government departments could be rapidly mobilised and directed to the area of the spill. SCOOP also keeps under review the various methods of combatting oil pollution and is constantly on the lookout for new developments in this field.

The recent shelving of the TAL/TOA and Shell-Dow plans for an oil refinery and petro-chemical complex has temporarily allayed the fears of conservationists of massive pollution from this source. However, a thorough study was carried out on the possible environmental effects of such a complex, with the conclusion that the disposal of wastes would not present an insurmountable problem.

The major sources of air pollution in HK are the power stations, incinerators and of course HK's more than 200,000 motor vehicles. Regulations

have been passed to make all petrol driven vehicles imported into HK after 1 November 1974 comply with EEC standards. As for pollution from aircraft, this is difficult to restrict since local legislation might lead to retaliatory action by airlines. Nevertheless, the problem is not a great one, and pollution from this source accounts for less than one per cent of total air pollution.

The kind of smog experienced by cities like Tokyo or Los Angeles is unlikely to occur here. We are blessed, fortunately, with favourable climatic conditions which prevent the build up of smoke and fog over HK.

However, approaching HK by air one notices a gradually thickening pall of smoke and haze, in contrast to the clear, bright skies still to be found in unindustrialised countries. Since 1959 the Government has gradually been extending the smoke control areas in which the emissions of smoke are strictly controlled. On 17 December last year the whole of HK became a smoke control area. The actual control is carried out by the Air Pollution Control Unit under the Labour Department.

### Noise pollution

Finally, noise pollution. This is highly subjective and difficult to define in legal terms. There are controls on pile driving between the hours of 8 p.m. and 6 a.m. and it is hoped to extend these controls to include other construction equipment, such as pneumatic drills and concrete vibrators. There is also a virtual ban on night

flying. But a high level of 'background' noise is inevitable in a city like Hong Kong. It is particularly difficult to bring prosecution against drivers of noisy vehicles.

There is at present no legislation to deal with factory owners who subject their workers to excessive noise, although the Commissioner of Labour may, if he thinks fit, order 'special precautions' to be adopted by the employer. However, there is a problem of worker resistance which has to be overcome.

### Different solutions

Before effective legislation or controls can be initiated to cover all aspects and forms of pollution there remain various problems to be ironed out, not the least of which is the need to gain a thorough understanding of the extent and nature of the problem. The example of other countries has shown that it is not possible to adopt stringent legislation without looking into the feasibility of such legislation. Neither is it wise to simply borrow legislation which has been successful elsewhere. No two environments are exactly alike, and therefore solutions must also differ from one country to the next.

Government recently appointed a firm of experienced consultants from London — Environmental Resources Ltd. (ERL) — to carry out a thorough study of pollution control and possible legislation. ERL has been involved in environmental planning, legislation and control in many parts of the world and can offer expertise

and familiarity with measures adopted elsewhere which is lacking in Hong Kong.

According to the Deputy Secretary for the Environment, Mr. Alan Armstrong-Wright: 'The study is unique. Although many other countries have examined pollution problems and produced appropriate legislation, nowhere else has a study been carried out which considers all aspects of pollution simultaneously with a view to preparing comprehensive legislation and control mechanisms.'

Admittedly such a study is possible due to HK's small size and concentration of industry, and would not be feasible in major industrial countries like Japan or the UK. But the study nevertheless represents a considerable achievement on the part of both Ecom and Government. In fact the Managing Director of ERL, who was in HK recently, called the study 'one of the most thoughtful and far-reaching approaches to improving the quality of life ever undertaken anywhere in the world.'

ERL are studying projections of industrial, agricultural, tourist and population growth as well as data on pollution, and are in continuous consultation with industry, agriculture, tourism, financial and other interests.

The consultants will be coming out with their first set of draft proposals at the end of June, which will be circulated within Government before the views of various interested bodies in commerce and industry — including the Chamber — are sought. We look forward to reading their proposals.

## How to protect your designs

TO many businessmen, the laws covering copyright are confusing, especially as they apply to industrial products. For long Hong Kong was in a position where factories manufactured to specification and therefore copyright was of little concern. And until recent years, few Hong Kong originals were worth copying.

But during the last few years, Hong Kong manufacturers have come into their own. Garments, radios, furniture, toys are now designed, as well as manufactured, in Hong Kong. Top-class design however is still rare and Hong Kong manufacturers are keen to get their hands on what sells—sometimes even keenly enough to 'steal' designs.

In order to compete for world markets, quality and original design must go hand in hand. And this will not be achieved by the efforts of only one or two companies. In order to achieve a general high standard of design, manufacturers must be exposed to new and original concepts in order that all may improve their own products.

But at present few innovative manufacturers care to have their original designs publicised. Recent examples affect the 'Progress Hong Kong' Display scheduled for May in honour of the Queen's visit, and the first Toy & Giftware Fair to be held this Autumn. Already the newspapers report that manufacturers are wary of showing their latest designs for fear of copyist pens. One solution of course is to hold copyright of a

design. How does one do that?

In order to protect the copyright of any design, the owner can register it in the United Kingdom under the *Registered Designs Act*. The procedure is however long, lasting from eight to nine months, and entailing a considerable cost. There is no provision for the registration of designs in Hong Kong but anyone who has registered a design in the United Kingdom enjoys the same privileges and rights as if the certificate of registration in the United Kingdom had been issued with an extension to Hong Kong.

### The Ordinance

The United Kingdom *Copyright Act* of 1968, however, does apply to Hong Kong. This Act is an amendment of the Copyright Act of 1956 which did not cover industrial designs. It was originally limited to artistic copyright but now covers the entire spectrum of design in all industries. The Act has applied to Hong Kong since March 1973 and is known here as the Copyright Ordinance.

The Copyright Ordinance confers on the original designer his automatic right to ownership of the design as soon as he has designed it. So long as he can give reasonable proof (and that is the important point) that a design is original, he will be protected by the Ordinance.

Until recently, proof of ownership of a design usually called for a large advertisement in local newspapers, declaring copyright of design. Now



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easier means of establishing proof may be available if original designs are registered with the newly set-up *Design Depository* of the Federation of Hong Kong Industries.

Mr. John Lai, Executive Officer in charge of the Design Depository explains, 'Generally the law provides that there is an infringement of copyright only when the design is copied. That is, there is no infringement if the same design is produced independently and coincidentally by someone else without copying.'

'In an infringement action, the owner must prove that he has such copyright. The time and place of first publication and whether the owner is a "qualified person" are of importance in proving ownership of copyright.' (A qualified person is one who is a British subject or British protected person or is domiciled or resident in the UK, or in another country to which the Copyright Act extends, and, in the case of a body corporate, means a body incorporated under the laws of any part of the UK or of another country to which the Act extends).

He continued, 'With the Copyright Ordinance, the process in cases of infringement is much faster. If a design is deposited with us, we can always help the owner by providing evidence, as a disinterested party, that he is in fact the owner, and that the design was deposited with us at a specific time and date. And if by chance two similar designs are deposited we can warn the second depositor that his design has

already a prior claimant.'

It should be stressed however that the lodging of a design with the Depository serves solely for purpose of providing evidence. The FHKI has legal powers as regards copyright, or registration under the UK Registered Designs Act.

### The deposit

The Depository accepts drawing or blueprint forms of designs which must fit into, or may be folded to fit into, envelopes measuring 10 inches by 8 inches by 1/2 inch provided by the Depository. On acceptance the design will be sealed and a receipt will be issued to the depositor. Only upon production of this receipt will anyone be allowed to claim any design. The fee for depositing a design will be \$50 a year while an extra fee will be charged for the services of any Design Depository Officer called to testify in court.

Several businessmen have re-acted enthusiastically to the idea of the Depository. One exhibitor at the forthcoming Toy & Gift Fair says 'A sign on a display box saying "Copyright © (d. d. no —)" should be sufficient to warn-off prospective copiers. The Depository is thus providing a real service to those who in the past have been reluctant to display their products at exhibitions.'

For more information, contact Mr. John Lai at the Federation of Hong Kong Industries, Eldex Industrial Building, 12th Floor, 21 Ma Tau Wei Road, Kowloon, Tel. 3-659061.

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## Forum

### HK Textiles and the UK

A recent article in the UK *Financial Times* (4. 3. 75) on the plight of the UK textile industry said competition posed by foreign imports is threatening not only immediate employment prospects in the industry but its long-term profitability and even survival. In recent months, as markets around the world have declined, other textile producing countries have turned to the UK, which remains one of the easiest markets to penetrate, said the article. On top of this, assaults on the UK market have been planned by producers who have gained access as a result of Britain's entry into the EEC. The latter includes Associate Member countries like Turkey and Greece (but not Hong Kong).

The UK textile industry is, understandably, worried about its future, and has called on the UK Government to control imports from competitors. It claims, says the article, that it can compete successfully with countries which have similar labour and other production costs, but is at an unfair disadvantage against low-cost producers. At a recent rally in Lancashire it was decided to petition the British Government for a 75 per cent share of the UK market to be reserved for home producers. Last year Britain had a £172 million deficit in its overall clothing trade, an £18 mn. increase over 1973. Hong Kong supplied £125 mn. worth of clothing to the UK market in 1974, while

Portugal supplied £34 mn. and Taiwan £18 mn. the article said.

One idea being put forward within the UK textile industry for consideration by the Government is that some form of regulator mechanism be set up so that imports are geared to the size of the domestic market. Thus at a time of buoyant demand, as in the first half of 1974, more imports would be allowed in. Correspondingly, at a time of decline restrictions would be imposed.

The UK Government appears to have ruled out overall import controls, said the article, but in a letter to an MP recently the Under Secretary at the Department of Industry said that the Government was prepared to act against textile and clothing imports and was ready to listen to a substantiated case from the industry. He added that he was giving urgent consideration to representations made to him for lower overall textile quotas.

However, the article continued, the Government is clearly reluctant to single out textiles for protection unless it is certain that the industry has problems over and above those inflicted on all industries by the current world-wide recession, and it is essentially this which it has been asking the industry's leaders to prove.

Clearly textile manufacturers and workers in the UK are placing much of the blame for the present state of the industry on foreign producers, and Hong Kong in particular. While this might be unfair to HK, since we are in fact discriminated against



already while other textile and garments manufacturing countries like Greece and Turkey are not, it would be no surprise were the UK Government to take some kind of action against imports of foreign textiles and clothing, including those from Hong Kong, some time in the future.

### Upturn in orders reported

Increased orders have been reported by many local Chinese newspapers in a variety of industries. *Sing Tao Jih Pao* (21.2.75) reported an increase in orders from Western Europe for HK-made garments. Orders for pyjamas and shirts have been received for delivery as late as June or July. However, the paper added, exporters are annoyed by the fact that prices are still quoted in US dollars. This inevitably gives rise to arguments over pricing, it said.

Sources close to the textile and garment industry disclosed that many enquiries have been made by buyers recently and many manufacturers have expressed optimism over the business outlook for the remainder of this year, said *Kung Sheung Daily News* (22.5.75)

The Managing Director of a leading plastics factory told *Wah Kiu Yat Pao* (22.2.75) that there were signs of a revival in the plastics and toys industry. 'Though operations in our plastics factories are still far from satisfactory, there has been a general increase in the number of trial orders received, and manufacturers have more faith in their sales', he said. Manufacturers look for an increase in

orders after the New York Toy Fair, he added.

There has been an increase in orders from the Philippines recently according to *Sing Tao Jih Pao* (26.2.75). These orders include machinery with accessories, chemical products, electrical appliances, machinery with accessories, chemical materials, lamps and other products. The increase is prompted, exporters say, by stock replenishment and the stabilisation of the Peso/HK\$/US\$ exchange rates which hitherto had been fluctuating quite violently.

### Inadequate protection for female workers

A feature article in *Wen Wei Po* on 6 March called on Government to take appropriate measures to protect the rights and livelihood of HK's female workers. These workers, who account for 51 per cent of the total working population, are generally lower paid and less protected than their male counterparts, said the paper. Moreover, in the present economic circumstances it was often young female workers, pregnant, or ageing women who were first to be made redundant.

The article said that the contribution to society of women workers was equal to that of men, yet they received lower salaries and suffered more hardships than male workers. It cited the example of 'dim sum' girls in some Chinese restaurants who worked up to 13½ hours a day for a salary of \$360 a month. When female workers became pregnant they were often dismissed, or else were given unpaid leave, the article claimed.

漲，以致在世界性需求復甦時，頓挫了香港可以受惠的能力。幸而財政司已明顯表示這條路是行不通的。

### 制約經常開支

當我們想到財政司將草案時的七十九億八千七百萬開支減為現時提議的六十五億四五百萬時（除去七千萬急用費）是值得欣慰的。在目下情況有些部門的首長所要求增加的開支是不合情理，甚至考慮到政府部門於要求一百萬，實則希望得到九十萬。而此等要求於年底提出時，政府的費用增加了百分之三十三，而該等增加較七二至七三年度多了百分之二十八。香港政府曾歷次對消費者說及去年的通貨膨脹率已經穩定下來。顯然政府本身並未隨這一個趨勢走，因此人們可以請夏鼎基先生狠狠地大刀濶斧，尤其是政府部門的生產力方面，加以審慎考慮。在數量方面來說，此乃佔經常費用很大的部份——有百分之八十的總開支是經常費用。這似乎比財政司認為是「健康」的較多。

### 人力過剩？

一般來說政府不需有縮短工作時間或直斷了勞工過剩的負累，這主要由工商業那一邊負擔。或者除一少部份階級外，政府近年來的加薪不錯。因此工商業人士有權希冀政府公務員在經濟衰退期間對開支方面做到物有所值。（舉一個例，保留的停車位可能對生產力有貢獻，但為何目下實行的是免費車位？）

### 展望未來

展望將來，我們可以預期的是甚麼財政預算案呢？財政司曾暗示他對一年、三年及十年計劃進行的想法。但對細則方面則不作明確表示，這大概是應該如此的。例如很少人可以預料建議中的稅務法例調查委員會，

對基本稅制會作甚麼的建議，或者將來的通貨膨脹率會怎樣。

由近年來所得到的式樣看來，政府的支出和歲入均隨着本港經濟階模走。香港好景時，政府稅收亦隨之增加。在經濟有發展的年份稅收比預期為多，雖然開支亦隨之增加。但假如歉收之年長久跟着我們，政府那種膨脹趨勢的開支，則不能從沒有預算的額外收入來彌補。現時那些以為前景黯淡的經濟學家，以為戰後二十多年來來的經濟增長是不足為法的，並以為此類增長捲土重來，在可見的將來沒有可能。另一些沒有這樣悲觀的預測則是循環性的經濟增長，加上通貨膨脹和經濟衰退與物價穩定。或者我們可以展望每年收入有和緩，但真正增長的日子已經一去不回。假若如此，其中含意不但對財政司，而是對全港都是深遠的，因為香港現時的形式，是二十年來經濟增長所產生的。

## 重討本港污染問題

約三年前，本「會訊」曾詳細研討本港之「環境污染」此課題，及簡畧報導於此方面之對策。至今，這問題並未得到更深入之探討，而「環境」事宜上亦無任何全盤政策。但另一方面，兩年前，政府輔政司署屬下附設一部門，負責擬訂與「環境」有關之全盤計劃及法案。以下一專文為使各界明瞭上述之發展。

於一九七三年之前，本港分別設有「水陸」及「空氣」污染兩小組委員會。於七三年終，此兩組委員會獲重組合而為一，致力征服污染。「環境護衛委員會」相繼成立，會員共二十八名，其間十六名為政府機構以外之人仕。委員會主席為本會董事局董事之一——約翰·馬登先生。



「環境護衛委員會」分三小組——分別負責海水、陸地、空氣污染及繁雜音响等引起之問題。小組主席分由蘇傑、霍仕傑及列頓先生担任。

本「會訊」於三年前之專文指出：於處理「污染」問題時，我們首先要弄清楚那樣足使人嘔心，而什麼是工業或市區化之副產品？那樣是具真正危險？而那樣在社會上是可以容忍？

誠然，人們甚渴望環境上之改善——包括較優良之城市建設，清新空氣及四野幽靜。但當此等改善影响經濟增長時，便成爲奢侈。一些在發展中國家因而反對訂下任何釐訂達國際水平之防止污染準繩之建議。

工業各界人士均認定彼等於週遭環境方面所担負之責任，包括立訂長遠之計劃，選擇廠房地址，控制污染之事宜及如何與政府合作以改善環境。

陸地及海水之污染中，最顯著的就是垃圾、廢物、油漬、工業及農業之污物。而市政事務處乃是負責收集及處理垃圾之機構。

自一九七二年舉行之全港清潔運動以來，市容似有所改觀，但一切仍需努力。

每天，市政事務處收集垃圾約共三千噸，於垃圾熔化爐加以焚化，或有系統地堆積起來。

「醉酒灣」乃是廢物及垃圾堆積之地方。該處垃圾堆積如山，高達一百多呎，將在平面上種植花草，作遊人憩息之用。

一九七三年七月，或府委聘「文素仕」顧問專家研究處理垃圾之妥善方法。彼等於去年六月編備一報告書，並建議把垃圾堆積填海、研磨成粉或循環運用但一切尚在研究中，而成本價格亦是受考慮之列。

據報導稱：上海亦遭遇到與香港面臨之同樣困難。於一九七三年，該地從垃圾及廢物中共提煉了重達十二多噸，之製造原料。上海一間商店於兩年內共收集烟頭達十一噸

半，將之加以煉製而成殺虫劑。

在新界，家禽排洩物及豬糞爲環境污染之主要原因。近年來，農林及魚業管理處對此事已密切加以注視，但目下仍無一妥善解決方法。在技術上，我們可以把豬糞等廢物製成肥田料，在中國此舉甚爲普遍。但在香港，其他各式各類肥田料獲得容易，而在新界，假若將所有豬糞集合以提煉作肥田料之用時所需之地甚廣，因而不大合經濟原則。

另一方面，海事處亦忙於保持海港清潔。假若在海港傾倒垃圾便屬違法，罰款二萬元及入獄六個月。但每年從海中撈獲垃圾六千五百噸而又有不少廢物仍在海中飄浮。

一九七三年十一月，鴨洲海岸遍浮油漬，政府有見及此，繼而成成立一「油漬污染委員會」以確保於油漬污染發生時能迅速指揮政府各部門人員採取合適對策。

空氣污染方面，主要爲發電廠及廢物熔化爐。還有香港之二十多萬輛汽車所噴出之烟霧。現刻香港已定下規條，務使於一九七四年十一月一日以後輸進入港內之汽油燃燒之車輛需乎合歐洲共同市場之準則。

可幸地，由於氣候關係，香港並無一如東京或洛杉磯所遭遇到之毒氣之侵襲。

於「雜音污染」方面，在法律此乃一甚爲困難之問題。每日晚上八時至晨早六時間，政府對建築地盤內打樁等工作之雜音及夜間飛機飛行等現已加以制止。但香港爲一忙城市，其他雜音甚難控制。

政府於最近從倫敦委聘一負責研究環境之專業公司細討本港污染之問題。

該顧問公司在世界各地也曾担任類似之計劃及立例工作，對香港不無貢獻。

目下，該顧問公司正仔細研究本港工業、農業、旅遊及人口增長之各方面未來之進展，又與各界人士密切討論磋商。據悉報告書與六月便可完成，屆時，本會將獲報告書乙份以作參攷。

Image

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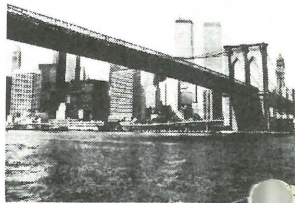
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