

CHAPTER XII

TWENTY YEARS OF HONG KONG'S INDUSTRIAL DEVELOPMENT

香港工業發展的背景與近廿年來香港工業發展概況

FOR more than a hundred years after its founding, Hong Kong was mainly known as a free port and an entrepot. In the past, few had ever thought that Hong Kong would one day become a world renown industrial city. In terms of natural endowments, Hong Kong neither had the land needed for industrial development, nor the natural resources for raw materials supply, and still less a domestic market to absorb what its own factories would produce.

Lacking in all these basic requirements for industrial development, Hong Kong, in fact, had no foundation whatsoever before World War II in the area of large-scale manufacturing. Whatever rudimentary industrial processes which were carried on in Hong Kong prior to World War II were limited to the manufacture of flashlights, storm lanterns, metal-wares, a few small weaving mills and dockyards for ship repairs and the building of small boats.

Manufacturing then was not an important social and economic factor in Hong Kong's overall existence nor did the city's industrial output have any economic impact on overseas market.

This situation began to change after V J Day, and the main reason which brought about the transformation was the influx into Hong Kong of a large number of Chinese from the mainland who were unwilling to submit to the rule of Chinese Communism. When the Communists took over the mainland, Hong Kong's population quickly rose to more than

2.5 million people.

Forced to flee in an endless stream into Hong Kong, these refugees had to find a means of livelihood on a barren island. They thus provided Hong Kong with the first essential ingredient of industrial development: skilled and inexpensive labour.

At the same time, among the people who came from the mainland, there were many who were successful and experienced in operating industries in China. They brought along with them not only their money but also their technical skill and a tremendous store of varied manufacturing experience. They immediately set to work and established spinning mills, plastics factories and other industrial enterprises which never before had operated in Hong Kong. They had planted the first seeds of Hong Kong's industrial growth.

During the years of 1949 to 1953, Hong Kong industries were still in the embryonic stage, with their products finding markets only in Southeast Asian countries. In this initial stage of Hong Kong's industrial development, products manufactured in the city's factories were generally mediocre both in quality and design.

Then came the period of 1953 to 1959, when Hong Kong's industries forged ahead with astounding speed into a new age of growth toward maturity. Quality and design improved with marked rapidity, while the range of products broadened with increased diversity.

The progress of Hong Kong's industrial development during this stage was evidenced by the fact that goods manufactured in the city's factories were making inroads into international markets and were being accepted by customers in such highly developed industrial areas as Britain, the United States and countries in Europe.

From 1959 up to the present time, Hong Kong's industry has reached a new age of advancement. Hong Kong products are no longer looked upon by customers abroad as cheap, inferior merchandise. The variety of our products, their

design, their quality and their packaging can successfully compete internationally with the best merchandise produced anywhere. Hong Kong-made goods have without any doubt achieved a position of prominence in the international market place.

But in the course of our development, we have not been free of many problems. To maintain our industrial prosperity and to achieve further progress, we naturally need the cooperative endeavour of all parties. While our exports are more than \$1,000,000,000 annually, one must realise that those actually engaged in manufacturing only represent one-sixth of our total population. This comparative figure shows that our industrial achievement during the last two decades has indeed been a miracle. We can take just pride in the fact that this phenomenal accomplishment has been brought about by the cooperative efforts of the British and Chinese people.

CHAPTER XIII

MY EFFORTS TO SAVE KADER FROM COLLAPSE AND MY CONTINUED INDUSTRIAL ENDEAVOUR IN HONG KONG

挽回開達實業公司的敗局和在港爲工業繼續努力的歷程

WHEN I came to Hong Kong in December 1948, I could already see that the situation on the Mainland was in the process of a cataclysmic change. No one could foretell at that stage what would happen to the business and the personnel left behind in Shanghai. Having spent my life in building up a manufacturing enterprise, I was perplexed and disillusioned.

I was not particularly interested in starting anew in Hong Kong. I had earlier established Kader Industrial Company in Hong Kong, but that was merely in an effort to help some friends to set up a business, although I owned some 90 per cent of the shares of the concern. Part of the other money invested in the company came from loans I made to friends.

I had the title of Chairman of the Company, and according to the customary practice in China at that time, the Company Chairman took no actual part in the operation of the firm nor did he deal directly with the company's affairs.

Although I had heard prior to my arrival that the handling of various affairs at Kader was by no means satisfactory, I had not wanted to play a personal part in the company's management. I had hoped that those originally responsible would in time be able to