

## CHAPTER XIV

### MY WORK WITH THE FEDERATION OF HONG KONG INDUSTRIES

#### 我與香港工業總會

WHEN the Hong Kong Government started preparations to establish the Federation of Hong Kong Industries, I was invited to become one of the original members of the Organising Committee by the then Director of Commerce and Industry, Mr H. A. Angus. I was at that time the Honorary Chairman of the Hong Kong Plastics Manufacturers' Association, and I was asked to join the Federation committee because of my position in the plastics industry.

Since I speak no English, the Federation specially engaged an interpreter for me. After serving as a member of the Organising Committee during 1959, I became a member of the Federation's General Committee when the organisation was formally inaugurated in 1960. I served successively for a total of eight terms until the first part of 1968 when illness caused me to resign.

During the eight years of my service as a member of the General Committee, although I cannot claim to have made any great contribution to the Federation, I feel that I did fulfil my duties by devoting a substantial amount of my time and effort to the various problems of the day. Whenever I had any views on key issues concerning the future of Hong Kong industries, which from time to time engaged the attention of the authorities, I invariably spoke without reserve, utilising the full knowledge of my experience. Let me cite some instances:

1. The revision of the Articles and Memoranda of Association: In the draft Articles and Memoranda of the Association, there was a provision to the effect that the Federation should render assistance to overseas trade missions and businessmen coming to Hong Kong by making hotel reservations and arranging factory visits in a way that would not infringe upon the legitimate interest of the exporters. I felt that this was too trivial a matter to be included in the Articles of Association of the Federation and that it was not in accord with the Federation's position. Upon my forceful insistence, that portion of the Articles was eventually deleted.

2. Membership Classifications: I held the view that manufacturers who were to become members of the Federation were widely different in their amount of business, the sizes of their capital and the scope of their business activities. Some firms were several hundred times bigger than others. I therefore felt that membership fees should be classified into several different categories, based on the size of the firms, and voting rights should be similarly differentiated. This formula, I thought, would help to discourage manipulation by members, assure that the Federation would give fair representation to Hong Kong industry and put the organisation on a sound foundation. Although my suggestion was given sympathetic consideration, it was subsequently handed over to a sub-committee for review. The final decision was to divide membership into two classes: regular and associate members. I felt that the measure lacked thoroughness and that it would not produce the result which I had originally hoped to achieve.

3. Revision of working hours for female workers: In principle I strongly supported the stand of the Hong Kong Government that working hours of female workers should be reduced. I felt, however, that consideration must be given to the actual problems then confronting the manufacturers, and the implementation must be done on a gradual basis. When

the matter came up for discussion at the Federation, I submitted that the reduction of working hours must be carried out stage-by-stage on the basis of actual prevailing conditions and not on the basis of theories. My submission was accepted and sent to the Government for consideration and implementation.

4. Australia's increased tariff rate on Hong Kong-made Dolls: I submitted detailed material on this subject which I had spent a considerable time in compiling. In a letter to the Minister of Trade of the Australian Government, I cited various reasons which showed that the policy of erecting a tariff wall was unreasonable and pointed out it was particularly unfair to single Hong Kong out for discriminatory treatment. After my views were transmitted to the Hong Kong's Resident Representative in Australia, he was able to present them to the Australian Government during the negotiations which ensued. Finally, the Australian Government agreed to refrain from increasing the duty on Hong Kong-made dolls. (See Note 2).

5. The unjustifiable increase of freight rate for Hong Kong goods: Maritime transport has always been Hong Kong's life line. Surrounded by sea, Hong Kong's import of raw materials and export of its manufactured goods must rely on ocean freight. Freight rates, therefore, have an immense effect on the cost of Hong Kong products and their ability to compete in the overseas markets. In 1961, the Far Eastern Freight Conference decided to increase the then prevailing freight rate of 230 shillings per ton by 10 per cent for Hong Kong goods destined for the United Kingdom and European ports. Actually, this rate was higher than freight from Japan to the same ports, although the distance from the Japanese ports is longer. Furthermore, the prevailing freight rate for Hong Kong goods was already 30 per cent higher than goods shipped from Chinese mainland ports which are further away from United Kingdom and European ports. Obviously it was not fair, under these circumstances, to put a further 10 per cent increase on freight charges from Hong Kong, while

allowing freight charges from Japan and the Chinese Mainland to remain unchanged. In supporting my objection, I cited various reasons and listed comparative figures showing actual charter rates and freight rates of non-Conference carriers for shipping goods from China Mainland ports. Apart from presenting my views to the Federation of Hong Kong Industries, I also wrote to the Chairman of the Far Eastern Freight Conference putting forth my objection in a detailed presentation. (See Note 3) I did this not because I enjoyed getting involved, but because I was depressed by the lack of unity among Hong Kong manufacturers, thus encouraging others to take advantage of them. I felt that as a member of the community I had no other choice but to fight for what appeared to be a just cause. In addition to my submission to the Federation and my letter to the Chairman of the Far Eastern Freight Conference, I also wrote to the Government, pointing out that under the system of free trade, ocean freight rates should not be subject to the manipulation and control of any single group. Unfortunately, despite all my efforts, the outcome was negligible, mainly because in all matters of community interest there always prevailed an attitude of timidity and submissiveness which in turn, sapped the strength of a united and coordinated action. All that was gained was an agreement to give individual preferential freight rate consideration to the shipment of dolls and other bulky but light cargo.

6. Standards of Shipping Carton: In 1964, the Hong Kong General Chamber of Commerce received complaints from insurance companies, shipping companies and members of various freight conferences that cartons used for shipping by Hong Kong manufacturers were often damaged. As a result, the Chamber formed a joint committee, which included members of various trade and industrial organisations, to study the problem. An expert from Australia, Mr J.R. Paton, was invited to assist in the study. I was appointed by the General Committee of the Federation to become a member of the committee. As head of Kader, I

had had long years of experience in shipping goods in cartons, having used them for tens of thousands of tons of cargoes. I had never had complaints on damaged cartons from either shippers or importers. Because of this and the subsequent careful research I undertook, I was asked by members of the committee to prepare a draft proposal specifying the standards for cartons used for packing Hong Kong export cargo, detailing sizes, quality of paper, weight limits etc (see Note 4). I believe that if my proposal had been adopted it would have benefited not only the manufacturers, the shippers and the insurance companies, but also the overseas importers. It would have also lessened unnecessary disputes in international trade. The draft proposal was supported at the time by a large number of the members of the Committee, including the representative of the Hong Kong Exporters' Association, Mr A.C.W. Blaauw. All of them considered my proposed standards as not only simple and practical but suitable to the actual conditions of Hong Kong's export industries.

To my dismay, my proposal was brushed aside, without any convincing reasons, and the British standards were adopted. Since then nothing more has been heard on the matter.

7. The classification of plastic material under the Dangerous Goods Ordinance: The principal raw materials used in the plastics industry, such as polystyrene etc, were classified by the Hong Kong Government in the Class 8 category of the Dangerous Goods Ordinance which passed its third reading in the Legislative Council. The new Ordinance was to take effect on a specified date. The Ordinance would have had a grave effect on the very existence of the plastics industry in Hong Kong, although the impact would be less on the larger manufacturers such as Kader than on the small plants. The new law would have adversely affected the established manufacturing process, production costs and competitiveness of Hong Kong's plastics products in overseas markets. I felt that I was obliged to come out and do all I

could for the common interest of the industry. In addition to presenting my objections to this new ordinance in a memorandum to the Federation (See Note 5), I also explained my standard at a press conference. (See Note 6). Later, the Director of Fire Services also called a press conference during which he insisted that it was necessary to enforce the Ordinance. After his remarks were published in the South China Morning Post on 4th September, 1964, I put forth my rebuttal in a statement to the paper. The Federation then appointed me as a member of the Joint Committee, consisting of representatives of the Hong Kong General Chamber of Commerce and Chinese Manufacturers Association, which was to take the matter up with the Government. For more than a year we continued our efforts. We were finally successful when in 1965 the Government agreed to remove plastics materials from the Dangerous Goods Ordinance by an amendment of the law. The fact that we were able to persuade the Government to put through an amendment after the Ordinance had already become law was perhaps unprecedented in Hong Kong's history. The incident demonstrated the democratic spirit of the Hong Kong Government. To me it was a valuable experience and I was gratified by the fact that I had lived up to the hopes and confidence of my colleagues in the industry.

8. The apprentice system: The traditional Chinese apprenticeship system was designed to accommodate children from poor families who could not afford a higher education. At the age of fifteen or sixteen they were apprenticed to learn a trade or some particular skill. This system, while it might not fit today's modern concept, had many good points, which perhaps should be preserved. Apprenticeship enabled young people to learn the technique of craftsmanship and train them through hard work to better themselves gradually by perseverance. In the past, the Hong Kong Government permitted only those over 18 years of age to do over-time work. This provision was, in a way, inhibitive to the basic principle of apprenticeship. When I started the Kader

operation, I recognised the importance of training technical personnel through apprenticeship. I developed a scheme for apprenticeship training by adapting the tradition Chinese system to the prevailing situation in Hong Kong. I was not motivated by any monetary consideration but by my desire to develop a reservoir of skilled and capable young people (See Note 7). Since the introduction of my scheme, the results proved most satisfactory. In 1967, the Labour Department of the Hong Kong Government, through its Industrial Labour Committee, prepared a draft apprenticeship training ordinance. This draft was circulated among various industrial organisations for study and comment. The Federation of Hong Kong Industries organised a sub-committee to study the draft ordinance and I was appointed the convener of the group. At the same time, the Chinese Manufacturers Association also asked me to serve as a member of a similar sub-committee. After studying the draft ordinance, I found that some members of the Chinese Manufacturers Association had hoped that the ordinance would prevent one factory from employing apprentices trained by another factory. In the Federation there was the proposal that the British system of inducting apprentices into the labour union be adopted in Hong Kong. I felt there was a lack of real motivation to promote the common interest of Hong Kong industries. I also saw that by placing too much authority in the hands of the Commissioner of Labour would lead to an excessive amount of red tape. I therefore pointed out in two separate memoranda that rigid legal provisions would not help to solve the problems involved nor would it enable the apprenticeship system to meet the actual requirements of a given situation. After considerable discussion no solution evolved, and the matter, I heard, was subsequently referred to the Hong Kong Technical College for review. This apparently meant that there was to be no further development on the matter. (See Note 8).

## CHAPTER XV

### MY EXPERIENCE IN MANUFACTURING TOYS AND DEALING WITH OVERSEAS BUSINESSMEN

#### 製造玩具及與海外玩具廠商交往的經驗

WHEN Kader was first established, its range of products was limited to plastics household items. Our market was mainly in Hong Kong and in a few Southeast Asian cities. Although our product range was limited and the market small, I was confident that plastics goods manufacturing, a new type of industry after World War II, would have a tremendous future. I was, in those days, a mere novice in the plastics industry, but I could see that there was an endless variety of goods which could be made with plastics. I was even more confident of the latent potentials after I visited the British Industrial Fair in 1951 and the Toy Exhibition, when I came to realise the vast market for toys and its almost unlimited possibilities for future expansion.

Thus beginning in 1954, after an intensive study, I took steps to shift our entire manufacturing complex towards toy making. We were not experienced in this line, and since there was such an immense scope of existing toy products and such an endless range of new product possibilities, we had to decide what direction to follow in our new endeavour.

We needed time to feel out the market. We also had to do our research. But I realised from the start that to be successful and profitable, we had to build our business on the solid ground of superior quality. Equally fundamental in our formula for success was that our products must be new and different, and that they cater to market demands. All this, I was convinced, required a highly efficient management.