

APCAC 'very disturbed'

# Amcham team to push HK case in Washington

By BRUCE MAXWELL

The American Chamber of Commerce in Hongkong is taking a strong stand on President Ford's decision to exclude the Colony from special U.S. tariff concessions.

Following a meeting in Manila of the Asia-Pacific Council of American Chambers of Commerce (APCAC), a 16-man delegation is to be sent to Washington for a month from April 26 to press regional claims for better trade co-operation, particularly in Hongkong's case.

At a press conference yesterday in Hongkong, Amcham said its area body APCAC was "very disturbed" by the signing of an executive order by President Ford which designated 89 developing countries and 43 dependent territories of other nations for



Mr Minich

special U.S. tariff concessions, but omitted the Crown Colony of Hongkong.

"It is noted that Hongkong's major competitors, Taiwan,

Korea and Singapore were included in the preferential list."

The three-man spokesmen for the Chamber in Hongkong said: "We believe the exclusion of Hongkong will not be in the interests of the United States, Hongkong, nor U.S. interests in Hongkong, for the following reasons:"

- U.S. exports to Hongkong have continued to grow dramatically narrowing the trade gap. These U.S. exports to Hongkong in 1974 are estimated at US\$917 million versus US\$720 million in 1973, an increase of 27 per cent.

- Under the competitive need provisions, 75 per cent of Hongkong's exports are not included in the preferences. If Hongkong is not a beneficiary country, the trend towards diversification of Hongkong's exports out of textiles and electronics will be discouraged.

- Hongkong has already been accepted in the Generalised System of Preferences of all the major developed countries, including the European Economic Community.

- Exclusion could be a significant factor diverting investment from Hongkong to other areas, thereby indirectly contributing to aggravating unemployment (already high) and industrial unrest (very important to Hongkong).

They summarised: "With these reasons we will urge that Hongkong be designated as a beneficiary developing country."

Replying to questions at the press conference, the Executive Director of Amcham in Hongkong, Mr Herb Minich, said he thought the opinions of APCAC would be carefully listened to in Washington.

The body was well recognised for its constructive thoughts on trade development in the region, evidenced among other things by the fact that apart from 100 delegates at the Manila meeting just concluded, representatives of numerous U.S. Government departments had attended as observers.

Dealing with why Hongkong had been excluded in the first place, and with possible reasons for continued U.S. Government opposition to changing the Colony's latest "status," he pointed out that Americans—in America—tended to link Hongkong strongly with Britain when considering trade matters, because after all it was supposed to be a British Colony.

Thus the somewhat disparate trading positions of Hongkong and Britain, plus a number of other related factors, would have to be made clearer.

Further, it had been noted in America that Hongkong imported 13-14 per cent of raw materials from the U.S. in terms of total U.S. exports to Hongkong, which was far lower

than the percentage U.S. export involvement with Hongkong's competitors. That was being watched in Washington too.

Asked about the impact of the "Vietnam debacle" by a well-known business publisher-writer, and whether American businessmen had been advised not to invest in Thailand or Malaysia, the trio looked uncertainly at each other and finally it was decided that this was not true.

A Radio Hongkong man wanted to know if there might be a spin-off towards Hongkong caused by events in Indochina. This seemed possible, but it was too early to judge, they said.

Mr Minich then reiterated his long expounded position that Amcham Hongkong was pushing, in America, the Far East and Southeast Asia in general. After interest was shown, they then pushed Hongkong.

He left it there, with the clear inference that if there were less countries to chose from, clearly Hongkong must benefit.