



DAILY INFORMATION BULLETIN

TUESDAY, DECEMBER 31, 1974

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DAILY GUIDE TO WHOLESALE PRICES AND SUPPLY OF BASIC FOOD COMMODITIES

TUESDAY, DECEMBER 31, 1974.

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REASSURANCE ON PROPOSED PROVISIONAL PROFITS TAX SYSTEM

THE TRANSITION FROM THE PRESENT METHOD OF CALCULATING PROFITS TAX TO THE PROPOSED PROVISIONAL SYSTEM WILL HAVE NO EFFECT ON BUSINESSES MAKING SMALLER PROFITS IN THE TRANSITIONAL YEAR -- 1974-75.

A GOVERNMENT SPOKESMAN EXPLAINED THAT UNDER THE BILL, PROVISION IS MADE FOR A TRANSITIONAL ADJUSTMENT IN 1974-75. THIS WOULD BE IN THE FORM OF AN ADDITIONAL ASSESSMENT IF THE ACTUAL PROFITS FOR 1974-75 WERE HIGHER THAN THOSE OF THE PREVIOUS YEAR (1973-74).

HOWEVER, FOR THOSE BUSINESSES WHICH ARE SHOWING REDUCED PROFITS FOR 1974-75, NO ADDITIONAL ASSESSMENT WILL BE MADE AND THE TRANSITION WILL HAVE A COMPLETELY NEUTRAL EFFECT.

THE FOLLOWING EXAMPLE CLEARLY SHOWS THE POSITION:

YEAR ENDED MARCH 31, 1974 PROFIT \$100,000

YEAR ENDED MARCH 31, 1975 PROFIT \$ 80,000

TAX PAYABLE

	<u>PRESENT SYSTEM</u>	<u>PAYABLE</u>
YEAR OF ASSESSMENT 1974/75	\$15,000	JAN/FEB 1975
YEAR OF ASSESSMENT 1975/76	\$12,000	JAN/FEB 1976
	<u>NEW SYSTEM</u>	<u>PAYABLE</u>
YEAR OF ASSESSMENT 1974/75	\$15,000	JAN/FEB 1975
YEAR OF ASSESSMENT 1975/76 (PROVISIONAL TAX - CALCULATED BY REFERENCE TO YEAR ENDED MARCH 31, 1975)	\$12,000	JAN/FEB 1976

FROM THIS, THE SPOKESMAN SAID, IT IS CLEARLY EVIDENT THAT THE CASH FLOW POSITION IS PRECISELY THE SAME FOR 1974-75 AND 1975-76 UNDER BOTH SYSTEMS, THUS NEGATING THE ARGUMENT THAT VAST SUMS OF MONEY WILL BE TIED UP BY THE PROVISIONAL PROFITS TAX SYSTEM.

+THE TRANSITION FROM THE PRESENT SYSTEM TO THE PROPOSED SYSTEM IS, THEREFORE, NOT DETRIMENTAL TO TAXPAYERS IN A PERIOD OF LOW PROFITS.+

HE ADDED THAT WHEN THE ACTUAL RESULTS FOR THE YEAR ENDED MARCH 31, 1976 ARE KNOWN, THE PROFITS FOR THE PREVIOUS YEAR (1974-75) WILL DROP OUT AND THE FINAL TAX FOR 1975-76 WILL BE BASED ON THE MARCH 1976 RESULTS.

/HOWEVER,

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HOWEVER, THE SPOKESMAN POINTED OUT THAT IF PROFITS ARE HIGHER IN 1974-75 THAN IN THE PREVIOUS YEAR, A TRANSITIONAL ADJUSTMENT WILL BE NECESSARY AS SHOWN BY THE FOLLOWING EXAMPLE:

YEAR ENDED MARCH 31, 1974	PROFIT \$80,000
YEAR ENDED MARCH 31, 1975	PROFIT \$100,000

TAX PAYABLE

	<u>OLD SYSTEM</u>	<u>PAYABLE</u>
YEAR OF ASSESSMENT 1974/75	\$12,000	JAN/FEB 1975
YEAR OF ASSESSMENT 1975/76	\$15,000	JAN/FEB 1976
	<u>NEW SYSTEM</u>	<u>PAYABLE</u>
YEAR OF ASSESSMENT 1974/75	\$12,000	JAN/FEB 1975
YEAR OF ASSESSMENT 1974/75 (TRANSITIONAL ADJUSTMENT - ADDITIONAL ASSESSMENT)	\$ 3,000	JAN/FEB 1976
YEAR OF ASSESSMENT 1975/76 (PROVISIONAL TAX)	\$15,000	JAN/FEB 1976

THE SPOKESMAN SAID ARGUMENTS HAD BEEN PUT FORWARD THAT THE MAIN DISADVANTAGE WAS THAT A YEAR OF LOW PROFITS (1974-75) WILL DROP OUT DURING A PERIOD OF RECESSION, AND THAT IT WOULD BE BETTER IF THE TRANSITION WERE MADE AT A TIME WHEN PROFITS WERE BUOYANT. THIS WOULD HAVE THE EFFECT OF A YEAR OF HIGH PROFITS DROPPING OUT TO THE GENERAL ADVANTAGE OF THE BUSINESS COMMUNITY.

HOWEVER, THE SPOKESMAN ADDED, THE FALLACY OF THIS ARGUMENT IS ILLUSTRATED BY THE ABOVE EXAMPLE WHICH SHOWS THAT IF 1974-75 WERE A HIGH YEAR THEN IT WOULD BE THE LOWER 1973-74 PROFITS WHICH WOULD DROP OUT. THIS MEANS THAT ADDITIONAL TAX WOULD BE PAYABLE IN VIRTUALLY EVERY CASE.

+IT IS OBVIOUS,+ HE SAID, +THAT THE HIGHER THE PROFITS, THE GREATER THE ADDITIONAL TAX THAT WOULD HAVE TO BE PAID IN THE TRANSITIONAL YEAR.+

HOWEVER, AS 1974-75 APPEARS TO BE A YEAR OF FALLING PROFITS FOR MANY, IF NOT MOST, BUSINESSES, THEN THE EFFECTS OF THE CHANGEOVER FROM THE PRESENT METHOD TO THE PROVISIONAL SYSTEM WILL BE NEUTRAL.

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TRAFFIC ARRANGEMENTS IN CHUK YUEN AREA
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NEW TRAFFIC ARRANGEMENTS WILL BE INTRODUCED IN CHUK YUEN AREA, KOWLOON, THIS WEEK IN CONNECTION WITH THE OPENING OF THE SOUTHBOUND CARRIAGEWAY OF PO KONG VILLAGE ROAD BETWEEN FUNG TAK ROAD AND LUNG CHEUNG ROAD.

FROM 12 NOON ON THURSDAY (JANUARY 2), TRAFFIC ON PO KONG VILLAGE ROAD HEADING SOUTH WILL BE ABLE TO PROCEED ONWARD BEYOND ITS JUNCTION WITH FUNG TAK ROAD INTO THE NEW SOUTHBOUND CARRIAGEWAY, AND TRAFFIC FROM FUNG TAK ROAD WILL ALSO BE ALLOWED TO TURN RIGHT INTO THE NEW CARRIAGEWAY.

MOTORISTS TRAVELLING ALONG PO KONG VILLAGE ROAD WISHING TO TURN INTO LUNG CHEUNG ROAD EASTBOUND MAY DO SO BY WAY OF THE EASTBOUND SLIP ROAD ONLY, WHILE THOSE WISHING TO GO WESTBOUND MAY TURN RIGHT VIA THE WESTBOUND SLIP ROAD.

HOWEVER, EASTBOUND TRAFFIC ALONG LUNG CHEUNG ROAD WILL NOT BE PERMITTED TO TURN INTO THE PO KONG VILLAGE ROAD WESTBOUND SLIP ROAD, WHILE WESTBOUND TRAFFIC WILL BE PROHIBITED FROM TURNING RIGHT INTO THE EASTBOUND SLIP ROAD.

THERE WILL BE NO RIGHT TURN FOR TRAFFIC FROM SHATIN PASS ROAD INTO LUNG CHEUNG ROAD.

APPROPRIATE TRAFFIC SIGNS WILL BE POSTED TO GUIDE MOTORISTS.

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UPPER LIMIT ON ANNUAL INTEREST RATE
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A RESOLUTION WILL BE INTRODUCED INTO THE LEGISLATIVE COUNCIL NEXT WEDNESDAY (JANUARY 8) TO REDUCE FROM FIVE PER CENT TO FOUR AND A HALF PER CENT THE UPPER LIMIT ON THE ANNUAL RATE OF INTEREST WHICH CAN BE PAID BY BANKS FREE OF INTEREST TAX.

THE EXECUTIVE COUNCIL APPROVED THE INTRODUCTION OF THE MEASURE AT ITS MEETING LAST WEEK.

THE PROPOSED REDUCTION WILL FOLLOW A SIMILAR REDUCTION IN THE RATE OF INTEREST PAID ON SAVINGS ACCOUNTS, WHICH WILL BECOME EFFECTIVE FROM TOMORROW (JANUARY 1). THE LOWERING OF THE INTEREST ON SAVINGS ACCOUNTS WAS ANNOUNCED BY THE EXCHANGE BANKS' ASSOCIATION ON DECEMBER 13.

INTEREST PAID ON THESE ACCOUNTS WILL REMAIN FREE OF TAX.

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NOTICE TO EXPORTERS:
DIRECT MAILING SERVICE

THE DIRECTOR OF COMMERCE AND INDUSTRY HAS ANNOUNCED THAT WITH EFFECT FROM JANUARY 1, 1975 CERTAIN CHANGES WOULD BE MADE TO THE NOTICE TO EXPORTERS DIRECT MAILING SERVICE.

NOTICE TO EXPORTERS, AT THE MOMENT ISSUED IN 6 SERIES, WOULD BE REGROUPED INTO 4 SERIES AS FOLLOWS:

- SERIES 1 : U.S.A.
- SERIES 2 : E.E.C.
- SERIES 3 : EUROPE OTHER THAN E.E.C.
- SERIES 4 : CANADA, AUSTRALIA AND MISC.

BECAUSE OF REDUCTION IN THE NUMBER OF SERIES AND BECAUSE OF RISING COST, THE DC AND I HAS DECIDED TO INCREASE THE SUBSCRIPTION FEE TO \$15 PER SERIES PER ANNUM.

TRADE ASSOCIATIONS AND COMPANIES ON THE COMMERCE AND INDUSTRY DEPARTMENT'S MAILING LIST FOR NOTICES TO EXPORTERS WILL RECEIVE COPIES OF THE ABOVE NOTICE SHORTLY.

COPIES OF THE NOTICE ARE ALSO AVAILABLE FROM THE RECEPTION COUNTER ON THE GROUND FLOOR OF THE COMMERCE AND INDUSTRY DEPARTMENT, 46 CONNAUGHT ROAD, CENTRAL, HONG KONG.

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CONSUMER ADVISORY SERVICE

THE FOLLOWING PRICES WERE REALISED TODAY (TUESDAY) AT SALE UNDER THE RICE CONTROL SCHEME AND AT THE VEGETABLE MARKETING ORGANISATION WHOLESALE MARKET AND THE FISH MARKETING ORGANISATION WHOLESALE MARKET AT CHEUNG SHA WAN, KOWLOON:

SUPPLIES AND WHOLESALE PRICES OF RICE

<u>GRADE OF RICE</u>	<u>AVAILABILITY OF SUPPLY</u>	<u>WHOLESALE PRICE (\$/CATTY)</u>
<u>CHINA RICE</u>		
SEE MEW	GOOD	1.65
S.C.JIEN	GOOD	1.56
PO NGAI	GOOD	--
CHU CHO	GOOD	--
<u>THAI RICE</u>		
100% WHOLE	GOOD	1.54
10-15% BROKENS	GOOD	--
A1 SUPER EXTRA	GOOD	--
A1 SUPER	GOOD	1.23
WHOLE GLUTINOUS	GOOD	1.44
<u>U.S. RICE</u>	GOOD	--
<u>AUSTRALIAN RICE</u>	GOOD	--
<u>PAKISTAN RICE</u>	GOOD	--
<u>TAIWAN RICE</u>	GOOD	--

SUPPLIES AND WHOLESALE PRICES OF SWINE

(CALL SOURCES)

AVAILABILITY OF SUPPLY - GOOD
WHOLESALE PRICES OF PORK (\$/PICUL-LIVE WEIGHT) - 330 (AVERAGE)

/SUPPLIES AND

TUESDAY, DECEMBER 31, 1974.

SUPPLIES AND WHOLESALE PRICES OF MARINE FISH

(FMO CHEUNG SHA WAN WHOLESALE FISH MARKET)

<u>SPECIES</u>	<u>AVAILABILITY OF SUPPLY</u>	<u>WHOLESALE PRICE (\$/CATTY)</u>		
		HIGH	LOW	MODE
GOLDEN THREAD	GOOD	4.00	1.50	2.80
BIG-EYES	GOOD	2.80	1.00	2.00
SQUID	LIMITED	6.50	4.00	5.30
HAIR-TAILS	GOOD	2.40	1.00	1.80
LIZARD FISHES	GOOD	2.90	1.20	2.00
CROAKERS	GOOD	2.00	0.80	1.40
CONGER-PIKE-EELS	NORMAL	3.10	2.40	2.80
MELON COAT	LIMITED	2.40	1.40	2.00
BREAMS	SCARCE	5.70	2.80	4.20
YELLOW BELLY	GOOD	1.80	0.70	1.20
MACKERELS	LIMITED	5.40	3.20	4.30
RED GOAT FISH	LIMITED	3.20	1.20	2.20
FORK-TAIL	GOOD	1.20	0.60	0.90
HORSE-HEAD	LIMITED	5.60	2.20	4.00
MELON SEED	NORMAL	2.80	1.50	2.20
POMFRETS	SCARCE	8.70	5.00	6.80
GARROUPAS	NORMAL	8.50	6.00	7.30

SUPPLIES AND WHOLESALE PRICES OF LOCALLY PRODUCED VEGETABLES

(V.M.O. CHEUNG SHA WAN WHOLESALE VEGETABLE MARKET)

<u>TYPE OF VEGETABLE</u>	<u>AVAILABILITY OF SUPPLY</u>	<u>WHOLESALE PRICE (\$/CATTY)</u>		
		HIGH	LOW	MODE
FLOWERING CABBAGE	NORMAL	1.00	0.25	0.60
WHITE CABBAGE	GOOD	0.35	0.10	0.20
CHINESE LETTUCE	GOOD	0.40	0.10	0.30
WATER SPINACH	---	---	---	---
CHINESE KALE	NORMAL	1.00	0.30	0.60
STRING BEANS	---	---	---	---
SPRING ONION	GOOD	1.20	0.20	0.70
SPINACH	NORMAL	0.80	0.20	0.60
WATER CRESS	GOOD	0.80	0.15	0.50
LEAF MUSTARD CABBAGE	NORMAL	0.35	0.10	0.20
CHINESE SPINACH	---	---	---	---
TOMATO	LIMITED	2.20	1.20	1.50