

## AMBIGUOUS

This jargon is ambiguous because it never admits that money — a great deal of money — is involved. Are quotas commodities? If so, who is the producer and who the beneficiary? I suppose in the case of Hongkong quotas the government is the producer of this commodity, but in that case who is the beneficiary? I think the beneficiary should be either the government or the people, but this is not the case because quota proceeds go to somebody's private pocket and these deals are never registered, and no tax is imposed on them. Since the financial year 1977-78, the Hongkong Government has refrained from openly acknowledging that quota transfers at a premium are legally acceptable, by abolishing the stamp duties on such transfers.

This "ostrichism" reminds me of an ancient Chinese story about a big bell in Chang An.

In conclusion I am obliged to sound a warning that our resistance to import control may be weakened by our practice of quota farming. We may not mind creating more millionaires through quota farming, but if this results in a change in our quota control system — from export control to import control — which is quite possible through insertion of a new "reasonable departure" clause in the MFA, it would be a great misfortune for all of us.

● Speech delivered by Mr Kayser Sung, Editor-in-Chief Textile Asia, at the luncheon meeting of the Rotary Club of Kowloon.