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A change for the better

If last year was a good one for tourism, it was because Hongkong in most cases gave the tourist a good deal. Not, alas, in every case. But human nature is the same the world over and the here-today, gone-tomorrow visitor is invariably fair game for the sharp businessman. In the last few years, however, too many tourists have been exploited where it hurts most — in their exchange rates.

And for a city which thrives on tourism this is completely unacceptable. The unstable exchange rate was at one time a hazard because in volatile times tourists could lose large sums of money depending on their day of arrival or the time of their transaction. But since the Government established the link with the greenback more than a year ago, a high degree of stability has been achieved.

The major difficulty after that was to find a foreign exchange dealer who did not charge an excessive commission. And for tourists who are not always as clued up as they should be on how these dealers operate or who are unaware of local laws or the lack of them, they could be paying far more than they need to change their money.

The Government has now stepped in with a Bill which requires money changers both to inform customers of any commission they charge but also obtain their written consent that they understand and approve. And that is perfectly fair. Perhaps the majority of customers will simply nod the deal through without bothering. But so long as the exchange shop honestly complies with the law there can be no fear of retribution.

However, if the dealer cheats or inadvertently fails to make a full disclosure, the client has the right to rescind the deal in three days. There is, we feel, scope for argument over this and a lot of complications could arise over a tourist who decides to cheat, by finding another exchange shop offering a better rate and then claiming he was not told everything in the original shop or didn't understand what he was signing.

In short, where the law favoured the dishonest exchange shop, now it might be seen to protect the sharp tourist and experience may prove the pendulum has swung too far the other way. The new law also demands full disclosure of commissions or charges on notice boards so that a customer can assess the rate before undertaking a deal.

No attempt is made to control the level of commission or even the band of rates. It is still up to the shop concerned to charge what he considers the market will bear, so that in future tourists might still complain about the going rate at Kai Tak.

The Government, however, feels it would be wrong to legislate in this field, not knowing the costs that each individual shop entails in carrying out its operation. It prefers to leave it to the laws of supply and demand and for an individual to make his own judgment, always remembering the universal shopper's warning: caveat emptor.

There are a number of exceptions to the new legislation, namely banks and DTCs, because the Bill holds that they offer money changing as an ancillary service. Also hotels. With this we disagree. For while the $100,000 limit may be fair enough, the law should apply equally to all institutions which change money. The tourist could as easily be ripped off by a dishonest clerk at a bank or a hotel as at an exchange shop and if he is to be protected in one case, he needs it everywhere.

The new law is a big step in the right direction and this newspaper has frequently published criticism from angry tourists and argued in favour of controls. The fact that exchange shops have recently taken steps to regulate their own affairs is also welcome. The great pity is that they did not put their houses in order earlier when complaints were rife.