

The Betty Letters

My Dear Grandchild,

*There is a well-worn axiom, which states that if one gives a relatively sophisticated toy to a child, the child will twiddle the knobs and push the various keys until the toy is broken beyond repair. In the world of adults, it is noted that many formerly third-world countries have inherited 'toys' in the form of hundreds of billions of petrodollars, and there must – or should – be grave concern as to how the governments of some of these countries, many of which are extremely unsophisticated, will spend their new-found wealth. As with the analogy of the child and the sophisticated toy, no doubt, a goodly part of these countries' new-found wealth will be wasted, while some of it will find its way into the pockets of the crooks of these countries. Some of it, however, has the potential to influence the economies of other, more-sophisticated countries, sometimes to the detriment of those countries. This is, exactly, what happened in Columbia when the former cocaine king of that South American country, Pablo Escobar, had so much money that, for a time, he had absolute control of the government of the country and, actually, bought off the Authorities – for cash. I have long held the view that if one person, or one corporate entity, accumulates riches, the extent of which the world could never have imagined in years gone by, that person/entity has the ability to acquire immense power, which could be used to bend the ear of just about anybody in the world, from barons of industry to leaders of countries. Many energy companies are, today, reporting huge profits in the hundreds of billions of American dollars. Many of these companies are, merely, using part of their newly acquired wealth to repurchase their own shares on equity markets round the world. A number of countries, whose energy companies are State-run entities, are producing profits at such a pace that they are finding it increasingly difficult to decide how to reinvest the States' surplus funds. In the case of the Russian Federation, for instance, its vast profits from the sales of the country's oil and raw materials have been used to retire international debt, ahead of schedule, and, by so doing, the government is being viewed by many countries with newfound respect. The country is, however, still ruled by the iron fist of the fifty four year old Vladimir Vladimirovich Putin, now a well-respected Russian politician, who was elected as the second President of Russia in 2000. President Vladimir Vladimirovich Putin was born in Leningrad (now St. Petersburg) and is the son of a factory foreman. He attended law school at Leningrad State University. Upon graduation from university in 1975, President Vladimir Vladimirovich Putin joined the **Komitet Gosudarstvennoy Bezopasnosti** (KGB, the Committee of State Security), the secret police force of the former Union of Soviet Socialistic Republics (USSR), which was charged with defending the Soviet Communist Regime against internal and foreign enemies. From 1975 to 1990, President Vladimir Vladimirovich Putin worked in the KGB's foreign intelligence service. In effect, therefore, President Vladimir Vladimirovich Putin's history is one, which could aptly be described as the head of a State-operated, killing machine, whose birth was rooted in the KGB, but, today, is termed as the **Federal Security Service (FSB)**. But, regardless of its nomenclature, it is, still, the unaccountable killing machine of old, which employs more-modern methods of obtaining the same results as when Joseph Stalin was the dictator of the USSR. Under President Vladimir Vladimirovich Putin's orders, it is estimated that Russia, in just two short years, has amassed more than one hundred billion American dollars. And it, still, has oodles of cash, flooding into the State's coffers, which could be spent to acquire international assets if President Vladimir Vladimirovich Putin makes such a determination, for whatever reason. With the price of crude oil, maintaining a relatively high price on international commodity exchanges, it is likely that Russia will continue to add to its war chest. The Middle East, also, is swimming in petrodollars, but, unlike the well-oiled, Russian political machine of President Vladimir Vladimirovich Putin, the use of the relatively newly acquired fortunes of some Middle Eastern*

members of the oil cartel, known as the **Organisation of Petroleum Exporting Countries (OPEC)**, is questionable because it smacks, in some cases, of covert operations with sinister overtones. In fact, My Dear Grandchild, there should be some concern as to the way in which some of these countries spend these fortunes, especially some of the Muslim countries. Western concern, however, should not exclude certain African countries, whose governments are relatively unsophisticated, compared with many of the Middle Eastern countries. It is fair to state that many of these African countries may be manipulated by some of the rulers of Eastern potentates, who support insurgency in such countries as Iraq, Afghanistan, Syria, The West Bank, etc. The amount of money, being accumulated, in aggregate, by the Middle East and Africa is unparalleled in the history of the world and may pose a serious threat to the West and its allies unless checked, overtly or covertly. In the global economy of today, one sees a shift in the balance of economic power: It is most prominent in countries, which control supplies of energy and raw materials. One notes that, in the United States, today, there is a paucity of savings at the family level and consumers accumulate more goods and services by borrowing more and more money from banks and other lending institutions. Domestic savings are being used, in many cases, to finance investment activities or to purchase the new family motor car. As the West borrows more money to pay for the exorbitant spending, both by the State and by the consumer, so the foundations are being laid for galloping inflation. It will, no doubt, be up to the US Federal Reserve to try to keep inflation under control in The Land of The Free and The Home of The Brave. Meanwhile, the stage is ripe for the nouveaux riche countries to have more than just a taste for foreign assets, from the acquisition of multinationals, to US Treasuries, to direct investments in real properties in the West, to utility companies, to the installation of 'friends' in high places. As the Israelis like to state: Money talks; bullshit walks. The West cannot throw up trade barriers in order to stem the economic invasion from the East, the Middle East and Africa, but it should, in my opinion, consider a plan of action in order to protect itself from the very real prospects of losing control of infrastructural services, its banking systems, its communications, its production of essential materials as well as the potential for a flood of investment dollars, financed by unfriendly covert operators, disguised as, simply, investors.

Talk to you next week.

Chief Lady

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.