

The Betty Letters

My Dear Grandchild,

On studying The Nina Wang Case where Mr Chan Chun Chuen (), also known as Mr Teeth in some quarters, was, allegedly, her mentor, Fung Shui Master and fortune teller, during the last stage of the terminal cancer that, eventually, killed the unfortunate lady, I was thinking that if this greedy little man can claim to know how to change one's future, it should not be too difficult for me to top the prognostications of Mr Teeth. So, as usual, I put it to Bo-Bo, my froglike husband, that it would be nice for me to hang up my shingle, proclaiming myself to be an expert Fung Shui Masteress (Masteress is the female gender of master in the language of Fung Shui experts, you know). 'What do you know of the art of Fung Shui?' asked The Frog. 'Mr Teeth was taught the art by his late father who passed down his knowledge of the old arts to one of his male children.' (The Frog claims that only males may become Fung Shui Masters unless a worthy female, who is a virgin and who dabbles in the black arts, has copious quantities of hair on her upper lip and, after she has proved her worth by correctly anticipating future events, over the period of one decade, is entitled to reward herself with the title of Masteress.) I suggested to The Frog that Mr Teeth had to be a charlatan because he was unable to forecast the outcome of the trial which, if he won, would have rewarded him with about \$HK200 billion of the late Nina Wang's fortune. But he lost the case, with the trial judge in The Nina Wang Case suggesting, strongly, that he was a crook. The Frog sat up and responded: 'Nobody is perfect! Mr Teeth, clearly, was known as a Fung Shui Master, but he gave no promise that his chants and other charms and potions, all of which are supposed to drive away evil things and bring fortune to the person, paying money to Mr Teeth, would be successful, 100 percent of the time. Western doctors don't guarantee that every operation will be successful, too.' 'Men,' I thought to myself, 'always trying to defend each other.' I told The Frog that I could guarantee all of my prognostications or repay my honorarium. The Frog asked me to prove my claims. I, immediately, reminded him that he was married to me because I willed it. I said: 'You chased me until I caught you. I told my mother, after our first meeting, that you would be my future husband. And you know that is true because my mother told you so.' 'Give me another example of your ability to forecast the future,' The Frog demanded. And so I did. This was my prediction:

China, if it continues on its present course of action with regard to the economy, will suffer the biggest financial setback in its history. It will be so dramatic that the world will shudder. The financial setback will have repercussions from one corner of the world to the next corner. Nobody will be spared. The prices of stocks and shares will collapse dramatically. Property prices in China will fall so much and in such a short period of time that home-owners will find themselves with negative values and, just like in California in 2008, many home-owners will just walk away from their properties because they will not have the wherewithal to meet mortgage payments. The Government of China will be singularly unable to cope with the catastrophe and will ask leading economists, around the world, to assist the country in order to try to find solutions because China's economists had got their sums all wrong.

The Frog looked at me and started to laugh. 'Nostradamus reborn of 2011!' he joked. 'Give me your

reasoning for this preposterous prognosis, Mrs Nostradamus.' And so I did:

China boosted its economy over the past few years with injections of trillions of renminbi from its reserves. Improvements were monitored by the Government and businessmen were encouraged to embrace a new economic philosophy: The new, free-market economy of communist China. Property prices rose to record heights and many individuals and companies prospered as never before. The market economy spawned many millionaires, their numbers unrivalled in the history of The Middle Kingdom. The Gross Domestic Product went through the proverbial roof and many a family had more readily available disposable income than at any time in the past 6 decades. Many people in the country bought, for the first time, their own motor cars, purchased their own houses or flats, speculated wildly on the prices of stocks and shares on The Shanghai Stock Exchange and/or The Shenzhen Stock Exchange, and, then, they speculated, again, purchasing a second flat, or a third flat, mirroring the way in which a market economy is perceived to be operating in other countries. Banks were, initially, encouraged to assist this new breed of China businessman in their pursuits. In order that the wealth of China is shared by more and more workers, wages and salaries were increased, by law, without recourse to anybody other than the issuance of a Governmental decree. It was determined that the gap between the rich and the poor should be narrowed as a matter of some urgency. New road networks, bridges, deep-water harbours, dams, nuclear power generators, and airports, etc, were constructed as well as laying down all kinds of other, very necessary infrastructure, long overdue. This gave tens of millions of people work. The people were generally happy, happier than at any time since 1949, in fact, when modern China was reborn from the ashes of the turbulent, 24-year period, following the end of World War II. But the economy of the country was fast spinning out of hand. So, in their wisdom, the country's economists whispered to the powers that be who, in turn, sought to rein in the galloping economy, ordering banks to stop lending, property moguls to reduce prices so that the common man could afford to buy a flat as prices fell 'to more reasonable levels'. In a period of less than 2 years, the Government of China made almost a 180-degree turn in respect of the economy. It was as though the Government had taken a sledgehammer in order to crack a nut. While the Government wanted to encourage a free market economy, it forgot that a market economy should not be controlled by governmental forces. The best controller of a market is, after all, the market, itself. In a free-market economy, all economic activities and transactions are the prerogative of the individual within that market economy. A free-market economy is, thus, one which provides an environment, permitting the individual a multitude of freedoms, and, most, importantly, the inviolable right to pursue his economic welfare as he thinks best. It is important that a free-market economy is one which is free of all governmental regulations and restrictions. The only exceptions are such matters, generally regarded as being the responsibility of the State. These would include the passing of certain laws that are seen important to preserving the status quo of the State. In a free-market economy, the environment is such that individuals are free to make decisions, concerning their employment, the use of their money, and the way in which they propose to dispose of their resources: To make personal determinations as to the percentage of their funds to be saved or spent on whatever individuals decide that they want to buy in the High Street. If China's Government imposes new or altered laws or rules of conduct in respect of the free-market economy in ordering this or that, for whatever reason, and this determination is contrary to the mandate of a free-market economy, then, the economy ceases to be a free-market economy, any more. By such actions, it is akin to trying to repair something that is not broken. It will, in due course, rebound on the government because it will be viewed that the aspirations of the citizens of the country are, suddenly, dashed by new governmental laws/rules, which have been imposed on them without the government, seeking the opinions of the people, who will be caused to enjoy or suffer such State determinations for which the people are completely defenseless. The end result is obvious: Social unrest.

Having delivered my erudite prognosis on the likely future of China unless it changes the direction of

Government's philosophy, I turned to The Frog and said: 'Well, now, what do you think?'

But he was fast asleep, again, as usual: People just don't think these days, do they?

Talk to you, next week.

Chief Lady

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