

**CAN SOMEBODY PLEASE TELL ME:
WHAT IS THE MEDIUM OF EXCHANGE IN
THE PEOPLE'S REPUBLIC OF CHINA, TODAY?**

It used to be called, and it was widely accepted as being, 'that other medium of exchange'.

'That other medium of exchange' was thought to be that the politicians of the People's Republic of China (PRC) did not, openly, care too much for money -- the kind that one puts in one's pocket when visiting the local supermarket, that is -- but they employed another medium of exchange: Kudos; political power; perquisites of political office; aspirations to rise to an even higher political office; and, etc.

When the late Paramount Leader of the PRC, Mr Deng Xiao Ping, was the most powerful man in the PRC (perhaps, even the world), it was well known that the amount of money which he was, officially paid, monthly, was less than renminbi 400 -- about \$HK400 in those days.

But the aging patriarch had no reason to require any folding money for he went round the world in transportation, provided by the PRC Government, his food and luxury lodgings, throughout the PRC, were provided by the PRC Government, his Mao Jacket and other clothing were paid out of the taxes, collected by the State, he wife's expenses were dispatched, promptly and surreptitiously, and all other costs, including his Panda cigarettes, were paid out of State coffers.

And, when his children matured into adulthood, their good works, and their attempts at works of art -- books and paintings, etc -- were hotly sought after; and, professors of respected PRC universities, and even the great ethnic scholars of the world, applauded these children's skills: Who, but the prodigy of the world's greatest leader could produce superior works of art.

Paramount Leader Deng Xiao Ping never needed to buy anything, not even a cup of baak mau dun (Chinese tea) at a dim sum restaurant: So for what reason should he covet the renminbi, the US dollar, the English pound, etc?

This is unlike the last white Governor of Hongkong, Mr Chris Patten, who was paid the equivalent of about \$HK5 million a year, tax-free, as his salary and perquisites of office for being the head of a Government in the last British outpost on the Chinese peninsula.

But published events since 1997, events with regard to businesses, people behind certain businesses, and scandalous business failures, have raised questions as to the efficacy of the alleged PRC dedication to political office, and to serving the people, faithfully.

It is only too apparent that money, originating from PRC quasi-Governmental nooks, and PRC quasi-Governmental crannies, has been used in the Hongkong Special Administrative Region (HKSAR) to fund financing operations of which, on the surface, there appear to have been no PRC Governmental connections.

Since evidence is impossible to obtain in order to prove, prima facie, that corruption was involved -- if, indeed, there was corruption involved -- one must look at the facts and speculate as to what, really, happened in some of those spectacular business failures in the HKSAR.

Interestingly enough, the lack of a paper trial, back to the PRC Government, is, in itself, rather damning -- especially when PRC bigwigs start to complain about the failure of this enterprise or that enterprise.

For what reason should minions of the PRC Government complain about the failure of an entity, doing business in the HKSAR ... unless vested interests in the PRC Government, or close to the PRC Government, were, in some shape or manner, involved?

The legions of individuals, who came to the HKSAR from the PRC and, then, set up gold-trading operations, money-lending operations, foreign-exchange operations on Year One, only to close down on Year Two or Year Three is interesting -- especially those individuals who claimed to have been in the in PRC Governmental operations.

These individuals, as soon as their HKSAR operations got into trouble, vanished from the HKSAR business scene, never to surface again.

Also, interesting is the fact that many of these individuals went overseas and settled into very comfortable lifestyles.

One is told that many of them were able to obtain help from overseas relatives in order to relocate to another country because the fear of the fate that could befall them in the PRC, due to the defunct enterprise's failure, of which they were supposed to be in charge, was too much for them to bear.

If truth were known, one cannot help but consider what the answers might be to the following questions:

1. For what reason would a PRC Governmental entity want to engage in money lending in the HKSAR? What social benefit could such an entity bring to the PRC, or to the HKSAR? What material rewards could a government, such as the PRC Government, expect from a \$HK50-million, money-lending operation? For what reason should the PRC Government want to finance such a small operation?
2. For what reason would the PRC Government want to start up a gold-trading business in the HKSAR when the PRC Government is an international player and has no requirement for a piss-pot of the size of a \$HK10-million joint-venture company with an HKSAR jewellery company?
3. For what reason would a PRC Governmental entity want to finance an HKSAR-based, foreign-exchange (FOREX) operation when, in existence and fully operational in the HKSAR are offshoots of The Bank of China, which entities specialise in FOREX operations for and on behalf of the PRC Government? And, for what reason should the PRC Government chose an HKSAR 'partner' who is a known convicted felon?

Questions of this genre could be raised, ad infinitum, but the answers are unlikely ever to be forthcoming.

In an authoritarian government, such as that of the PRC Government, accountability is not a matter of great importance, requiring momentous thought. In fact, such considerations rarely are considered in the higher echelons of power, unless there is a struggle, of what colour or another, with one faction, desirous of eliminating the competition.

The individual, within an authoritarian government, may be sacrificed on the altar of the expedience and the best social good.

He, who complains first, may be he, who complains last.

In early July, it was reported that tens of millions of renminbi, formerly earmarked to be used for flood-prevention in one part of the PRC, had been diverted by PRC cadre into stock markets and property markets in the PRC and in the HKSAR.

The emergency funds had been lost, and so the Beijing Government had to find more funds to supplement those that had been wasted by PRC Governmental-appointed cadre.

This case could, unfortunately for those PRC cadre who were exposed, unwittingly, not be denied because it had been reported that some 240-odd people of the Yangtze Basin had been killed in the flooding, and about 2 million other people had been driven from their homes by the torrential downpours of earlier this year.

The PRC Government moved to announce radical changes in order to remedy the very embarrassing situation, but only after it was only too evident as to the true situation, and only after it was much too embarrassing not to

admit.

Damage control in this situation meant sacrificing certain individuals, formerly in charge of the emergency funds, for the sake of the common good ... in higher echelons of power.

A statement by the National Auditor's Office, a branch of the PRC Government, went along these lines: *'The State Council has decided to confiscate the water project monitoring building of the Water Resources Ministry, which, in effect, has been turned into a commercial office and hotel building ...'*

The China Daily, the medium which is used, internationally, to put across the PRC Government's point of view, praised the efforts of the PRC Government in bringing to light the situation in the Yangtze Basin.

It praised the PRC Government's openness; and, it remarked that the remedial actions of the PRC Government were 'surprisingly good'. The high praise was in respect of the distribution of relief funds and materials to the stricken PRC province.

Of course, if the floods had not come to the area at such an inopportune time, it is highly unlikely that the matter would ever have been brought to light.

When one travels to the more rural areas of Guangzhou and stops in at various cadre offices, one notes brand new motorcycles, being used by petty politicians of the area.

They, also, appear to have very deep pockets when it comes to entertaining in local restaurants.

Bottles of the most expensive French Cognac festoon offices of many petty politicians.

Valentino spectacles and Valentino suits, with labels still attached to frames and jacket cuffs, in order that all may know that these are the genuine articles, are commonplace.

While, the common people suffer, many without shoes on their feet or a roof over their heads, their last home, having been whipped away by flood waters which, if State funds had been applied, judicially, would have been held back by dams, stand and watch, mute.

The PRC Government's great leap forward, as envisaged by the Founder of the People's Republic of China, the late Comrade Chairman Mao Zedong, has become a giant leap, back into the past.

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