

## Sir John Cowperthwaite

If a survey were to be conducted today of 30,000 adult citizens of Hong Kong below the age of 50, it would be doubtful if five could be found for whom the name Sir John Cowperthwaite rings any bells. There is no street named after him and no monument of him to be found anywhere. Not even a park bench bears his name. That anonymity is what Sir John would have preferred, I think, for he was a consummate civil servant of the old school. He just wanted to do his job and then quietly fade away.

Such an approach makes a lot of sense in retrospect. Anyone who has done much travelling would have noticed statues on tall pedestals installed in many places, commemorating once famous but now largely forgotten personalities. To all intents and purposes, those replicated forms in metal or stone seemed to serve mainly as targets for pigeons and other feathered creatures to aim their evacuations.

They would be like the two kneeling effigies of the treacherous Premier Chun Kwai and his wife, frozen in concrete outside the temple dedicated to the Southern Sung Dynasty general, Ngok Fei, at the outskirts of Hangchow. Generations of Chinese children had been encouraged to spit and urinate upon the pair because they had betrayed the loyal general and secretly arranged for his execution. Ngok Fei has of course since become a Chinese folk hero and an enduring symbol of loyalty and patriotism.

I doubt if the fear of such unappetising possibilities ever crossed Sir John's mind. He was simply a very modest person who had resisted all attempts by others to persuade him to write his memoirs or autobiography.

Since he had taken such a stance, and since those who knew him more intimately had remained silent, I feel it incumbent upon me as one of his less worthy acolytes to attempt to extend his reputation for a short while longer. After all, the debt that Hong Kong owes to him is enormous and beyond quantification.

Sir John had been the colony's Financial Secretary throughout the

crucial transitional years between 1961 and 1971. He, more than any other official, laid down the economic and financial foundations for the city and charted out the path to its present prosperity and financial health. In my humble opinion, his contribution to Hong Kong has probably been greater than that of any of its long string of colonial Governors before him or afterwards.

Numerous cities and countries are today burdened by insurmountable public debts; increasing numbers are facing hardships and total bankruptcy. The long years of austerity currently endured by Greece and other European countries amply demonstrate the awful price which must be paid for incompetent or corrupt governments and self-serving politicians.

In contrast, Hong Kong with only a colonial government till 1997, has no public debt and has accumulated reserves standing at \$662.1 billion at the start of the financial year 2012-13. Those reserves naturally also earn income from interest and investments each year. A situation to be envied but not fully appreciated by many. What kind of man had been able to perform such wonders?

Sir John was born in Scotland in 1915. He studied classics at St. Andrew's and later economics at Cambridge. He joined the Hong Kong Administrative Service in 1941 but the colony fell to the Japanese before he could reach it. He was therefore diverted to Sierra Leone for the duration of the war, before finally reaching Hong Kong in 1946 to help pick up the pieces after the Japanese surrender.

Unlike most of his expatriate colleagues, he paid close attention to what the Chinese population was up to and made friends with many of them. He noted that they were self-reliant, usually with strong family ties, and ever anxious to re-establish their own social and business relationships without waiting for help or handouts from officialdom. In fact, the colony received virtually no aid from Britain or from any international body. Its people simply pulled themselves up by their own sandal straps.

For perceptive outsiders, Hong Kong's impudence in surviving against the odds -- and in prospering to boot -- during the 25 years after the Second World War had to be a clear harbinger of what the Chinese nation was capable of once given peace and opportunity. The transformation of China into its present day form in such a short span of time is without precedent in history.

Either by chance or by design, Sir John's early responsibilities in Hong Kong revolved around the economic sphere. He concluded that the economy was picking up steam on its own accord and that no government intervention was required. This was partly due to the influx of capital and industrial expertise from mainland China and partly to the resilience and energy of its people. He probably noticed too that some things the Chinese got up to were not only different from those in the West but also perhaps not quite according to Hoyle. Needs must when the devil drove. His observations and common sense told him a policy of "positive non-intervention" would be best in the circumstances.

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I had joined the Administrative Service just before Sir John was elevated to the post of Financial Secretary but I did not set eyes on him till three years later, when I was posted to the then Colonial Secretariat. And it was only years later, when I started working in the Economic Branch, that I really got to know something of the man.

He was a big man -- both physically and intellectually. He stood about six feet, solid and comfortably stout. He had a high-domed forehead with sparse receding hair. A professorial air was conferred by a pair of eye glasses and that certain way he sometimes furrowed his brow inquisitorially. He spoke softly, for he was essentially a very shy man. He was in my book

one of the kindest, most humane and possibly the least understood colleagues I have ever had the privilege to work for in the government.

Intellectually, I would say he stood about three cuts above most of his contemporaries, a veritable Mount Everest towering over a litter of those who merely strove to reach the base camps. He never failed to argue his principles throughout the aberrant and sometimes politically jangled times over which he presided. Nor did he ever lose his nerve when the going got tough.

My admiration for him stemmed from his consistent devotion to what he perceived to be the best interests of Hong Kong, as opposed to what might be popularly convenient or in the British interest. He demonstrated this trait before he became the Financial Secretary, when he was in the post of Deputy Economic Secretary or, more strictly, as the Deputy Financial Secretary (Economic), as the quaint title used to be at that time. He had argued forcefully for reasonable access for Hong Kong textile products into Britain, when his home country became non-competitive in that sector.

He also argued for a greater local say in civil aviation matters. Landing rights in and out of the colony were controlled by Whitehall, which took a very restricted view. In aviation terms, Hong Kong was regarded as a British domestic point. Whitehall thus sought to grant traffic rights to the colony by foreign airlines in return for commercial advantages for BOAC, the state-owned British airline.

Sir John, on the other hand, saw the importance of developing Hong Kong as a hub for international air services, both to support the colony's growing trading activities and to provide employment in the local ancillary aircraft maintenance sector. Therefore air services negotiations soon became a three-cornered affair, with Hong Kong supporting a foreign government's desire to mount services to the colony as against the United Kingdom's wish to restrict them -- unless Britain could secure some adequate compensation in

return.

There were also other celebrated tussles between Sir John and Whitehall. One of the chief ones was the repeated pressure upon Hong Kong to shoulder a greater share of the cost of stationing British forces in the colony. While it was true that the British Army manned four of the border posts along the 12-mile long land border meandering between Sha Tau Kok and Man Kam To -- with the rest being the responsibility of the Hong Kong Police -- their presence was merely symbolic, to serve Britain's wider political and diplomatic purposes.

For British servicemen, the colony was a safe, popular and desirable location in the exotic Far East. No doubt the possibility of being posted there for a spell and consorting with the dainty Eastern women of their fantasies were a considerable lure for service recruitment.

It would be rather difficult to imagine British forces being ever deployed to thwart an attack by a hostile power for that would mean going to war with China. The British gunboats stationed there were unable even to enforce a United Nations embargo against an unsophisticated China during the Korean War. Although helicopters had been useful in certain humanitarian rescue situations, against whom would fighters and bombers be used?

There remained, of course, the possibility of China itself making an unexpected move, as had happened in 1962. Chairman Mao was once famously alleged to have said he could take the place with a single telephone call. In 1962, when the Chinese border authorities stopped preventing Kwangtung residents from heading into Hong Kong, the potency of that boast was put beyond doubt. There was no need to use the People's Liberation Army. Merely withdrawing the guards on the Chinese side of the border would send hordes tearing down the chain-linked fence marking the boundary to join their kith and kin in the colony.

What could British forces or the local police do under such

circumstances? They could hardly machine-gun them, as they had done at the bridges at Shameen in 1925. Thus paying more for the symbolic presence of British forces was simply not good value for money for the Hong Kong taxpayer.

Of course, Sir John would not have advanced his arguments in such gauche terms. He would have been much more gentlemanly and adroit, probably drawing attention to the size of Hong Kong's existing contributions in relation to the overall size of its economy, the free occupation of numerous valuable British military sites all over the colony, and so forth.

It was small wonder that Denis Healey, the British Chancellor of the Exchequer of the time, should have said: "I always retired hurt from any encounter with the redoubtable Financial Secretary."

Another battle repeatedly waged by Sir John with Whitehall concerned Hong Kong's reserves. Up till 1967, the colony was required to keep its reserves in Sterling, notwithstanding that Sterling was suffering from chronic weaknesses.

When Britain was forced to devalue its currency in November of 1967, it did so without the slightest warning to Hong Kong. As a consequence, the colony's reserves suffered a loss estimated variously as between 30 and 60 million pounds. Sir John took up the matter of compensation with Whitehall and eventually secured the right for the colony to keep its reserves in a basket of currencies of its own choosing.

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Sir John was a modest and very principled man. He used to tell staff overseeing government expenditure that they should consider the cost of government projects as if the sums required were from their own pockets. Accordingly, when his official residence came up on the schedule for

refurbishment, he turned it down because he considered the premises to be still in a fit and serviceable state.

But he told me another less well known instance of this attitude. Before he became Financial Secretary, he used to visit Bangkok from time to time as the Deputy Economic Secretary to negotiate the quota for Thai rice imports. The decision to impose a quota, contrary to free market principles, was not made by him but by others on political and strategic grounds. It was considered by them unwise after World War II to rely too much on China for such a staple food. So Chinese imports of rice were limited to 30% of total needs, leaving the rest to be bought from elsewhere. That restriction was not removed till 1973.

When an officer was sent for duty abroad, Establishment Regulations provided for a specific per diem deemed appropriate for different regions in the world. The philosophy behind the per diem, I think, was that an officer on duty abroad should not expect to live at a standard substantially above how he would himself normally live at home. Needless to say, in a fast-paced world with different inflation rates and almost daily fluctuations in exchange rates, the per diem rates could hardly ever be up to date.

Another requirement in Establishment Regulations was that a senior officer visiting a foreign country should visit the British Embassy and sign the Ambassador's visitors book. It was part of diplomatic protocol. The Ambassador would then, in all probability, extend the visiting officer the courtesy of a meal or a drink.

Sir John followed those regulations to the letter during his visits to Bangkok and was duly invited to dinner. The embassy car was sent to fetch him. On one occasion the Ambassador was horrified to discover that Sir John was staying at a cheap hotel with a rather dubious reputation.

He asked Sir John why he had not elected to stay at a better class of accommodation. Sir John explained that the place he had chosen was all he

could afford on his per diem. The Ambassador was sufficiently exercised by that poor reflection on British national dignity to write to the Hong Kong Governor, complaining of the disgrace for a senior British official to stay in such shady premises due to an inadequate allowance.

As a result of the Ambassador's letter, the per diem rates were revised. But, like all man-made regulations, they were only be done retrospectively and could never be revised as rapidly or as often as evolving circumstances demanded.

The episode demonstrated Sir John's modest taste and his willingness to live by the rules. I drew from him that lesson in plain living and high thinking. Whenever I was sent to London on civil aviation business -- and that had been quite frequent -- I always checked into one of those cheap bed-and-breakfast hotels along Sussex Gardens in order to live within my per diem. I actually found those hotels quite clean and comfortable, and much preferred spending my allowance on better and pricier meals instead. In any case, it was often an exhilarating experience at such unpretentious establishments to sit down at a communal breakfast and to swap tall tales with travelling salesmen, foreign academics and a range of international backpacking students.

Naturally, not all colleagues shared my attitude. Some felt they should be entitled to a high degree of comfort -- if not actual luxury -- when they were engaged in negotiations overseas. There was one notorious case which led to a lot of argument within the bureaucracy. A very senior official sought reimbursement for staying in the Presidential Suite of a five-star hotel in Europe because he had overlooked booking a room in advance. He claimed that the suite was the only thing available in the city when he arrived for the negotiations.



Sir John enjoyed a worldwide reputation for being a free marketeer. Yet it would be a disservice to him if he were known only by that label. He was in fact much less of a doctrinaire free marketeer as certain quarters would like people to believe. They ignored, for instance, the fact that virtually all the public utilities like gas, electricity, buses, trams, ferries and telephone services operated as monopolies under franchises from the government, with profit limitation clauses.

Moreover, the bulk of the foodstuff imported from China by mainland-designated wholesalers had to be sold to retailers at no more than a 10% mark-up on the price paid to the mainland. That latter requirement had been made by the Chinese authorities. Although that did bar the operation of a completely free market in the important food sector, it also helped to slow the rate of inflation in the colony.

Sir John could not have been oblivious either to the possibility of bidding rings by local developers forming during open auctions for crown land or of herd instincts overwhelming quasi-free markets within a compact city. He did, nonetheless, resist restrictions on the free flow of money into and out of the colony and set the stage for turning the city into one of the major financial centres in the world.

He was very much guided by common sense, compassion and facts on the ground, together with a strong feeling of obligation towards the less fortunate. He had often been criticised for being tight-fisted in providing funds for social services. I think that was because he was well aware of the Chinese instinct towards reliance on the self or on the family. He had no wish to undermine those commendable traits or, worse still, to encourage any sort of dependency culture.

Anyone who had followed his budget speeches carefully during his ten years as Financial Secretary should have come away with a clear idea of his thinking. He was against deficit financing, both as a matter of principle

and as a device wholly inappropriate to Hong Kong's economic situation. He said in an early 1962 budget speech that the community had inherited roads and other infrastructure free of charge from previous generations and it would be quite wrong to pass on the burden of any new development to the next generation.

Concern for future generations used to be a common strand in Chinese thinking. Even the current Communist leadership in China would often weave this theme into speeches, although that was often ignored in the implementation at lower levels. To what extent Sir John had been influenced by this Chinese cultural norm I am unable to say.

In any case, he repeated this point the following year and added that "in this hard world we have to earn before we spend." That dictum, also in accord with Chinese thinking, had served Hong Kong well over the decades. Such thinking stands in stark contrast with the consumerist culture of "spend now and pay on the never-never" encouraged by politicians and commercial interests in many Western countries. The chicken of easy credit and reckless spending are now fast coming home to roost in many societies. The outcome, in spite of the reassuring words of politicians and central bankers, remains highly uncertain.

In terms of his free market credentials, Sir John put them in the following words in another speech: "In the long run, the aggregate of the decisions of individual businessmen, exercising individual judgements in a free market, even if often mistaken, is less harmful than centralised decisions of a government and likely to be counteracted faster." In a later speech, he added: "I am afraid that I do not believe that any body of men can have enough knowledge of the past, the present and the future to establish development priorities."

He saw that the openness of the colony's economy also exposed it to certain vulnerabilities beyond its control. And no one could foresee where

danger might come from. This worry was perhaps not as well understood by some of his colleagues, who continually grumbled over their failure to gain approval for their idealised five-year or ten-year plans, as if they had already divined the future in blinding detail. He tactfully and indirectly reminded them in a speech in 1964 that there were “limitations to our physical and intellectual resources.”

But perhaps his message was too subtle. How could anyone in the administration have planned for the influx of Vietnamese boat people when the prospect of war in Vietnam had not entered anybody’s calculations? And when the refugees did come flooding in, could it have been anticipated that so few of them would be taken off local hands by those rich countries so vociferous in their declarations about human rights? Or later, the OPEC oil embargo due to a Middle Eastern conflict or the Asian financial crisis which started in Thailand in the 1980s? And later still, the effects of the misdeeds of major international banks in selling sub-prime mortgages and illegally manipulating interest and foreign currency rates?

The deficiency in intellectual resources was a factor often overlooked by planners, though it was often glaringly in evidence in Hong Kong. Take, for example, the obvious failure of those in charge of education to foresee the need for secondary school places after compulsory primary education had been introduced. Given the strong traditional Chinese attachment to education for children, that demand was obvious. It required no massive five-year plan to conclude that more urban sites should be reserved for schools and that the training of secondary teachers ought to be stepped up. As a result of the inability to foresee what was coming and to take remedial action, it had to be left to the private sector to profit from that shortfall when it occurred.

I myself cannot understand why some of my colleagues in the Administrative Service could have failed to notice the disastrous string of

long-term plans which had gone awry around the world, either as projects sponsored by the International Monetary Fund and the World Bank or as state-owned enterprises in the Soviet Union and its satellites.

After the collapse of the Soviet Union, that legacy of large-scale plans unfortunately continued, still bringing with it poor results, particularly in the agricultural sector.

A 2013 study, for instance, demonstrated how misguided some planning could be even today. In comparing the production of potatoes and vegetables in Russia between large-scale corporate farming and smallholders in 2012, the study discovered that 93% of potatoes and 80% of vegetables were still being grown by smallholders. In terms of average yield of potatoes per hectare, the smallholders were producing 12.63 tons while the large corporate enterprises were producing 16.64 tons. But the higher yield achieved by corporations had flowed from state support and the use of pesticides, chemical fertilisers and machinery, whereas the smallholders used only largely traditional methods of farming. Corporate farming also ran more risk of degrading the soil through mono-cropping than traditional farming.

There has in recent years been a considerable build-up of similar studies of failures in long-term plans. Yet many governments and many multi-national organisations still seemed unable to shake off their fetish for grand-sounding top-down planning. Such plans, without doubt, bring benefits to some people but those benefits seldom accrued to those who needed help most.

When Sir John made his comment about “intellectual resources”, he was in fact touching upon a strange human paradox. What he was trying to drive home was that no super-duper long-term plan would work if there were not the intellectually astute people to turn its components into reality. On the other hand, if intellectually superior administrators were already in place, there would be no need for complicated plans. Any decent administrator viewing a

developing situation would know what had to be done, notwithstanding the absence of any plan.

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Although Sir John was a celebrated economist, he was not above pouring scorn on some of his fellow economists. He said in a 1969 speech: “We suffer a great deal from the bogus certainties and precisions of the pseudo-sciences, including economics.”

What set him apart from most other economists was that he frequently went out to examine conditions on the ground. No theoretical formulations or mathematical equations satisfied him. Even during normal office hours he could sometimes be seen striding down Battery Path to meet friends engaged in active business to gain feedback.

He confided to me once that he hated the innovation of televising budget speeches. Previously, he could go about anywhere and talk to anyone he chose. Even at Wanchai bars most would just take him for another foreign serviceman enjoying rest and recreation. Now that he was readily recognisable as the Financial Secretary, people frequently made a great fuss about his presence and clammed up over talking about their own activities.

Sir John was also very sceptical over how statistics could be gathered and their real value. He was afraid that people would misuse whatever figures were produced. For a long time, therefore, he resisted the pressure to establish a Statistics Department in Hong Kong. He stated in 1969 in respect of GNP statistics: “Such figures are very inexact even in the most sophisticated countries. I think they do not have a great deal of meaning, even as a basis of comparison between economies.”

I fear his worst apprehensions have since been fully realised. One could hardly get through a day at the present time without some government

minister, politician or television guru interpreting statistics to suit his or her own purposes. Examples are legion, of misinterpretations leading to mistaken policy decisions in many sectors of economic life, both public and private. One can also note the speed with which figures announced one day get revised or readjusted the next. This treatment could apply to growth rates, balance of payments figures, crime rates, hospital admissions, immigration trends and an endless number of other supposedly scientific measurements. Bogus statistics are too often used as crutches to support shaky propositions.

I sometimes wonder whether governments might not gain a better insight into their own economic performances by tracking the suicide rate instead. There at least corpses would be available for verification. Or alternatively, initiate a “happiness index”, as I am told the small Himalayan country of Bhutan has done.

The world, I reckon, would become less noisome and jangled if all governments could suspend for a time the collecting and issuing of a whole range of statistics. Politicians and certain types of public gurus would then have to resort to principles and arguments to make their points rather than employ dubious figures and misleading interpretations. There is, naturally, some risk that without the ability to play fantasy games with handy numbers some of them might soon be out of a job.

The trouble is that too many pseudo-scientists try to present their fields of study as some form of science, where results are considered quantifiable and hence deemed objective and reliable. They forget that some of the greatest desires within the human heart, like justice, equality, peace, happiness and friendship, cannot be reduced to mathematical equations or formulas. How could anyone ever measure the efficiency of love-making or for watching the sunset on a river bank?

Sir John also publicly demolished in 1968 the fashionable fallacy that technology could be applied to the conduct of human affairs by saying:

“No computer has yet been devised which will produce accurate results from a diet of opinions and emotion.”

He was likewise sceptical of the value of mass tourism, once the wider environmental and social impacts had been taken into account. He used to say that access to every truly pristine and beautiful place ought not be made too easy. The proliferation of commercial hoardings and signs across too many of our most cherished landscape and the persistent annoyance of tourist touts speak for themselves. There is no need to mention the noisy hordes charging around the world for sex, drugs, drinking binges, big game hunting, cosmetic surgery and all the rest.

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In penning this belated and inadequate tribute to Sir John, I am not trying to imply any extraordinary knowledge about him or any degree of chumminess between us. My relationship with him had always been that between an acolyte and a respected master. I have had the privilege of working for him for a relatively short period but I have learnt a great deal from him about integrity and adhering to principles.

He had seen fit to choose me to accompany him on some overseas missions. For that I am grateful too. For instance, when Hong Kong joined the Asian Development Bank in 1969, Sir John became the Hong Kong Governor in the bank's Board of Governors. When its annual meeting was held in Sydney, Australia, that year, he took me along as an Alternate Governor.



Author accompanying Sir John Cowperthwaite, Financial Secretary of Hong Kong, to meeting of the Board of Governors of the Asian Development Bank in Sydney in 1969.

Again, when the Osaka World Exposition involving 77 participating countries opened in March of 1970, he also asked me to go with him to the ceremonies attending the opening of the 3,300-square metre Hong Kong Pavilion.

It would have been normal on such trips that outside of our official duties we would have the odd drink or meal together. The conversations we had on such occasions would have been akin to those of two companionable strangers meeting by chance at a bar in a foreign place.

But sometimes I took the opportunity to delve into his thinking on matters on which I had some responsibility. For example, I would seek his opinions on the pros and cons of fixed versus flexible or floating rates of exchange for the Hong Kong dollar, the implications of each on the balance of



payments, and the importance of leaving part of the colony's reserves within the local banking system for liquidity purposes and so forth.

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Sir John had been criticised by some for refusing to provide partial government financing for some private sector infrastructure initiatives. The most common one cited was his refusal to help finance the construction of the first cross-harbour tunnel linking Hong Kong Island to Kowloon. It was to be a 1.1-mile steel tube tunnel, providing for two lanes of vehicular traffic.

In Sir John's view, public money should not get involved in any project where private capital was prepared to take the risk. In any event, should the project proceed, government would have to provide ancillary facilities like access roads.

When sufficient private capital had been raised, Sir John was astute enough to insist that the tunnel should have two steel tubes, each capable of two lanes of traffic. Furthermore, the venture would be operated on a 30-year franchise, based on a build, operate and transfer to government model.

The construction of the tunnel thus began and was ready for traffic in August of 1972. It was transferred to the government in 1999 at the end of its franchise. It had become by then the most congested roadway in the world, in spite of Sir John's foresight in insisting at the very start that its capacity should be double of what its builders had originally envisaged. What better outcome could the Hong Kong public expect than the gift of a perpetually revenue-generating asset without having to spend a single cent on its construction?

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After Sir John retired as Financial Secretary in 1971, he became a consultant for about 10 years for Jardine Fleming, a Hong Kong investment bank founded in 1970. He was fond of horse racing and he saw to it that his consultancy work brought him to Hong Kong for at least part of the local racing season.

We shared a common interest in horse racing; we both had owned race horses and were Voting Members of the Hong Kong Jockey Club. So our paths crossed regularly at race meetings, either in the Voting Members box or in one of the boxes of the Stewards. But Sir John seldom discussed racing form with others. He usually kept his assessments on horseflesh to himself and likewise the selections he had settled upon.

He finally retired at St. Andrews in Scotland and passed away in January of 2006.

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In October of 1970, I went to Oxford after I had been awarded a Queen Elizabeth House Fellowship to study economics. I had a sneaky feeling the international monetary system was becoming unstable because the London Gold Pool had collapsed in 1968. The pool was supposed to defend the price of gold at US\$35 per troy ounce but that had led to a steady draining of the American gold reserves which could not be sustained. I therefore wanted to use the Fellowship to study those issues in greater depth.

My choice of subject was prescient because in August of 1971 the United States unilaterally terminated the convertibility of the US dollar into gold and brought an end to the Bretton Woods Agreement which had guided the international monetary system since the end of World War II.

But that was by the by. What was relevant was that when I arrived at Oxford, I was assigned a supervisor in the eminent person of Dr. Peter

Oppenheimer, Economics Professor at Christ Church.

At our initial meeting, Dr. Oppenheimer asked me what I had been doing before I came to Oxford. I told him my position had been that of Assistant Economic Secretary, working under Hong Kong's Financial Secretary, Sir John Cowperthwaite.

“Sir John Cowperthwaite,” Dr. Oppenheimer echoed. “You mean you've been actually working for Sir John?”

“Yes, Sir,” I replied.

“Then what are you doing here, when you can learn from Sir John?” he exclaimed. “We only deal with theories here, whereas Sir John has done it in the real world.”

There was a moment's pause in our exchange before he handed me several sheets of paper.

“If it's theories you want, here's a bibliography,” he said. “You can read as much or as little as you wish.”

Then he invited me to have dinner with him later in the week at the High Table at Christ Church.

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The economic and financial world has changed out of all recognition since the time of Sir John. I have not followed events closely after I retired from government service. How later administrations had utilised or squandered Sir John's heritage must be a fascinating subject for someone with time to investigate.

I sometimes cannot help wondering, when I watch or listen to the news, how Sir John might have tackled the myriad economic and financial problems roiling the world at present.

It can be an amusing intellectual game to speculate on his views

on central bankers printing money under exotic names; countless millions losing employment around the world; suicide rates going up among the poor or impoverished; vulture funds holding entire countries to ransom; Frankenstein bankers colluding to fix LIBOR and foreign exchange rates; pensioners and prudent savers having to bail out feckless organisations too big to fail; international corporations, aided by banks, finding increasingly ingenious ways to avoid paying taxes; speculative derivatives valued at about 20 times the value of the world's economy flooding the market; and economists being awarded Nobel Prizes for theories which -- when applied in actual practice -- were about as effective as second-hand condoms.

And what of that one per cent of the richest people in the world controlling 99% of its total wealth? I daresay I would not be surprised if further investigations revealed that only one per cent of that select one per cent already accounted for half or more of the wealth of the world. One does not have to be a Communist or a Socialist to find such a situation thoroughly obscene.

Something has to be utterly wrong when large international banks manipulate interest rates for profit and help major clients to get around tax liabilities; when media corporations allow criminal activities to take place within their organisations, when major household names like Toshiba could be revealed as having cooked their accounts for years. How many more Enrons are there waiting to blow up in our faces?

My hunch is that the world has only seen the tip of the corporate iceberg and that a great many large business enterprises cannot bear forensic scrutiny. But it is the ordinary citizens like ourselves who had allowed the legal fiction of corporations to be created and to be given more rights than human beings. They have grown into flesh-and-blood monsters and we have no one to blame but ourselves.

Once in a while, I have to blink my eyes and pinch myself to see if I am awake. Are all those things really happening in what is supposed to be a globalised free market? If so, then I think the world may be in for some quite terrible nightmares.