

The lessons we learn from the China Tainted-Milk Crisis and the International Financial Turmoil

Teachers and my dear students, Good Morning! Thank God for giving us this lovely morning in autumn and the blue skies. This morning, I want to share with you my viewpoints on two important current issues.

The tainted-milk scandal in China and the international financial turmoil have occupied the headlines of every news media these few months. These two incidents affect everyone --- no matter who you are, where you live, or how much money you earn. Nobody can escape from their influence --- whether you are a new born baby or a retired person, an American worker or a European farmer, all are being affected directly or indirectly. These two events have wide-spread impacts because milk is the basic raw material for a lot of food stuff while banking and finance are the basic components of our society.

As students, have you ever thought of the meanings of these incidents and what lessons can be learnt from them?

These two incidents remind me again the importance of honesty, integrity and self-control. All are basic virtues of mankind.

The tainted-milk scandal was first made public in September, and is still spreading across China and even the world as a whole. At least 4 babies died in China and tens of thousands are suffered from kidney problems. The list of problematic dairy products is getting longer. It is said that almost 8,000 tons of tainted powdered milk were removed from Chinese supermarket shelves. The international community is also responding to the issue quickly. Many countries banned imported dairy products from China; the list of countries includes the United States, Europe, many Asian, African, and Latin American countries, and no surprise, including Hong Kong. Why and how the tainted-milk spread is a story of the negative side-effect of globalization. Milk stations for the Sanlu Group (三鹿集團) in Shijiazhuang (石家莊) regularly pump milk from cows brought in by farmers before sending it to dairy factories. Chinese authorities, who have arrested two dozen people and seized quantity of melamine, suggest that the mixing of melamine with milk took place at the milk

stations.

You may ask why the dairy farmers did such harmful act and what their intention was. The answer is very simple. The desire to get more money made people act with a greedy mind. Although many of these farmers are not evil people but they think very little on the harmful effects of their action. In other words, they paid no attention to the moral consequences of their actions. The milk farmers want to increase their profit by adding water to the milk and making up for the lower protein content by adding melamine. It is simply cheating. Some reports suggest that the Chinese government's attempt to control inflation by lowering the price of milk was also the cause. Some reporters found that the management of the largest milk manufacturer, Sanlu, has discovered the problem one year ago and no actions have been done. The problem was made worse as many stake-holders of the milk industry, including the management of milk companies and the government officers, tried to cover up the problem. So, quietly and unavoidably, the tainted-milk products were sold to parents all over China and many other products were shipped to consumers all over the world. The result is --- any product with the label "Made in China" become a bad or even a dangerous product.

What is the major cause of such damage to China? The answer to this in simple words, it was the age-old motive --- GREED and DISHONESTY.

The second one is an even worse problem. The international financial turmoil, which first broke out in the United States, is a far more complicated issue, and is now causing very serious trouble to the global economy. It is not just about the down pricing of stock market and housing around the world but the trust to the core financial components of our society --- the banks, the insurance companies and other organizations that offer loans. If we cannot rebuild trust among the financial system, there will be no economic activities. How and why did such situation happen? It is a complicated story. It all stems from the chaos in the American housing market, when US banks lend money to people who are not financially capable enough to repay the loans. Due to the recent falling prices of US housing market, these loans become worthless. But the problem is that many of these loans have been re-sold to investors and banks around the world. Many banks still do not know how bad the situation will be and therefore, they are unwilling to lend money to anyone else until they find it out. It is a way to protect the bank and the bankers' own money. The top managers of these banks have earned billions of dollars for their companies and themselves but the end-buyers, most likely, the ordinary people suffered. Many of these ordinary people, like those victims of the mini-bonds of the Lehman Brothers' in Hong Kong, are aged or retired people.

What is the origin of this problem? Again, it is GREED that explains the origin of such problem. People who are not financially capable borrow money to support above-standard living --- like buying large houses and luxury goods. These people spend money they have not yet earned. Bankers lend money to them, asking for high interest rates. The bankers earn a lot and the risk is transferred to other people in the form of investment instruments. Quite a lot of the buyers of which are people from the lower layer of the society. They look for better interest rates or returns from their investments. Those smart and knowledgeable bankers made a big financial bubble for the world and now the bubble burst and the world as a whole is getting into trouble. So, my dear students, GREEDY and DISHONESTY are the twins of evil. We've seen a lot of examples how they make mankind suffer but we made similar mistakes again and again. The Bible has already told us that: *He who is greedy for gain troubles his own house, but he who hates bribes will live.* (Proverbs, Chapter 15, verse 27)

To end my sharing this morning, I pray that all of you to learn a lesson from these two important issues of mankind. Act honestly and strive hard to control your greedy mind. We can do this from the basics --- be an honest student --- work hard for your tests and examinations, never, ever think of cheating, even though you want to have good results. Thanks for your attention and good luck.
