

From:
 To: <ceo@ceo.gov.hk>
 Sent: Wednesday, October 04, 2006 10:13 PM
 Subject: GST Again - you need to know more

Dear CEO - Mr Tsang,

Forget to mention you one thing about GST, which is monetary policy, absorbing huge money from GST will lead to contraction of economic by due to money flow is decrease which is same result as using monetary policy to contract the economy, if in recession, we will have huge problem because we can only use fiscal policy to control the economic but monetary policy is dead due to fixed exchange rate. Although money raise by GST may increase government spending, depends where those spending go, if for medical like prevent bird flu and so on.... we may not have a Return from that investment (ROI).

beside keeping huge money in order to safe the exchange rate will just like a bank holding excess money for itself and cant work out efficiently, although the banking system in whole may be more safe, but of course you know the result is not running efficiently and shut down

i know what problem you are consider, but we need balance, obviously GST is not a good choice, and we may consider progressive Profit Tax, large organization make money in hong kong should contribute more

as Britian in london have 17% GST, i cant imagine what will happen in hong kong in the future

Everything need a second thought

Smart people will be smart most of the time but not all the time, and they will do one big stupid thing Stupid wont be stupid forever and they will at least have one good things to do

From Stupid Vincent