



The Betty Letters

My Dear Grandchild,

I want to teach you something about economics, today. There is all this talk about budget deficits, budget surpluses, budget this and budget that. I have been running my house for a number of years and I have yet to have any deficit with regards to my budget. I have a very simple solution to any time that I see that my supply of cash, running low: Just tell Grandpa to fill up the pot. That's it! There is absolutely no difference between running a house and running a country because, in both cases, one is talking about cash-in and cash-out. The accountants of the world will tell you this maxim: First-in, First-out. It is the same with budgets, be they budgets for running a house or for running a country: Money comes in, first, and fresh money is, always, the first money to be used up, completely. And always, my dear, keep a little money in reserve, and never, never, never tell your husband about your secret cash reserve. Every country does this, you know. Hongkong has secret cash reserves and only a very few people know of their existence. The reason for this is that there has to be a mechanism to balance things. That is what is meant when you hear of people, talking about balancing the budget: The secret cash reserves may be used for this purpose. I suppose you have heard of banks, putting money into reserve accounts. It is the same logic: When things get very sticky and management does not want shareholders to understand the entire situation, banks open up their reserve troves, and out comes money to top up shortages. Then, everybody is happy. Always remember that you cannot sell your house, your knives and forks and spoons, and you must never sell your diamonds and furs. Countries are the same: They cannot sell city halls; a subsidised transportation system; the house of senior government executives, etc, etc, etc. Just like you must never sell your jewels, so a country cannot sell its 'jewels'. Governments get cash by taxing its population on things that people buy, on income that people earn, on the purchases and or the transference of properties, on selling stamps which are affixed to letters to be posted to other countries, and so on. When it is clear that there is going to be a shortage in the treasury – known as a Budget Deficit – governments just jack up taxes or any of the other things that are taxable. And, if a government of a country cannot stick it to its population, using accepted taxation policies, then, all they have to do is to create a new thing to tax. I am waiting for Grandpa to consider employing one new tax that I have invented: A tax on windows. It works as follows: Every flat and house has to have a minimum number of windows and, the larger the flat or house, the more windows it has. Rich people have more windows than people who are not rich. So, by employing a Window Tax, it means that rich people pay more money to their government than other people. It is a simple method of making certain that those, who can afford to pay a little more to top up the coffers, do so. It is only fair that the rich help the poor; and, this is one way to guarantee it. From the government's point of view, it is an easy system to employ because every home in Hongkong is recorded in the Lands Department, complete with the number of windows in each home. Conversely, for very, very rich people, who board up a number of windows in their homes, then, they are expected to pay even more because, only the very, very rich could afford such modifications to their homes.

Economies of the world require people, such as you and I, to trot down to the stores in order to buy daily necessities. So, it is good if you have too much money and goods, and bad if you have too little money and goods. If you want to help the economy, then, buy more. You can't run out of money because your husband can be

tapped in the same way as I explained earlier. Remember: Look for sales! That's what I do when I am driven down to Central. Sales! Sales! Sales! That is the best word in the dictionary. And, another tip: Don't jump at the first sale, or even the second sale, but wait for the third one. That is the best bargain. I recall, some months ago, I told Grandpa that Lane Crawford had a sale on furs – so I bought two furs and got one fur hat, free of charge. When I came home, I told Grandpa: 'Dear, I have something wonderful to tell. I have just helped the economy by going shopping in Lane Crawford, thereby raising the standard of Hongkong.' I, then, explained to Grandpa that I shopped at Lane Crawford because the company is losing money and is an icon of Hongkong. The trouble, today, is that most visitors are from the Motherland and they are afraid to enter Lane Crawford because, as the British like to say, it is too ritzy for them. So, it is for me and you and people of our class to set the standard. Anyway, Mr Peter Woo Kwong Ching, the owner of Lane Crawford, should be very proud of me. What would he do without me, the Chief Lady of Hongkong? If I don't shop there, who will?

I hear that there is another sale at Joyce Boutique, but this shop, which is, also, owned by Peter Woo, has lost its niche in Hongkong. So the sales in this shop, even the third sales, mean very little. However, if you would like to go with me to look over some old stock, why not? No harm in looking. After lunch, we can go to work off the food by spending some real money in some real jewellery shops in Central. I suppose you have not bought a Patek Phillip watch yet, have you? Now is the time to strike in order to start your collection of the best watches in the world. If you are a little short in your budget, I will help because I want you to set a standard for your future man. By wearing the best jewellery and adorning your little body with the best clothes, any man will realise that you cannot be wooed for less than your present standard. Lastly, here is the rallying call: Shop until you drop!

Love you,

Chief Lady of Hongkong

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