



The Betty Letters

My Dear Grandchild,

I am worried. The Bank of China, which is the only bank that I and Bo-Bo, my froglike husband, are permitted to use due to political reasons – I cannot tell you more than that – and into which go all of my spare housekeeping money, is giving me trouble. According to Branch Manager Chan of Bank of China, he told me that he has received a memo, directly from Beijing, which states, words to the effect: ‘It would not be a problem if no more loan business was transacted at your branch.’ The memo, in effect, stated that all branch managers of Bank of China should be extra cautious and, if promises have already been given to finance the purchase of this or that, it would be wise to reconsider such promises. This, in our language, means, ‘Break the promises!’ I talked to The Frog about the matter and he said that I need not worry because he knows the highest muck-a-mucks in Beijing and so, if I needed any money for something, it could easily be arranged through his contacts. I cannot talk to The Frog about my money problems – because then he would learn of my spending habits. And that, certainly, would not do. The reason that I want to make certain that money is available to me, when I need it, is because it is near the time of The Great Sales of 2008. They will start, early next month. In my expectations, considering all of the known factors of today, there will be a large number of companies, selling my kind of clothes, clothes that will have to be offloaded, during The Great Sales of 2008, as well as existing inventories of clothes, left over from the 2008 Spring Collections. All this will take place in the next few months and, if I do not have access to funds, I shall miss my opportunity. The reason for this year’s big sales is that companies need cash in order to prepare themselves for the 2009 spring season. Banks are not providing cash so The Great Sales of 2008 is the only way to raise ready money.

I have noted that many of the shops that I frequent are, already, offering deals, such as coupons, entitling customers to purchase goods at a 50-percent discount if they spend more than \$HK3,000 on current purchases. That’s easy for me to do, but if Bank of China cuts my credit line, what is a poor housewife to do? I suppose you know the HMV has shut up its shop at Queensway and Giordano is moving out just across the way from HMV – again! Other shops, no doubt, will follow these examples because I am certain that business is terrible for a number of people. As it is, I note displays in shop windows, offering discounts of up to 90 percent! In such a climate of fear and distrust, it is the perfect time for me to load up on those things that I need, such as new shoes, a new fur coat, a paint job for the kitchen, etc. This opportunity may never come again. It is difficult enough, as it is, to save some money out of my housekeeping allowance, but if banks tighten up my credit line, I shall lose the opportunity of buying those things that I need at bargain-basement prices. Also, if banks in Hongkong follow the example of Bank of China, just think of the consequences. Car loans, I have been told, are real no-nos, today, so that luxury motor-car dealers are having a very difficult time of it. Taken to the extreme, if banks do not help to finance the consumer, it will be curtains for all of Hongkong. Pre-owned, motor-car traders are closing up their businesses, one after another, now, because banks refuse to finance them. As for would-be purchasers of pre-owned, motor cars, they are in the same boat as new the motor-car traders. With the Christmas holiday season less than 2 months away, I envisage that the effects of these enforced, belt-tightening programmes will cause financial hardship for many a retailer. No company can operate in today’s business world without the assistance of

banks. Also, soon, it will be time to pay taxes and, historically, banks lend short-term money to businesses in bridge-financing schemes. Now, these same banks are turning customers away from their doors.

I tell you, My Dear Grandchild, I, for one, will remember those horrible bankers that have given me trouble and, when things have righted themselves, again, you can imagine what I shall be doing: For reasonable bankers, I shall do the right thing by them; for horrible bankers, I shall turn my back on them as they turned their backs on me – with a huff and a puff. Housewives have long memories, you know. I shall have to forget about that new diamond necklace, promised to me by The Frog because I shall not be able to obtain the financing from Bank of China. I could cry. It is a terrible time for me. I am not used to curbing my spending habits. I don't know that I can stand the pressure. I talked to my seamstress and she said that she could alter all of my old dresses to make them look like new ones. But that is not the same thing, is it? I suppose alteration shops will do a roaring trade, during now to the Christmas season, because many housewives will be facing the same problems as I. What a time!

Life is difficult

Talk to you, next week.

Chief Lady

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