



The Betty Letters

My Dear Grandchild,

All this talk about recession, I, really, do not understand what it means except that things are getting cheaper in the shops which I frequent – which is very good for me. I am enjoying this recession, actually. And, there are more and more sales, popping up in brand-name boutiques – which situation is very good for me, as you can imagine. So I asked my froglike husband, Bo-Bo, what was a recession. ‘It is when there are at least 2, consecutive quarters of negative growth,’ The Frog mumbled, without even looking up from some secret papers from Beijing that he was reading. ‘How can there be “negative” growth?’ I quickly questioned. ‘Growth is only one way, not up and down ... only up. When I buy a new dress from Versace, then, I add to my wardrobe: Up goes the tally. I have never heard of a lady, who buys a new dress, saying that she is enjoying “negative” dress growth. It makes no sense. You pay good money to increase your wardrobe not to decrease it.’ The Frog looked up at me, with that quizzical look on his face as if to say: ‘You are ignorant!’ Before he could utter a word, however, I shot out: ‘Don’t even think of being rude to me, otherwise you know what will happen to you. Just tell me, in simple terms that I can understand, what is a recession because, from my way of looking at it, it is a good thing not a bad thing. Look at the amount of money that I shall be able to save due to the numerous sales!’ The Frog settled back in his chair and started his dissertation: ‘Let me put it to you, therefore, in your terms, then. Today, you have about 50, brand-name dresses ...’. ‘No, 73 dresses,’ I quickly interrupted. ‘OK, 73 dresses,’ The Frog continued. ‘Well, if you, after 3 months (that is one quarter in economic terms), have only 70 dresses, then, that is called “negative growth”. Now, after another quarter (that is 6 months, you see – 3 months plus 3 months), if you only have 60, brand-name dresses, then, it is considered that you are suffering from a brand-name dress recession – 2 successive quarters of negative growth. Do you understand, now?’ ‘That is really silly!’ I interrupted for a second time. ‘What about the dresses that I gave away to charity or the ones that I threw away because they were more than one year old? If I have fewer dresses after 6 months, it is because I am clearing up my closet in order to make way for the newer – the latest fashion – dresses. That is called, in ladies’ terminology, ‘constructive destructive.’ (I had learned this term from watching a television documentary) The Frog continued: ‘OK, I hear you. But in economic terms, a negative growth is, still, a negative growth – for whatever reason, or reasons. So, 2 consecutive quarters of negative growth equals a recession. Now, you know.’ And, with what I would call an exasperated huff, he went back to his reading of those secret papers from Beijing.

I pondered the words of The Frog and, then, realised that I had stumbled upon a Universal Truth. ‘I must be a genius to the world of economics!’ I reasoned to myself. ‘I have discovered the fallacy about the definition of a recession!’ Let me tell you, My Dear Grandchild, of my great discovery in words that make absolute sense to the world of womanhood and, therefore, must make sense to all men. We all know that, in the summer months of Hongkong, there is a strong chance that the territory will be hit by storms of one strength or another. The Hongkong Observatory hoists flags and what-have-you, and the Hongkong television stations and the radio stations tell us of the proximity of a storm and of its intensity whenever Hongkong is threatened by a storm’s approach within a radius of 800 kilometres. Storm Signal Number 1 is hoisted when a storm is within 800 kilometres of Hongkong and it is deemed to pose a threat. This is the stand-by signal. Storm Signal Number 3 is hoisted when strong winds with a maximum strength of 62 kilometres per hour are expected. Storm Signal Number 8 is hoisted when strong winds with a maximum strength of 117 kilometres per hour are expected. This signal, also, indicates the direction of the winds, such as north, south, east and west and these may even be broken down into strange things, such as SSW – South, South West – and so on. When Storm Signal Number 9 is hoisted, it means that the situation with regard to a storm is getting worse – the winds, hitting Hongkong, are going to be stronger and last longer. When, Storm

Signal Number 10 is hoisted, Watch Out! Wind strength is expected to be between 118 kilometres per hour and 220 kilometres per hour. If the Hongkong Observatory had determined a way in which housewives can be informed of the intensity of a storm as it approaches Hongkong, for what reason cannot economists grade the intensity of a downturn in the economy of a country of territory?

Let me give you an example: Suppose it is known that, for 2 successive quarters, The Frog will be in Beijing and, therefore, my monthly housekeeping budget will be in deficit, during that period of time. That is called, negative growth, isn't it? Until The Frog returns to Hongkong, I should be enjoying negative growth. Right? While the monthly housekeeping budget is in negative growth, it does not mean that I cannot telephone The Frog in Beijing for more funds in order to go shopping. So, such a situation, though it is, technically, a housekeeping recession, any such monthly housekeeping budget 'recession' will be short-lived. Now, translating that analogy into the total economy of Hongkong, one could call such an economic phenomenon as being a recession of Strength One – a short-lived phenomenon which can be easily rectified. Now, if The Frog, for any reason, cannot send me any more housekeeping money for a stated period of time, then, again, on translation with respect to the total economy of Hongkong, that could be a recession of Strength Two – a recession, expected to last longer than one telephone call. And so on. It is, really, quite simple! There is no reason to frighten the knickers off housewives with such big terms as recessions and what-have-you, terms that we cannot, possibly, understand. A simple term, such as an economic slowdown of Strength One, Two or Three will suffice. We can dispense with the word, recession, completely, you see. As it is, in order for the housewives of the world to understand the true meaning of a recession, we have to tap on the doors of the brainpan of husbands or lovers for definitions. And you know what a bore a husband and/or a lover can be when trying to explain the things of a man's world.

Well, now: Am I not a genius?

Talk to you, next week.

Chief Lady

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