

The Betty Letters

My Dear Grandchild,

Over the December holiday season, I noted that many hotels and restaurants increased their prices for food and beverages anywhere from 33 percent to 50 percent. When I scanned the menus of the restaurants, which had determined to raise their prices, I discovered that the food was just about the same as prior to the increases with, perhaps, a slice of turkey, thrown in in order to make the menus look more festive. I asked Bo-Bo, my froglike husband, about the increases and the reason for them. He replied: 'The restaurants and hotels have increased their prices because they can.' And, then, he returned to watching a skimpy clad little 'thing', prancing up and down, showing her most-protruding attributes, while trying to sing a tune from a Broadway hit of some 50 years earlier. I turned off the television and repeated my question: 'Listen, you: What is the rationale for a hotel or restaurant to increase their prices of food and beverages at this time of the year? I want a real answer, not a convenient quote while you watch that sex show.' 'Because they can!', he reiterated. Then, he attempted to grab the remote television controller from me, but I held on to it. I told The Frog that I demanded a full explanation. At last, realising that he was trapped, he said: 'Look, at this time of the year and at Chinese New Year, service companies, such as restaurants and hotels, raise prices in order to skim a little cream off the top of the milk jug. It has, always, been that way. If a hotel or restaurant cannot make a 'killing', during a festive seasons, when else can they? This is just business tactics. Managements know that, at festive seasons, everybody wants to have a good time, and so they make it easy for customers to enjoy this time of the year by having special menus and events. It is a way to increase revenue.' I, still, was not satisfied so I pressed on: 'But what about ethics?' 'Ethics? What's that?' I rose to the challenge: 'Ethics,' I explained, 'are the moral principles by which any particular person, or persons, is guided; the rules of conduct, recognised in a particular profession or in an area of human life.' The Frog looked at me, quizzically. Settling back in his chair, he began this little dialogue: 'Business does not depend on ethics. It depends on a willing buyer and a willing seller. Ethics does not enter into the equation, at all. Business works on the principle that an entity should spend as little as possible and earn as much as possible. Profit is that which is to the advantage or benefit of somebody or some thing. It is determined by the difference in supplying goods and/or services to somebody else and the amount of money that that somebody is willing to pay for those goods or services. The capitalistic system is predicated on shortages so that, when there is a shortage of a product/commodity/service, the price rises. Conversely, when there is surfeit of a product/commodity/service, the price falls. If ever there were not shortages, then, the entire capitalistic system would fall into disarray. Is that enough learning for one day? Give me back the television remote.'

I pondered that which The Frog had told me and realised that it all made very good sense. There still was the matter of hotels and restaurants, raising their prices over the Christmas season, however. Could an increase of as much as 50 percent be justified? I waited for The Frog to return home, the next evening, and, after he had eaten his full of some of his favourite dishes that I had prepared for him, I announced: 'Since this is December, I shall need a 50-percent increase in my housing allowance.' The Frog nearly fell off his chair. Steadying himself, he asked: 'Can you justify such an increase?' 'I am demanding an increase in my housing allowance because, in your words, "I can".' 'But ... But you are not a hotel or a restaurant, you

are my wife. There is a difference, you know.’ ‘Yes’, I answered, ‘there is a difference between me and a hotel or restaurant, but your same logic applies: I am raising prices – in this case, it is my house-keeping allowance – in order to skim a little cream off the top of the milk jug.’ The Frog was at a loss for words since what I had stated was completely based on his logic (or the lack of it). So, I decided to go for the gold ring: ‘Profit, My Dear Bo-Bo, is based on the tried-and-true formula – $a+b+c=d$ where (a) is the cost of the raw materials and any and all other costs associated with acquiring the raw materials, (b) is the cost of labour, electricity, insurance, taxes and so on (c) is the profit margin that one hopes to achieve and (d) is the unit cost of the finished product. Applied to my case and my demands for a 50-percent increase in my house-keeping allowance, (a) is the cost of food and all of those things, such as plastic gloves to protect my hands, hand cream to stop my fingers from chapping (b) is my cost in going to the market with our maid in order to purchase the raw materials for your lovely meals (c) is the margin that I hope to achieve so that I can keep a little money in the cookie jar just in case there is an emergency of one kind or another, and (d) is the cost of your meals, placed in front of you so that you may love me a little more each day.’ The Frog had tried to interrupt me many times, during my monologue, but, at last he surrendered and, muttering something strange and completely incomprehensibly, reached into his wallet, shook out the dust from its interior, and handed me my demands.

I love the Christmas! Don’t you?

Talk to you, next week.

Chief Lady

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