

Economics: time to clarify the numbers

Americans have had it their own way for too long and now it's surely time to start using the correct terms for numbers - after all, the profligate waste of terms such as "billion" and "trillion" for vastly deflated values is about to run out.

It's simple if you think about it - and have a small degree of education to back up that thought.

Million - it comes from thousand and it means, simply, a thousand thousand.

That has six zeroes - 1,000,000.

Billion - a million to the power two. That's where the "bi" bit comes from.

A million to the power two has 12 zeroes - 1,000,000,000,000.

If it has nine zeroes, it's a "milliard" or just "a thousand million - something even the BBC has decided to deny in its on-line English lessons. Nine zeroes is not a billion.

Is there a pattern? Yes: trillion is a million to the power three. That's 18 zeroes. Not 12. That's because 12 zeroes is a billion.

So a trillion looks like this 1,000,000,000,000,000,000.

There is now an imperative to sort out the numbers. Because both the US and the UK have both put at risk USD700 milliard of taxpayers money at risk. They are both wrongly saying it's 700 billion which someone will soon start describing, wrongly, as more or less three quarters of a trillion.

It's not. It's 70% of a billion.

And whilst that's a massive amount of money, we don't need to scare people by making it seem more than it is.

The whole thing started because of the American need to see everything as bigger is better. So as millionaires became wealthier, those with lots of millions didn't want to be associated with those with just a few millions. So they decided to be "billionaires." At the time, the term "billion" was so far beyond anyone's imagination of how much money there was that it was, effectively, code for an imprecise but large sum.

Well, now we really are close to it, and if we don't fix the system now, soon we are going to have to start using quadrillion.

Done properly, that would have 20 zeroes. But no doubt the Americans and those who have blindly followed them into this linguistic cul de sac (including the British government and most of the financial industry) will think it has 15.

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