

I DID *WHAT* LAST NIGHT?

*"...Please tell my why, my car is in the front yard,
and I'm sleeping with my clothes on.
I came in through the window last night, and you're gone..."*
enemy

Lit – My own worst

I heard this song the other day and couldn't help thinking about the current state of affairs. After an eight-year long party, we are now faced with the inevitable hangover. The current debate seems to be focused on whether or not our economy is in recession (as defined by 2 consecutive quarters of negative growth of Gross Domestic Product). I'm not sure that the debate is all that fascinating to the tens of thousands of workers that have been laid off or fired in the past months. Recession or not, shut off the alarm, this economy is sleeping in.

The Headache. Consumer credit is at a 15 year high. Don't look to consumers to spend our way out of the current malaise. Personal bankruptcies are accelerating at an awesome pace (it's hard to make payments on the big screen TV without a job). Corporate profits are slowing dramatically as consumers have already bought most of what they need (read want). Even corporations that had been spending copious amounts on technology to improve productivity are taking a breather as they try to integrate that technology.

Hair of the Dog. The Federal Reserve, led by that party animal Alan Greenspan, has stepped in with a series of interest rate cuts designed to spur the sleeping beast. In addition, George W. (no slouch in the party hat category) has pushed his proposal for tax relief in an effort to get beer money in the hands of those who'll spend it.

The Cure. Much as we'd like the instant cure to the nausea and dry mouth we're all feeling, it's going to take time to get over this one. Some partygoers actually thought this bash was never going to end, that the booze was going to flow forever, that this time it was different. These are the guys who didn't pace themselves, got in over their heads in debt and bought the most speculative investments they could find. Unfortunately, when these guys started throwing up on the rug, it spoiled the good time for everyone else and they all went home.

Remember though, just like the guy who swears he'll never do that again, the American economy loves a party. The hangover, a painful reminder of our excess, fades with time and soon we're ready for another round.