

## The Economy in Perspective

It was the day before Christmas, when all through  
the land  
Forecasts converged and the outlook was grand.  
For growth was expected to be at potential  
And continued expansion seemed most evidential.

Our staff was debating with habitual fervor  
Which measure worked better—fixed-weight  
or deflator,  
While at my PC with equations quadratic  
I was searching for money demand inelastic.

When off down the hall there arose such a clatter,  
I sprang from my chair to see what was the matter.  
Away to the TV I flew like a flash,  
Praying I wouldn't meet news of a crash.

The glow of the monitor piercing our crowd  
Showed why they were leaping and shouting  
aloud.  
For what should my wondering eyes then see  
If not Alan Greenspan and the FOMC!

More solemn than judges his colleagues they came,  
As he gaveled the meeting and called them  
by name:  
“Now McTeer and McDonough! Now Jordan  
and Lindsey!  
On, Meyer! On, Phillips! On, Hoenig  
and Boehne!

“Now Melzer and Broadus! Gynn, Yellen,  
and Kelley!  
On, Moskow! On, Stern! Rivlin, Minehan, Parry!  
Take your seats at the table! To your seats!  
Do not stall!  
Opine away! Opine away! Opine away all!”

They talked about houses, both permits and starts.  
They talked about blouse sales at Saks  
and Kmart.  
Next came the dollar in round-the-world trading  
And what could be learned from a ship's bill  
of lading.

Car sales (of course) received strictest attention,  
And truck orders also did not escape mention.  
LCD panels for laptops were rare if  
The importing country imposed a stiff tariff.

Corn prices were up, making beef prices fall,  
But that was not all, oh no, that was not all.  
Herd liquidation would make cattle dear,  
Driving prices back up. Now, isn't that clear?

Credit extended by U.S. bank lenders  
Was fueling the habits of freewheeling spenders.  
Though bankers were worried about bankruptcies  
They covered their risks with credit card fees.

Labor markets were tight and shops paid a bonus  
To find someone willing to punch holes in donuts.  
Though inflation seemed low and few saw it  
surging  
There was talk of what forces might prompt  
an emerging.

Predictions were premised on different decisions  
Made by the Committee, and on data revisions.  
Was policy easy, too firm, or just right?  
Could the Committee agree without having  
a fight?

And then, during a lull, I heard a voice rise  
From the head of the table in masterful guise.  
It cut through the chatter, exuding élan,  
Who else could it be but Chairman Greenspan?

He had a bright face and no sign of a belly  
And began with a joke about Governor Kelley.  
Then he warmed to his purpose and couldn't  
be franker  
About what concerned him, this shrewd  
central banker.

“How can we know that our measures are true  
When accounting's at cash, but obligations  
accrue?  
When satellites send electronic bits floating  
But we dutifully track every railroad car loading?”

“Inputs make outputs in quite different ways  
Than they did, and they still do not cease  
to amaze.  
We *must* be producing more than we can count:  
A statistics-improving campaign we must mount.

“For if it's the case there's more stuff in our nation  
Then it follows we must chalk up less to inflation.  
Please allow me to add, I can't be more precise,  
But alternative measurements sure would  
be nice.”

A wink of his eye and a twist of his head  
Soon gave me to know we had nothing to dread,  
For this imprecision showed no loss of nerve;  
From his avowed course he never would swerve!

He crafted his words with great erudition  
And set forth his tune like a Julliard musician.  
Put it to the vote, and carried the day.  
Then the meeting adjourned and all went away.

But I heard him exclaim, as he summed up the  
stakes,  
“Stable prices to all, and low interest rates!”