The Economy in Perspective

T 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! Guynn, Yellen, and Kelley!
On, Moscow! 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,
Let me to the vote, and carried the day.

But that was not all, oh no, that was not all.

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.
Pain it to the vote, and carried the day.

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