

## **Economic Anemia**

### **by Dan Jacoby**

It's sometimes amazes me that people who are supposed to be top economists will go to such incredible lengths to avoid telling the truth. Not often anymore; I have defined a "successful economist" in an earlier column as someone who can explain why the economic predictions he or she made last year failed to come true. Occasionally, however, something pops up that catches my eye.

In this case, it's a Reuters article from last week. The article quotes the President of the Dallas Federal Reserve Bank, Richard Fisher, as saying that the current "slowdown will lead to economic anemia for a couple of quarters and then pick up again." Fisher is later quoted as saying the economy should avoid "sustained negative growth."

Economic anemia? Negative growth? The verbal contortions are so ridiculous that even the Reuters article points out that Fisher "declined to use the word 'recession.'" A "couple of quarters" of "economic anemia" certainly means two consecutive quarters of "negative growth" – whether sustained or not – and that means "recession," no matter what Mr. Fisher says.

The problem with Mr. Fisher bending over in every way imaginable (and a few ways I decline to imagine) to avoid using the word "recession" is that he is supposed to be a top line economic forecaster. Perhaps the reason for his reticence is partisan politics, and the explanation also helps us understand why Democrats keep losing elections.

No, I'm not accusing Mr. Fisher of being a partisan Republican. In fact, he is a Democrat who ran for the U.S. Senate in 1993 and lost to Kay Bailey Hutchison (among others). It appears instead that Mr. Fisher of trying so hard to avoid appearing partisan, and being accused of partisanship by those paragons of partisan purity, Republicans, that he is too scared simply to tell the truth.

At the height of the 2000 election season, then Chairman of the Federal Reserve Alan Greenspan testified before Congress that he was worried about deflation. At the same time, even as the economy was sliding into its first recession in nearly a decade, he was raising interest rates. In an economic climate of declining prices and declining activity, the only legitimate action for Greenspan to take would have been to lower rates, but nobody in Congress bothered to question Chairman Greenspan about his fraud, his lies, and his partisan moves.

Look who's been in the White House ever since.

Perhaps Democrats, even those who are supposed to be in a position of impartiality, should begin to understand that the truth doesn't hurt, it helps. Perhaps Democratic leaders and other Democrats in top positions should start to act like Democrats – not just for the good of the party, but also for the good of the country.

Perhaps, as I've written before, Democrats need a spine. Clearly Mr. Fisher does.