



December 10, 2021



Every Christmas season, I have composed a "review and outlook" for the economy set to the rhythm and meter of Clement Moore's classic, "A Visit from St. Nicholas." This, my 38th annual rendition, is primarily a "review" of some exceptional effects of some of the policy responses to the Covid pandemic.

'Twas the Night Before Christmas

by

David H. Resler

'Twas the night before Christmas, now just hours away,
But Santa had problems with his magical sleigh.
His reindeer were hungry and not ready to fly,
Their feed was lost in the broken chain of supply.

Ships by the score were for weeks unable to reach
The east port of Savannah or the west in Long Beach.
When, at last, Santa found food for his hungry herd,
Their long wintry ride now could proceed undeterred.

And so, he set out on this cold Christmas eve night,
Determined to bring the world great joy and delight.
But as large snowflakes below him drifted and swirled,
He began pondering the weird state of the world.

He saw it firsthand o'er the long Texas border
Where the scene was one of chaotic disorder.
The lack of control seem'd such a sorry disgrace,
With thousands of refugees all over the place.

So much has changed during these last harried two years,
As Covid panic took hold on great waves of fear.
Governments had decreed 'cross states, cities and towns,
Strict new sets of rules and most distressing lockdowns.

By, in effect, putting so much commerce on ice,
These actions would exact a brutally high price.
But no mandated rules or strictures unbending,
Have done much to hasten the pandemic's ending.

When Big Pharma brought out new vaccines at "warp speed,"
We hoped a jab or two would be all that we'd need.
But then came Delta and its breakthrough infections,
As the new caseload spike raised fears and dejection.

In this new Covid world, there's unending distress,
That's made our whole economy one giant mess.
Of great concern is the high rate of inflation
Caused by the Fed's excess of money creation.

For nearly two years the Fed had propped up demand,
And let its balance sheet too rapidly expand.
It also misjudged inflation's early uptick,
Blaming transitory factors it said wouldn't stick.

But now the Fed Chair's singing a bit different tune,
Admitting high inflation won't go away soon.
So the odds now tilt to an earlier tight'ning,
A prospect the markets will likely judge fright'ning.

Meanwhile, Joe Biden's urging a new spending spree
Claiming his "build back better" plan will be debt-free.
But most of us know that simply cannot be true,
There will always be some cost whatever they do.

In truth, big-spending plans are needed no longer
But more freedom would likely help things get stronger.
The aid that'd been given those whose jobs had been lost,
Brought unforeseen dangers and surprising high cost.

For when lockdowns were eased, some still chose not to work
Preferring instead to keep their jobless-pay perk.
So supply behind demand continues to lag,
And the broken supply-chain's an on-going drag.

But the state of the world Santa could ponder no more,
It was time to get back to his Christmas eve chore.
And I heard him cry out in a voice loud and clear,
"To all, Merry Christmas and Happy New Year!"

