

# At This Time, Under These Circumstances, You Better Believe It

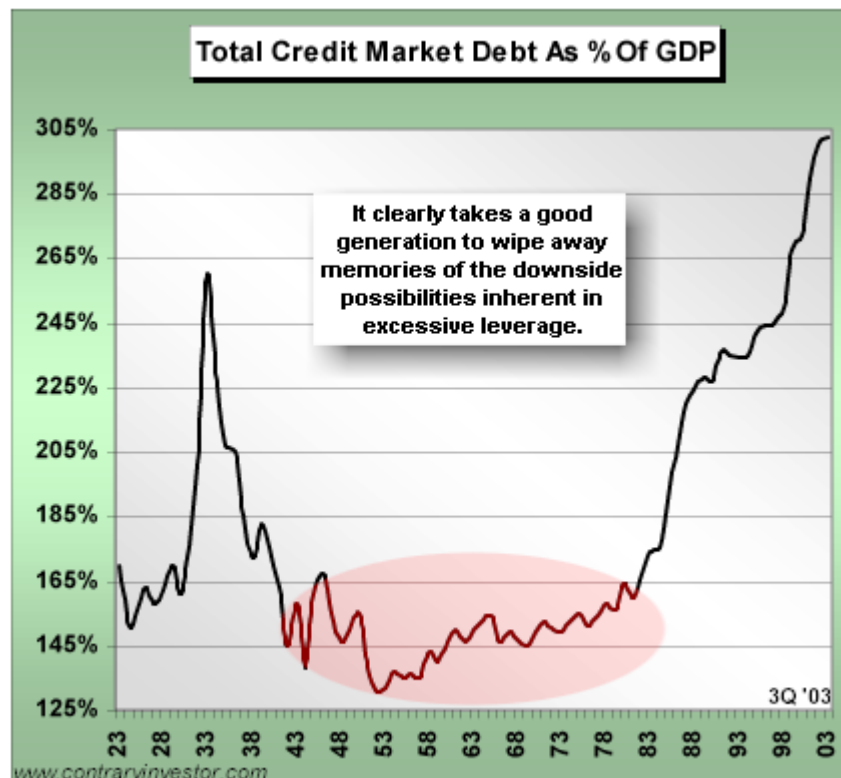
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“Consumer short-term debt . . . is approaching a historical turning point. Having risen at an abnormally fast rate for ten years, it must soon adjust itself to the nation’s capacity for going into hock . . . which is not limitless. Whether the rate of growth in consumer debt will slow down is no longer in questions . . . it must slow down.”

Does this not sound like something we have been saying day after day for many months? As a matter of fact, it does. However, this is actually a quote from Fortune magazine published in 1956. One of the most prestigious economic research groups used this to make the point that such warnings are old hat and are nothing to worry about. It’s all been said before and we who are concerned about the high debt levels are just crying wolf. **Nonsense!!** This 1956 quote came from those who had just been through the Depression and WWII. They were looking backward to project forward, just as current economic observers are so doing. The problem is that extrapolation doesn’t work in economics.

The point is this: All of us are subject to our life experiences. Today that experience is telling us that debt is no problem. It’s been going on for lo these many years and look how well we are doing, see how many things we own!

We ask you: Doesn’t the following chart make your heart twitch just a little? Each day things become a bit more serious.



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Chart Courtesy of ContraryInvestor.com