

THE REAL NEWS

Holiday 2001 Edition

*It is a Brave New World. America is at War; America is in Recession.
There is a pensive mood throughout the Globe.
But citizens are asked to go about their normal routine.
Normal shopping until . . .*

Panic in Aisle 6



ESki 2001

It started before Halloween. The normal grocery store aisles that should have been filled with loads of tooth-decay activated sweets had been detoured into Christmas garland and wrapping paper.

The retailers had begun to Fear a bad holiday season, one holiday ahead of schedule.

People have lost trust in the media's reporting on the condition of the economy. The US economy is fueled by consumers, individual spending, individual responsibility. Consumers make up two-thirds of the GNP.

But people have to have jobs in order to get money to pay for the extras that retailers need to sell for the holidays. If people fear their jobs are not secure, then human nature would say they would reign in the urge to spend like a drunken sailor on a 24 hour liberty leave.

However, a generation has been conditioned that the good times, they always roll. No sweat. Charge up the accounts. Debt is good. Don't wait for tomorrow what you can sign for today. Trust me, you can afford it.

Really?

Homeownership is at an all time high, but home equity is at an all time low. Credit card debt is at an all time high, and credit card delinquency rates are soaring.

Unemployment rate has risen 20% this year. Corporate capital spending has dried to desert levels. No spending means no purchasing goods and services from others, which trickles down to more lay-offs.

You can drag the consumer to the market, but you can't make him consume.

That is why government cannot manipulate the economy.

Interest rates have been slashed at the corporate level, but remain stable to high at the consumer level. Savings rates are below two percent, less than real inflation. The incentive is clearly not to save, but to spend.

But to spend on what? If you are in desperate need of a car, then zero percentage financing is a good deal. It is three years of free use of your own savings. It is killing the auto makers, whose financing divisions have been castrated and sent out to

pasture.

Besides free auto financing, is there anything you got to have right now?

Food. No breaks at the check out counter I am aware of recently.

Shelter. Mortgage payment is the same as it has been for last several years.

Taxes. Always going higher.

Clothing. Casual silicon valley dress codes have killed the textile industry and the concept of tailored suits. There is just so many golf shirts a middle manager needs to buy.

Gas in the old auto. You are trapped by the rollercoaster of the local service station, as the numbers for Regular change as rapidly as a bingo caller at the VFW post.

Television. The last refuge for those in a vegetative state of mind. The deregulated cable bill keeps rising in inverse relation the amount of time spent watching it. Ironic. Pathetic.

And companies that have stuff to sell are not advertising anymore. There is no subliminal mental carpet bombing to force you to

get off the couch and into the store. If manufacturers won't tell you what to buy, will you go out and buy it?

No, we are all too lazy to do that. We need to be told what to buy and when to buy it and how to pay for it and what to do with it and when to junk it when we find it pretty hapless or useless.

Or so thinks the macro-economists in DC. You can't micro-manage a trillion dollar ponzi empire of consumerism and free will.

Fear is the destabilizing emotion that is the basic element for everything we do. Everything. You fear bad things may happen, accidentally or incidently, so you have to buy insurance for piece of mind. You fear that you are getting fat as a pig heading for slaughter, so you go out and buy expensive low fat, low salt healthy meals. You fear the peer pressure that you will not fit in at work, school or in the neighborhood, so you go out and buy what the neighbor or friend has just to keep the emotional playing field semi-level.

Right?

Blame it on

RIO. . . Real Insane Optimism.

There was an old fashion gas war in Dayton, Ohio. A Kroger superstore was near a Meijer superstore. Both grocers sell gasoline on the premises. In order to bag the so-called "one-stop shopper," they began dropping gas prices all day until the police had to stop a riot in progress. Traffic jams led to long lines; short tempers and fist fights. Price war got as low as 13 cents/gallon before the madness was stopped from getting totally insane.

The one stop shopper is a myth. There is no one-stop customer in the heavily cross-marketed financial services industry. Who has all their insurance, credit cards, mortgage loans, savings accounts and checking accounts, and retirement IRA accounts at the same financial institution. If you did line all your eggs in one basket case, you are insane.

You are also delusional if you believe the recent mega-confusing sales advertising in the newspaper supplements. 50% off! 60% off! 90% off! The fine print: maybe its for a

day, an hour, for one discontinued item, or just a bold face mistake.

So said those from the war on the homefront; the day after Thanksgiving mall sales. Hand to hand combat. Lack of leadership (staff) in the trenches. Collateral damage of mispriced

mangled, tangled, disjointed, unmarked, marked, sale, de-saled, missing, and misplaced merchandise.

As a veteran of the work-ethic youth service of the local department store, I am familiar with the routine of the seasonal minefield called Christ-

X-MAS \$ SALE

50% off*

* after 65% mark-up; good only between hours of 4 a.m. and 5 a.m. during full moon; when manager is sober; and you buy at least \$250 in other merchandise

items at the scanners. The general sense of throat thawing ants.

The chain buyers held back from last year's lean holiday season. The average wealth indicator, the monthly brokerage statement, has fallen 20 to 50 percent this year. Some people have rode the Nasdaq down like the Cowboy in love with The Bomb in Dr. Strangelove.

The season racks racked with tossed, dented, maimed,

mas.

The battle used to be fought with manpower, planning, plenty of merchandise and speedy check-outs with baggers.

Today, a bagger is listed next to the spotted owl on an endangered species list. Speedy check-out is the turtle in the nursery rhyme. Manpower is like the purity of the water of Lake Erie.

One has to go into the holiday shopping season with a

mindset of middle line-backer. Focus on the game plan; hold back for the fake (sales); then rush the products you want. And many customers do have this plan as they walk into the store. But it all unravels when there are no shopping carts. It gets worse when there are no clerks in any the departments. The sale items are nowhere to be found. Raincheck counter is so mobbed it is not worth the savings.

Then when you want to leave, the check out line is longer than the wait in the restroom after a Cub game.

But it gets worse. There is a new trend. The shopping cart filled with merchandise the buyer does not know whether she wants to buy. She asks the cashier to run it through to check the price, then compare it to this other item, then ponder whether to purchase either, both or none. And this last for not one item, but several. The people in line get rowdy; cursing under their breath. If this was an airliner, passengers would have to tackle the most frus-

trated from strangling those at the cashier's stand.

The Grinch did not steal Christmas, he staffs the department stores instead. The lack of serviceable staff at these places makes the experience worse than going to a drill happy, semi-comatose, egg nog swilling dentist.

The Spirit of the Season is supposed to love, harmony, and community. Not when the last super-styling, megafun, superdooper, must have child's toy on your short list is being grabbed from your grasp by a 400 pound cursing, foaming at the mouth, mother of the Manson family shopper, who is wearing a necklace of shrunken heads of other shoppers who have got in her way last season.

What do you do? You fight like a cornered sewer rat for the Prize so that your little niece can have three minutes of semi-surprised joy on December 25. That is the Modern Spirit of the Holiday.

At least the frenzy is muddled this year. There is no absolutely must-have, short supply, toy. The ones that the stores auction

off for 10 times the list price. Most of the under the Age of Reason childset will take anything from the Cartoon Network, Nick or Mattel catalog.

Oh, if there was enough Time, there could have been the Must-Haves of 2001. Who wouldn't have bought the Bin Laden Stick Pin Doll, below?

It is topical. It is durable. It is washable. It is basic. It is fun. It is politically incorrect. It is inexpensive. It has high play factor.

Or how about a new board game. Retro board games were coming back. Probably more so now that families are beginning to act like families again; sitting around doing activities together more than ever before (or so says the latest cable news shopping story feature).

Sidenote: it is not pleasant that since the Afghan bombing, the nightly megamedia polls are no longer lead

headline fodder?

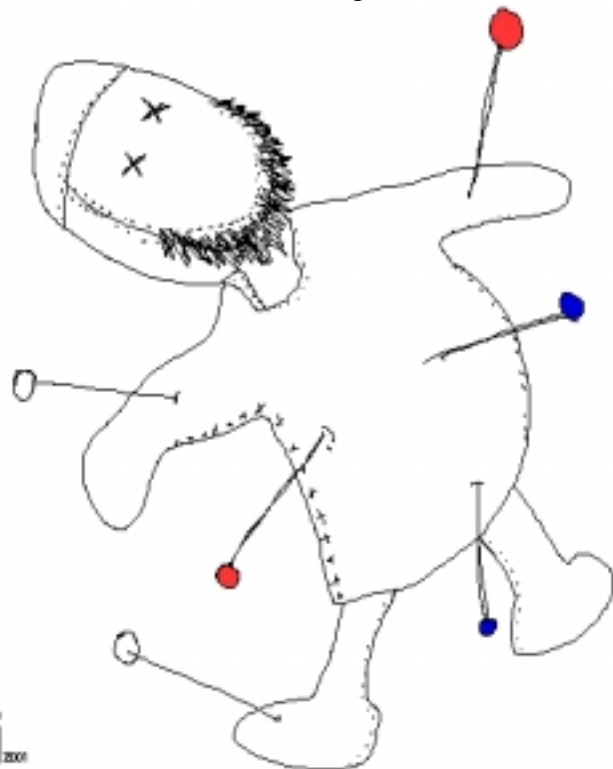
How about a nice topical board game, say, Airport Security Game, see next page. It is based on real life experiences. It would be real time rehash of the trip your out-of-town guests had to endure just to see you for a long weekend.

But there are some lingering worries that may change normal shopping patterns this season. Some may not smirk at the 50 pound quart carrot cake that

for what the family can afford to eat this week: cereal or dry dog food.

Times could be worse, but the timing couldn't be worse. Pundits and economists said we had already hit the bottom this Spring. The Fourth Quarter would "be a surprise."

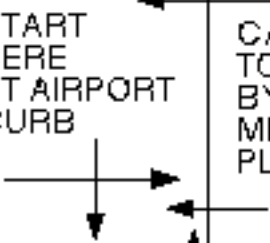

With the energy giant, Enron, blowing up like a zeppelin in a thunderstorm, there should have been no surprise that the financial experts were wrong again.



arrives just before the last dime of unemployment runs out.

The comparison shopping in tough times begins with a coupon

Consumers are not dumb, but very picky in these Times of Brass Knuckles, High Anxiety and the Art of Stretching a Dollar.

<p>START HERE AT AIRPORT CURB</p> 	<p>CAR TOWED BY COP MISS PLANE</p>	<p>FORGET ID MUST GO BACK TO SQUARE ONE</p>	<p>FLIGHT CANCEL</p> <p>MISS TWO TURNS</p>	<p>CHANCE SQUARE ROLL: 1-6 UPGRADE 7-11 LOSE LUGGAGE 12 DISORDERLY ARREST</p>
<p>ARRIVE IN WRONG CITY START AGAIN</p>			<p>NO FOOD SERVICE; EAT BARF BAG</p>	
<p>MAKE JOKE AND LAND IN JAIL</p>			<p>IN FLIGHT MOVIE USE BARF BAG Roll 4 to Move on</p>	
<p>OVERHEAD FILLED; LOSE BAG TO BELLY</p>	<p>LOST LUGGAGE CLAIM AREA Roll 7 to Leave</p>	<p>PHOTO ID DOES NOT MATCH CURRENT FACE</p>	<p>PLANE DETOUR TO IOWA AIRPORT CLOSED (Game Over)</p>	
<p>BODY CAVITY SEARCH</p>	<p>GATE Roll 9 to Board</p>	<p>Roll 3 to go to Gate Roll 8 to go to Jail</p>	<p>JAIL DETAINMENT</p>	

All of these things came to a head recently when I made my first attempt to begin to acquire presents. First attempt in the Olympic triple long jump sense.

The shelves were disorderly, but filled with merchandise, but nothing more than the usual suspect items. But the people wandering the aisles had a Russian peasant daze in their eyes, especially as they poked their nostrils into your cart. You think

throwing a bran muffin down the aisle would chase them away. But it only lasts ten minutes or so. Then they are back, on the hunt. They want to know what you are buying so they know what they should try to buy so that they don't miss out on something that they should buy.

Once you get alone in the Aisle of Misfit Merchandise, Aisle 6 in generic terms, the small hairs on the back of your neck raise up.

Something is wrong here. Something is not quite right.

This stuff is not on sale. This is last year's stuff. This stuff is reef garbage barge material.

Then, without warning, you are attacked by the Beast, striking at your throat with the hunger pains of starvation.

The Beast claws at you, digging through your breast bone, in a primitive feast of destruction. It is overpow-

ering, dirty, and dangerous.

You are compelled to fight back, but you cannot do it. Panic sets in immediately. You have been conditioned to surrender all notion of common sense when attacked by the Beast.

If you survive the carnage, and come out from the mental concussion alive, you find yourself swiping your credit card for an overwhelming amount of unwanted junk.

SELIG IN LABOR:

“Doctor, I think it is time. I felt two contractions.”

This BUD's for you, and you, and you, and you, and you, and you. MLB wants to contract probably six teams in the next three seasons. The reason is simple. The traditional reason: greed.

Baseball claims that it lost \$500 million last season. That 25 teams lost money. That would equate to 6 teams that showed a profit.

Baseball also claims that the top teams paid the lower clubs \$165 million last season in luxury tax revenue sharing. We presume the money came from the rich, profitable teams.

It is estimated that Baseball grossed \$3.7 billion last season, a record. Baseball claims that in total, MLB showed a profit of \$130 million.

If true, then the League profit margin is 3.5% of gross revenue. There are some businesses, like grocers or rust belt industries, that would KILL for such a profit margin.

If the League owners made \$130 mil-

lion last season, that would mean that the 6 profitable teams made \$630 million. (\$630M minus \$500M = \$130M league owners total profits). That is more than \$100 million per club? That cannot be right. Even the Yankees huge cable deal, it would mean the pinstripers paid no player salaries last season?

The real problem lies that the figures do not add up. They are keeping two sets of books:

individual teams that do not include secondary income sources like parking, stadia concessions or local TV-radio revenue and league partnership national TV-radio rights.

If the owners partnership is bleeding \$500 million dollars, and 25 franchises are losing huge sums of cash, what should happen?

ery game counts. Winner takes a special championship bonus pool.

It would show the irresponsible owners to keep their own clubs profitable. It would show the players how good they have it especially when the unemployed player have to find a



If this was a restaurant chain, a parcel shop or hair salon, the answer would be simple: close down the money losing franchises!

Baseball does not need contraction, it should take a Vacation. Only “profitable” teams should be allowed to play next season. So we have a six team league. Great. No playoffs. Ev-

regular job in this economy.

And let the cities with no big league teams have minor league and college teams play at Wrigley or Comiskey. The fans are tired of the endless monkey business labor relations wars and jacked up ticket prices.

This solution is a no-brainer. Take a Vacation Bud, please!

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The Summer that is Lost

It was to be remembered as the Summer of the Belly Shirt, Deep Tan and Optimism.

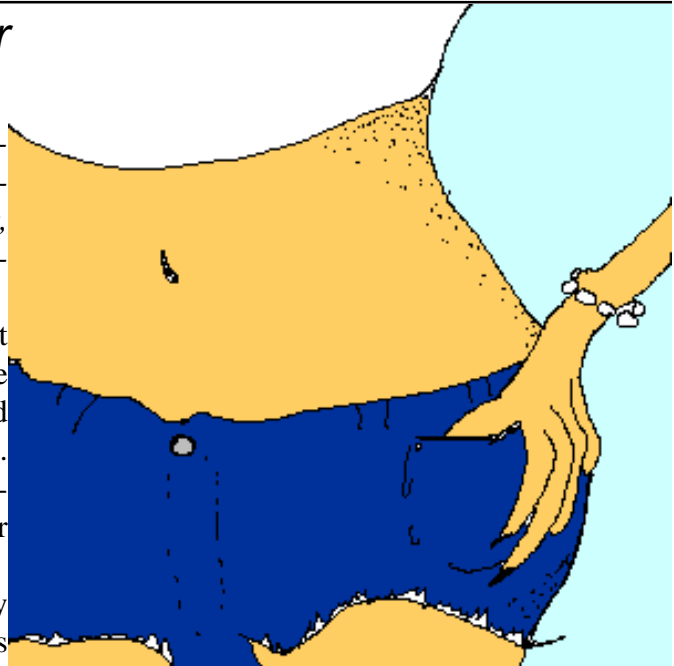
But as I reflect now, memories were collectively bulk-erased on September 11th. What were the key moments in June, July or August?

No more belly shirts. Army surplus oversized combat jackets will be the new fashion trend.

Storming the beaches will have new meaning when Afghanistan is secured, and the next terrorist State is put under a marine assault.

Short cut-offs will mean the lack of unemployment exten-

The holiday bug may have caught the attention of many, but the real annoying creature is the imported Japanese Beetle. No, VW does not have a plant in Toyko. This little ladyBug wannabees are swarming inside houses to hibernate for the winter. They have no natural predators. They have a sulfuric smell released when they get smashed or die.



sions if the economy continues in the Japanese ten year spiral of worsening recessions.

The nimble little pop music starlets have only so many benefit shows to sing in order to get a moment of air time on wall to wall war cable news coverage.

Maybe the sea-

sonal change to winter will be good. It will cover the old wounds with the promise of rebirth in the spring, post-traumatic weddings and baby boomlet presumed. Then next spring we can get back to belly shirts, deep tans and Optimism.

Aloha.

