

The Pessimists Won't Prevail... Prepare For Great Things In '92

As we enter 1992, the music industry, and much of the American economic landscape as well, seems shrouded by gloom and uncertainty. Despite this pervasive discontent, there is much to celebrate at the start of the new year. By the standards of mankind, we enjoy peace and prosperity that was undreamed of only a generation ago.

Yes, prosperity. According to census data, on average, every man, woman, and child will have after-tax income of \$15,000, a level undreamed of in most parts of the world, and remarkable in terms of our own history. There has been much talk of recession, and many individuals do confront economic hardship. But this fact should be tempered with a little perspective. On a national level, 1991 was the nation's second best year in history for industrial output. Closer to home, it was not a bad year for the music industry either. Final figures have yet to be tabulated, but at this juncture it is safe to say that overall industry sales for the year closely approached the record levels established in the latter half of the eighties.

Unfortunately though, economic growth has been limping for three years. However, the cause for this malaise seems more psychological than structural. Unlike the "oil shocks" which caused a recession in the mid-seventies, or the inflation induced havoc of the early eighties, our current problem seems to be that we have talked ourselves into a funk. This same funk is also the big reason for worry about the future outlook. Simply put, if everyone thinks the economy is declining and stops buying, merchants and manufacturers will sell less; if they earn less, they will pay their employees less; so, everyone will have less to pay and spend and everyone will become ever more convinced that the economy is declining. This kind of self realizing pessimism seems to sum up the national predicament in a nutshell.

This pessimism also blinds us to the hope and opportunity that surrounds us. The proclamation of peace on earth rings true today as seldom in history. With the collapse of eastern Europe and the

dissolution of the Soviet Union, an era of confrontation dating back to 1914 draws to a close. We also live in an era of astounding technical achievement. Astounding breakthroughs in medicine, communications, transportation, and micro-chips occur with such regularity, it is easy to take them for granted.

Closer to home, this technological wizardry will be overwhelmingly obvious at the NAMM Winter Market. For the coming year, advancing electronic technology and improved manufacturing methods will translate into the most powerful and cost-effective hi-tech products and the best values in traditional products. The products and values we are now able to offer the buying public were simply undreamed of a decade ago and offer retailers and manufacturers vast new potential markets.

Against this backdrop, we need to prescribe for ourselves a very Happy and Prosperous New Year. With all the extraordinary positive developments of the past year, the gloomy visions of the pessimists simply cannot prevail. 1992 should be the best yet for the industry, for the nation, for mankind.

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