

America's Double-Dip Depression

By [Washington's Blog](#)

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Even the happy talk dispensers at CNBC [admits](#) "US Economy at Risk for Double-Dip Recession":

If this crisis has permanently altered consumer attitudes toward debt, it would put a considerable drag on growth because consumer spending accounts for more than two-thirds of U.S. economic activity.

The other anchor is interest rates. Christian Broda, an economist with Barclays Capital, said higher borrowing costs "are an inescapable feature of the post-recovery world" as public deficits and spending grow.

Already, huge government debt issuance is raising questions about long-term U.S. fiscal stability. Concerns grew last week that the country could be stripped of its top-tier AAA credit rating after Standard & Poor's said it was considering downgrading Britain's sovereign rating...

If the economy climbs out of one recession and into another, it wouldn't be the first time. It happened most recently in the early 1980s, when the United States endured two recessions in less than three years. Regardless of what triggers a relapse, the Obama administration won't stand idly by, Banc of America's Rosenberg said.

Of course, given that the U.S. has actually [been in a depression](#), we're really talking about the possibility of a double-dip depression.

This is, of course, [what happened during the Great Depression](#), and what followers of [Elliot wave](#) and other technical indicator systems have been predicting.

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