



Tuesday,
May 17, 2005

TODAY CLASSIFIEDS SERVICES

THE IRISH TIMES

Take me to...

GO

THE IRISH TIMES BREAKING NEWS NEWS IN FOCUS SPORT BUSINESS TECHNOLOGY WEATHER

Breaking News



THE IRISH TIMES

In the Newspaper
Daily

- Front Page
- Ireland
- World
- Finance**
- Features
- Sport
- Opinion
- Letters
- Crossword
- Article Index

Weekly Index

- MONDAY
 - Health
- TUESDAY
 - Education and Living
- WEDNESDAY
 - Motors
 - An Teanga Bheo
- THURSDAY
 - Science Today
- SATURDAY
 - Weekend
 - News Features
 - Obituaries

Search

Search the newspaper archive...

Finance

Familiar portents of disaster cloud the air

By NIALL MCKAY

Fri, Nov 17, 00

For those of us who grew up during the recession in Ireland, the political and financial uncertainty in the US is very scary. It has all the hallmarks of a recession.

Hopefully, by the time this article goes to press we will have a president. But what if we don't? In the old days, it would have been easy. George W. and Big Al would choose their weapons and meet at dawn. In some ways, that's what they are doing. They are fighting it out in court - the modern equivalent of the Wild West.

It seems that most of Silicon Valley is rooting for Al Gore because they fear George W. doesn't know a Palm Pilot from a hole in the ground.

Indeed, some believe that the closest he has come to using technology was when he blew into a breathalyser back in the days when he drank.

Gore might have all the personality of a Unix terminal but at least he was instrumental in establishing the US technology industry. So, he didn't invent the Internet, but he did make sure that ARPANET (the military network that was the predecessor to the Internet) got enough funding to be transformed into the Internet.

In many ways the Clinton administration has been a friend to the technology industry. It understood the importance of the Internet and did not create regulations that might have hampered its growth. For example, it relaxed controls on US encryption technology - something Republicans said was a "soft on crime" move.

That is not to say that Gore and Co did a perfect job. They just didn't do as much harm as they could have.

However, it was a shock to hear Bush and Gore plan how they were going to spend the budget surplus. Bush wanted to return it to the people and Gore wanted to improve social programmes. The ironic thing is that they were both assuming that the prosperity would continue. But, partly because of this election, the economic boom is not going to continue.

In fact, living in Silicon Valley now is a bit like living in Britain in 1991 or Ireland anytime before 1994. Every evening, the news carries stories of more companies closing down. Every week, I hear of at least one or two of my friends being let go as companies cut back or close down. These are the companies that prided themselves on being lean and mean.

To make matters worse, in reaction to the political mess, investors are fleeing Wall Street.

What is particularly frightening about the bust is that it seems to be happening in Internet time.

There is no use sitting back with your cup of Barry's Tea thinking to yourself, "oh yes, them Americans are in terrible shape, alright", because what happens here will probably happen in Ireland in, well, Internet time.

Not only is Ireland dependent on many US multinationals, but many Irish companies' new-found success is because they, very wisely, decided to focus much of their sales and marketing strategy in the United States.

In the US we have all the classic early signs of a recession kicking in. House prices are beginning to fall, fewer companies are getting venture capital, fewer companies are floating and there are closures and layoffs every day.

So what's going to happen? Civil war? Not likely. Perhaps a six-month legal battle. Certainly not tax cuts. My advice is to dig in - this recession may be a long one.

Niall McKay is a freelance writer living in Silicon Valley and can be contacted at www.niall.org

© The Irish Times

 print  e-mail a friend  e-mail the author [back to top](#) ...

© 2005 ireland.com

[About Us](#) | [Privacy Policy](#) | [Contact Us](#) | [Media Kit](#) | [Terms & Conditions](#)