

## Calling Dr. Strangelove

October 2011

For a while I have been suggesting to one of my good friends that now seems the perfect time for a modern re-make of “Dr. Strangelove or: How I Learned to Stop Worrying and Love the Bomb.” There are many parallels of that madness today; only the threat of nuclear war has been replaced by the threat of global economic collapse. The comic idiocy of our industrial military complex has been replaced by the comic idiocy of our financial and political complex. All is just fine so long as we keep playing a game of economic and political lunacy. A few samples below...

### **“Dr. Strangelove or: How I Learned to Stop Worrying and Love the Market Economy”**

Kicking the can down the road has really been our economic and political policy since the end of the Great Depression. Each time we hit an economic soft spot, rather than wait for imbalances to naturally correct, our economic and political elite rush in to “solve” the problem. This has been the core of modern economic policy; “If it ain’t broke don’t fix it, but if it’s broke fix it immediately!”

How can anyone believe the concept of a free market economy exists if no market is ever allowed to self-correct? The whole concept of a free market, that supposedly most pure of economic systems, seems but a delusion. There is absolutely no interest in letting a market fix itself. And each time we “fix” whatever the problem is, the imbalances that need working out just get marginalized rather than removed from the system. The closet of unsolved problems fills until there is no more available space. So here we are today trying to figure out how to make the closet bigger.

Using monetary, fiscal and regulatory policy, our leadership induces the public to consume more, and to consume more quickly, in order to “correct” any economic contraction. No one seems to consider whether this effort is merely pulling future consumption into the present, thereby doing nothing more than creating the illusion of a recovery at the expense of the future economy. How might we describe what created the “recoveries” between 2003 and 2007, and between 2009 and 2011: Organic economic growth...Or managed economic planning? And how sustaining were those “recoveries”?

Everything is fine so long as consumers keep consuming. And if they can’t, let’s prime the pump a little more. Actually, our monetary Wizard of Oz has a constant prime the pump policy. A little inflation is a healthy thing, or at least much better at keeping an economy “growing” than anything deflationary. Deflation stops consumption, while inflation inspires it. Growing consumption describes a healthy economy, even if we’re loading up on ice cream instead of tools. Right?

### **“Dr. Strangelove or: How I Learned to Stop Worrying and Love Taxes”**

From my college freshman son Marius: “Why do we cut taxes when times are good and raise them when times are bad?” That’s probably all we need to say here. “A+ on your report card, son!”

### **“Dr. Strangelove or: How I Learned to Stop Worrying and Love Wall Street”**

“So long as the Fed can keep stock prices up, then our economy will be fine.” A former investment banker actually said this to me not long ago. “Really?” I thought to myself. “You mean economy, employment, innovation and prosperity are all a function of high stock prices?” Wall Street must believe it is the center of the economic universe.

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Wall Street is the center of an industry we refer to as “financial services.” Now wait a minute here, half of this term is the word “service,” which *Merriam-Webster* defines as “useful labor that does not produce a tangible commodity.” So if a “service” doesn’t produce a “tangible commodity,” then what does it do? Might it serve those who do produce tangible commodities?

Wall Street does perform this service. For a tidy fee it reduces the friction of capital between those who have it and those who need it. But again, Wall Street doesn’t produce a tangible commodity, so how can our economic well being depend on it?

Unfortunately, it does. If Wall Street falls, so do we because everything in our world is dependent on the value of assets, and we depend on Wall Street to maintain those values. So unfortunately today we are dependent on stock prices being kept up. If they fall measurably, so does wealth, and so too will consumption because today most of our wealth is tied up in financial assets instead of tangible commodities or their production.

### **“Dr. Strangelove or: How I Learned to Stop Worrying and Love Politics”**

We have to solve the employment problem. We have to solve the debt problem. We have to solve the terrorism problem. We have to solve the climate change problem. We have to solve the immigration problem. We have to solve the entitlement problem. We have to solve the income disparity problem. We have to solve the health care problem. We have to solve the infrastructure problem. We have to solve problems, problems, problems! No wonder people are starting to return to that self-sustaining simplicity of the farm. Spending all day doing hard, physical labor means spending little to no time living under the fear and anxiety of all these problems.

Only those who convince a majority that they can fix a problem get elected to public office. And certainly those who most convincingly claim they can solve problems at the expense of the fewest will attract the most voters. The very best of politicians sell lofty esoteric concepts that merely suggest they have all the answers without actually having to provide any.

We seem to be electing people who are so self-absorbed that selling themselves is second nature. The smoothest salesmen close the deal. Presentation has become the barometer of intellect and capability. Form has overtaken function. As on Wall Street, perception has become reality.

The ability to raise unlimited campaign funds has turned elections into beauty pageants, with speechwriters and dialect coaches, make-up and hair specialists, personal trainers and dieticians, pollsters and election strategists, economists and foreign relations consultants. Let’s not forget to keep the documentarians on hand just in case we do get elected. We’ll need something for that Presidential Library. It’s a media-stimulus-package-reality-TV-show, “America’s Next Top President.” We end up with “leaders” who are great at hand waves and answering questions their handlers have already screened. Faux pas are for the amateurs who need not apply. This is serious pageant business! God forbid a bald or fat person tries to run for office.

### **“Dr. Strangelove or: How I Learned to Stop Worrying and Love Government”**

Government’s primary purpose is to create the rules of society. This is how government got started, by creating the first rules. This is why government is full of lawyers, people who study the law, the rules. Rules get created when someone yells loud enough about their world not being fair. Then lawyers get

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together and work out a “good new rule” that’s going to make things more fair. But the more rules we have, the more lawyers we need to interpret them, and then with more lawyers around we inevitably get more rules. It’s just what lawyers do. So government by nature is always focused on creating more rules, which requires more lawyers, which...

The most powerful people in government have the biggest budgets, so the most ambitious people always seek a bigger budget. “Successful” people in government are good at finding problems. The more problems they find, the bigger the budget they get. The bigger their budget, the more personal compensation they make and the more power they get. The unhindered nature of government is to beget more government so people in government can make more money and get more power. It’s no different than private industry, people like to make more money and have more power.

Remember all those problems listed above that are driving us crazy? If government is so productive, why do we have all these giant problems to begin with? How do we get all these problems when we have all this great government? Name a problem the government has “solved” that didn’t create a bigger problem. Hmmm...government is the perfect solution to “fix” its survival.

### **“Dr. Strangelove or; How I Learned to Stop Worrying and Love the Media”**

The function of media is to inform, educate and entertain. Most of the way media informs and educates is through the news. News has historically earned its revenue through advertising.

The more eyeballs and ears a news source is able to pull, the more advertising revenue it can make. The more news media earns in advertising, the more compensation people working in news make themselves, and the more profit media owners accumulate. So is it any wonder the news seems to have turned into a constant in your face barrage of tragedy, controversy and sensationalism? Is this actually news? Or is this just an attempt to keep us glued to media so they can sell more advertising?

We can thank our consumption-dominated economy for this barrage of “news.” It is the purveyors of products and services that buy the advertising that is media’s lifeblood. More consumption means more money available for advertising, which means more media, which creates further bombardment of tragedy, controversy and sensationalism, which puts more eyeballs and ears in media’s grasp. So in effect, the more we consume, the more we confuse. Consumption ensures media keeps us constantly aware of our problems, which in turns provides politicians more campaign fodder, which in turn gives government more problems to fix with more laws and bigger budgets.

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“Based on the findings of the report, my conclusion was that this idea was not a practical deterrent for reasons which at this moment must be all too obvious.” – Dr. Strangelove



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