

I Want to Be Your Economist

By Musafir



The last time I talked to you, I wanted to work on winning the Nobel Peace Prize. I have since changed my mind just like the economists do with their forecasts. You guessed right, now I have decided to become an economist and spare this great nation a few dimes.

I know I'm not qualified, but if you let me, I promise that I will perform as well as any economist has in recent memory – at a fraction of the cost. That's called comparative advantage. Let the billion-dollar economists worry about winning another Nobel Prize or turning the obvious into incomprehensible.

By the way, there is no Nobel Prize for economics, but the economists feel the need to pretend that it is so recognized. The Prize in Economics, as it is frequently referred to by the Nobel Foundation is a prize established and funded by the Bank of Sweden in memory of Alfred Nobel. Confused? Never mind; this is called dual intangible value – endogenous (derived internally) and indeterminate (not solvable).

We are all familiar with Phil Gramm's famous words (poor McCain was just his mouthpiece), "I don't believe we're headed into a recession," he said through McCain, "I believe the fundamentals of this economy are strong and I believe they will remain strong."

In the course of seven days, Phil Gramm (through McCain again) reversed course, "The fact is we have some tough times ahead ... we will get through this rough patch." That was an excellent 'regression model' or was that a 'regression' as in Freud's defense mechanism theory?

Richard "Dick" Fuld, the CEO who led Lehman Brothers into bankruptcy, blamed the government, as well as what he characterized as an 'extraordinary run on the bank.' but he never really blamed himself. From the years 1993 to 2007, he received nearly half a billion dollars in total compensation for doing just that. That

was a good short term recovery plan (for his own reputation).

I can also turn Lehman Brothers into Brook's Brothers and I will gladly take the blame for a fraction of Mr. Flud's compensation.

And do not forget the words of our illustrious Treasury Secretary Henry Paulson who said that he had never considered to using taxpayer money to bail out Lehman Brothers, which was choked by the credit crisis and falling real estate values. That's the classic case of economic cohesion policy between him and Mr. Flud.

I can also do a better job than relatively low-life (and comparatively lower paid) TV talking heads. During 2006 and 2007, when I was living on my second mortgage equity check, I was hooked on the CNN and Fox channels for their balanced and unbiased viewpoints. I remember the golden words of the great pundits like Arthur Laffer and Mike Norman. They used to say, "The economy is sound; there will not be a recession; house appreciation will be more than 10% in coming years; financial stocks are super bargains ..."

Where are they now? I want to present them with awards for the worst 'normative statements' (claims which try to persuade us into a line of action).

I am reminded of Richard Feynman's famous statement, "There are 10^{11} stars in the galaxy. That used to be a huge number. But it's only a hundred billion. It's less than the national deficit! We used to call them astronomical numbers. Now we should call them economical numbers."

Still do not believe me? Alright, I promise a do-nothing scenario. I will not take any remedial action. That will at least maintain the status quo. You have my promise!

Sent your comments to:

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