

The jolly side of disaster

DURING the waning hours of 2003, our local National Public Radio stations brought us a host of business and investment programs, all gleefully celebrating our brave new economy. The jobless recovery was moving along at a good clip with the stock market pulling itself out of a seemingly bottomless quagmire. It was a long dry spell but investors were once again in the money – and just in time for Christmas hoarding.

The Scrooges have all sorts of good news to celebrate. The flu season, as it turns out, is much worse than health officials predicted, with its own little mounting death toll. For the wacko humanist set, this might seem like bad news. But for stalwart listeners of NPR's investment lineup, all bad tidings come with a silver or gold lining. As I ate lunch one day, I listened to a pundit exclaim how a flu-panicked nation means millions lining up for unanticipated (and more or less ineffective) flu shots. For the savvy investor, this provides the opportunity for large gains on select pharmaceutical stocks.

Likewise, the passage of the Bush administration's new Medicare bill, it turns out, while forcing many seniors to continue to dig deeper into their pockets to pay health care premiums, also gave the soaring pharmaceutical sector another boost – assuring the continuance of inflated drug prices in the US as the feds opted against forming a Canadian-style buyers' block to force prices down. Wealthy seniors in the know scored (I can't really justify using the word "earned" here) profits that will outstrip any increased medical expenses.

McMad Cows

The year also ended with a healthy Mad Cow scare. Now this might send some Americans

THE JOLLY SIDE OF DISASTER / 2

fleeing from the meat isles – but for the savvy investor, it's just more holiday cheer. As soon as the news broke, one NPR analyst celebrated an increase in chicken and pork-related stocks, while congratulating investors in an obscure tech firm with a patent on a Mad Cow testing kit, whose stock soared. Of course, shares of McDonald's took an immediate southward turn but, again, the smart money picked up a few coins here as well with some quick short selling of the McDemon stock.

This of course is mildly depressing for the Howard Dean team, who have been relying on the Clown's largesse – with McDonald's being one of the Dean campaign's largest donors. But since the mass media assured us, before a single vote was cast, that Howard Dean is the clear winner of the Democratic Primary, I'm sure they're not losing any sleep because of this McBad fortune.

Code Orange Christmas

A Code Orange Christmas, though frightening a few last minute shoppers from the busier malls, brought more holiday cheer, reinforcing the belief held by millions of Americans that they might die a horrid, unexpected, violent death, anyplace, at any moment. The security industry, however, a relatively small player a mere two years ago, continued to see record profits as Americans, undeterred by logic or intelligence, bought locks and alarm systems to protect themselves from nuclear and biological terrorism – this despite the capture of Saddam “the Evil One” Hussein. With Americans experiencing airport cavity checks and militarized New Year's Eve celebrations, pundits assured us this sector will continue to grow in 2004. Oh joy!

Many seemingly unrelated sectors have also been able to capitalize on this fear of the unknown, the known, the neighbors, children, foreigners, hackers, psychopaths and tourists. With the FBI profiling terrorists as being people “carrying almanacs, maps and cameras, and wearing sunglasses and baggy clothing,” fear is guaranteed to know no boundaries in the coming years (perhaps the Commander was describing “tourists,” only to have the FBI misunderstand his accent, and think he was describing “terrorists.”). A perpetually terrified population will buy the damndest things – like Hummers, for instance.

An Endless War is a Good War

Then there's Iraq. While the average person just can't see any good news in futile warfare, pundits remind us that savvy investors have always made a killing during wartime. A short war, followed by peace, provides little in the way of long-term business opportunities. An endless war, on the other hand, can boost myriad of sectors.

THE JOLLY SIDE OF DISASTER / 3

First, there's the obvious. Traditional war profiteers, such as Halliburton, who will provide any service desired, as long as there's an inflated no-bid contract attached, are the most obvious beneficiaries. Threatened with a potential extended run of peace at the end of the cold war, they managed to survive the 1990s, thanks to a series of "brushfire conflicts," remaining alive to enjoy the current bounty offered by endless warfare.

For many of us, the almost daily reports of death and destruction may seem a bit depressing. To one NPR pundit I heard, however, such destruction guarantees the need for replacement items. Now, while there's no profit that I know of in replacing lost personnel, the aerospace and munitions industry scores a sale every time a piece of equipment is destroyed or a round fired. The more combat American troops see, the more sales they reap – with the pundits promising a profitable year for these sectors. The 10,000 plus wounded American troops also promise to push up the need for durable medical goods and medicines from contractors serving US military hospitals.

Endless war also means an endless need to rotate troops in and out of far away battlefields. Economic analysts see this as a saving grace, for example, for the airlines sector. They're scoring military transport contracts to replace the business they lost due to America's newfound fear of travel and the world's cooling reception for American tourists. The potential bounty of endless war, according to the financial show hosts, is endless in and of itself.

Wishing You a Happy Happy Happy Hurricane

Holiday tidings also came in the form of hurricanes, floods, mudslides and wildfires. As Carolinians readied for tidal waves, they bought miles upon miles of duct tape and plywood. With disaster pending, the smart money, the pundits told us, went into Lowe's and Home Depot stock, pushing their shares ever higher, while shorting Allstate and other insurance investments. When the storm proved weaker than expected, the smart money shorted construction and hardware shares while reinvesting in the insurance sector, all as pundits marveled at their investment acumen. Likewise, floods, mudslides and wildfires in California and Colorado provided a host of opportunities for investors looking at sectors ranging from lumber to homebuilding. People died. Homes were lost. And fortunes were made.

At each and every turn, NPR financial pundits were there to turn someone's misery into someone else's profit. All without any semblance of humanity. They exhibit the same glee in celebrating downsizing, offering caution when unemployment drops and enthusiasm when it rises.

In short, the economy that they celebrate is a self destructive pathogen. Mayhem

THE JOLLY SIDE OF DISASTER / 4

means profit. When vandals break your car window, it's good for the economy. When a house burns down, it's good for the economy. When a person is diagnosed with cancer, it's good for the economy. I can't help, however, but think that such logic is short sighted and in the end, self-destructive. But until we put a dollar value on peace, tranquility and quality of life, the beet-faced hosts of public radio and television's myriad array of financial programs will continue to celebrate a daily litany of disaster. ●