



Randy L. Flink, Principal ❖ Christopher M. Gregory, Principal
Robert I. Kramer, M.D., Medical Advisor

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TOO MUCH SMOKE

We apologize in advance for this very brief issue of *DocOnomics*. Writing does not come easy as fierce bouts of selling engulf the world's equity markets. This frenzied activity stems from a global credit crunch exacerbated by (1) the ongoing devaluation of lengthy chains of mortgage-related securities held by major financial institutions and (2) the technical insolvency of firms that insure these securities and many others, including municipal bonds. Mounting fears of an economic slowdown enveloping much of the Western Hemisphere is adding fuel to the fires.

We see flames shooting up in all directions and the skies filled with smoke. As a result, there is little immediate guidance that we can give because we cannot see what lies directly ahead. It is best if we wait until these fires are contained or burn themselves out. At that point, we'll be better able to fix our gaze on some familiar landmarks and continue our trek.

Somewhat eerily, we sense that a few of the traditional paths for wealth accumulation and wealth preservation have been dramatically altered by the recklessness of investment firms, bankers and regulators who have seen fit to play with fire in the quest for grandiose profits and mega bonuses. They have behaved in the manner of surly monarchs, remaking the rules to suit their own private and selfish agendas. We'll have more on this in future *DocOnomics* commentaries. Meanwhile we ask "What has happened to the governance of our financial institutions and the sensibilities of our leaders who condoned this sort of conduct?"

We cannot help but observe that the United States is now 3 generations removed from the economic calamity of the 1930s, best known to us as The Great Depression. When a country's leadership, both public sector and private sector, is no longer populated by individuals who bore the pain of catastrophic events or the suffering of hardships that lasted many years, isn't history prone to repeat? Unfortunately, that is where we find our nation today and it concerns us greatly.

We hope to publish the next *DocOnomics* on February 8 in its usual format.