

## **The Politics of Problems and "Solutions": A Cynical Perspective**

Adam Fowler

4/4/2009

<http://adamfowersopinion.wordpress.com/>

Observation of the political process for any extended period of time can render the student well-informed but skeptical to a fault. It can become near the point of utter disdain for most politicians and the institution of government in general.

And nothing can get the cynic's blood boiling more than talk about the recent marathon of bailouts, or what politicians euphemistically refer to as "capital infusions" or "injections of liquidity." Those phrases, along with "stimulus," are examples of the way our elected officials use technical words to convince us it is OK for them to spend money they don't have. Only they don't call such spending "spending." When they want more support from voters, they call it "investing."

And to top it off, they're spending this money to fix a problem that they, themselves, created, despite their constant complaints of "capitalism gone wrong" or "greed" on Wall Street. And that seems to be a trend among politicians: blaming problems they created on others, then spending money on efforts to fix the problems that actually make the problems worse – or better yet, actually create new problems. U.S. Treasury Secretary William Simon once warned concerning government and "problems": "Whether real world problems get solved or not is of secondary importance. It doesn't take much cynicism, in fact, to see that the bureaucrats have a vested interest in not having problems solved. If the problems did not exist (or had been invented), there would be no reason for the bureaucrat to have a job."

Millions fall for it every election year. The rhetoric from politicians on both sides touting "change" and "reform" always seems to be effective in duping a large portion of the public into voting for them. Only later do these voters regret doing so – that is until the same politicians invent more "problems" for which they claim they have a solution.

The problems we are now facing were not caused chiefly by "greedy banks" or faults in the free-market capitalist system. The politicians themselves, Republican and Democrat, helped create a large degree of the current problems by encouraging (and sometimes requiring) banks and other lending institutions to loan money to people who they under normal circumstances would have never loaned money to. Under normal circumstances, their business sense would have told them that such lending was risky. But the politicians pushed through their agenda using more euphemistic terminology like "affordable housing" and "non-discriminatory loan practices." It's reminiscent of what philosopher Ayn Rand warned of when she noted that, "One of the methods used by statists to destroy capitalism consists in establishing controls that tie a given industry hand and foot, making it unable to solve its problems, then declaring that freedom has failed and stronger controls are necessary."

Now that their meddling in the financial markets has come back to bite them, they've turned to the oft-used tactic of scaring the public. The Bush administration was accused of using fear of

terrorism to push through their policy goals, now the Obama administration is behaving in a similar fashion to push through their “solution” to our economic dilemma: deficit spending – or “investing.” The new problems this solution is likely to create are inflation and a general climate of irresponsibility on the part of lenders and borrowers who now will come to believe there are no real consequences to their irresponsible decisions – something economists refer to as “moral hazard.” No doubt the politicians will then come up with solutions to these problems that only create more problems – and on, and on and on.

The only way out of such a seemingly never-ending cycle is for ordinary citizens who have paid enough attention to become fed up with politicians and their problem and “solution” creating. Unfortunately, the euphoria spent over the last few weeks and months by voters clinging to “change” and “hope” in the new president may be one indication that most citizens are still being duped. The trend continues.