



Caldwell Asset Management Inc.

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A NEW DECADE

AS WE MARK THE CLOSE OF THE DECADE CALLED THE “AUGHTIES” (OR THE “NOUGHTIES”, DEPENDING ON WHICH SIDE OF THE ATLANTIC YOU LIVE), IT IS HARD NOT TO LOOK BACK AND THINK: **WHAT WAS THAT ALL ABOUT?**

The frustrating and dizzying part is that we'd seen it all before. It was called the 1990s. The past decade's wars in the Middle East, the genocides, the terrorist attacks, the political scandals and the extreme market volatility each had their parallels (and many had their origins) in the 90s.

In 1989, the Berlin Wall fell, followed by the communist regime it symbolized. This was supposed to signal the “end of history,” but rather than ending, history has reinvented itself in a chaotic and confused form that we in the West have been trying to define for two decades.

For most of the 20th Century, thinking globally meant considering how Europe or America

would react. (Again, depending on which side of the Pond you live.) Now, we must engage civilizations like India and China who have learned to do many of the things that we value most about our culture better than we do.

For example, India showed in 2009 that it can, in a single election, accommodate over half a billion voters, which is more than are enfranchised in all of Europe and North America combined, and choose a reasonable government in the process.

On the other hand, we must also combat a global and radical belief system that would see an end to everything that all civilized countries hold dear.

More than external threats, what nags at many Westerners is the thought that, perhaps, we have collectively lost our way. Whether one agrees or not with the intent and the methods of past generations (and certainly there is much both to admire and to loathe), there was an overarching sense of purpose that drove Western society.

From freedom of thought, to the founding of a “New World,” to the ending of slavery, to putting a man on the moon, we developed a collective idea of what we wanted to achieve and we usually achieved it. Our vision of a future to come drove us to accomplishment.

Forcing the downfall of the communist empire was the last thing we all (largely) agreed on and that was 20 years ago. Where to from here?

In 2008, we elected a Messianic figure, a Moses in the person of Barack Obama to lead us to the Promised Land. (It is right to use “we” and “us” in this context, because while only Americans voted for him, Obama’s margin of victory would have been even greater if Canada and Europe had been allowed to cast their ballots too.)

We wanted, quite desperately, to have hope, to have a vision of what the future can and should be like.

Presidents like Lincoln or Kennedy or Reagan each had the ability to understand what we all, deep down, believed to be true and to put those beliefs into words that compelled us to action.

Can President Obama do the same? Even if he knew what he himself believed, it would seem too much to ask, because for twenty years we in the West have been so uncertain and confused that we have lost track of what is truth and what is merely received wisdom.

Our purposelessness is thrown into sharp relief by the fact that we are aware that other countries, societies and belief systems are much more certain about the mark that they wish to leave on the planet. They have constructed a narrative within themselves about what they hope to achieve and are working today to make their vision a reality.

When considering the Pyramids or the Great Wall of China, one realizes that the ability to excite the collective imagination into action toward a common goal is not unique in history to what we now call Western civilization; however, this characteristic has defined us for at least the past several centuries. It allowed us to create a world that looks the way we thought it should.

It is fascinating (and it should be motivating) to watch other cultures use many of our tools, such as capitalism, democracy and airplanes, in the attempt to reshape the world in their own image.

To a large degree they will likely succeed. Our own relative aimlessness notwithstanding, sheer numbers tell the tale. There are less than one billion people in the countries that we describe as belonging to the West, which means that there are over 5 billion elsewhere. There are at least as many people in Muslim countries as live in ours, and over a billion people live in each of India and China.

For many, many years, other peoples were prepared, willingly or otherwise, to embrace our collective Western vision because a combination of our technology, our economic systems, our militaries and/or our government structures were better than theirs. This is diminishingly the case. But all these trappings of Western dominance were once the product of an ability that we still appear to be particularly gifted with: the implementation of original ideas.

From Luther, Galileo, Leonardo and Newton through Adam Smith and Einstein to Steve Jobs and the other denizens of Silicon Valley, we have proven to be good as a society at nurturing and implementing original ideas. This trait will likely be our salvation.

If we are to engage the world constructively in the future, we will need to meet its reinterpretations of our once leading edge concepts with even better, fresh ideas that we put into practice in our own countries. This is true on all fronts: economic, political, social, even spiritual. (One cannot reasonably expect to supplant a virulent spiritual ideology through purely military means unless one has a more compelling spiritual vision to replace it.)

Can the West reinvent and re-energize itself? Can it shake off this collective stupor that has left us without a coherent vision of a future better than the present in which we now live? Yes, we probably can. We have done it before; actually,

quite a few times in the past several hundred years. We have names for these awakenings, such as the Reformation, the Enlightenment, the American Revolution, the Industrial Revolution, Emancipation and Universal Suffrage.

All of these reinventions were hard and not all ideas put into action were good ideas to start with. (Notice that the Russian Revolution and others were left off the above list). Notwithstanding, no society in the history of the world has proven so willing and able to put new ideas into action in a way that turns the old order of things on its head. This fact should give us comfort and even confidence as we head into the future.

It does not appear that we yet have within our grasp the new revelation around which our collective imaginations will coalesce and which will push the Western world forward; however, we have proven time and again that, as a society, we are prepared to act aggressively on such an idea when its time has come.

With all that we have seen in this past decade (or two) and with all that the world might have in store for us in the decade which we now begin, that is an encouraging thought.

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