

IRA'S MUSINGS

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You may recall that I declared that the transition of Gerry and myself would be seamless. Whoever dreamt that our shares would rise sharply on the news? A sports analogy would be about the ball player whose individual performance was indifferent, but whose team won the championship. He might tell the media that he was happy, but few cynics would believe it. Trust me, I am on cloud nine on this count.

When it comes to the economy I am not so excited. One week in September I sat through four of David Rosenberg's presentations. If I were so bold as to vehemently disagree with the gentleman, I would of course discreetly avoid the topic. When Gerry and I were first in business, we would argue strenuously with each other in front of clients. Maturity has taught us that this is not a productive use of time. Fortunately I do agree with much of David's economic views, especially his championing of China, commodities, credit and Canada – the four "C"s.

During September many magazines provided portraits of economic life a year ago with special reference to the bankruptcy of Lehman Brothers. It was a chilling time. What was striking to me was that the more of an insider you were, the more fearful you were. It was a time to be a natural optimist.

I currently find myself in the wilds of Scotland. Because of my locale, I am stuck with reading English newspapers and I am amazed at the number of positive references to a return to the good old days of two years ago. Many housing markets are actually booming, including in Canada. If only the new era of prosperity were to be true.

My associate Christine Tan and myself are managing to keep busy, which is very easy. Companies have been issuing debt and equity like water and who could not sympathize with them when you recall that a year ago no one could finance anything. We are being cautious.

I must confess that when Bill and I first discussed David Rosenberg joining our firm almost a year ago, I privately surmised that we would have a nice little surprise when David inevitably turned more optimistic about the world. I now see that this is not likely to be tomorrow, but on balance, reality is the best approach.