



# The Polar Letter

Issue Dated January 25 2010

---

*“You cannot help the poor by destroying the rich.  
You cannot strengthen the weak by weakening the strong.  
You cannot bring about prosperity by discouraging thrift.  
You cannot lift the wage earner up by pulling the wage payer down.  
You cannot further the brotherhood of man by inciting class hatred.  
You cannot build character and courage by taking away people’s initiative and independence.  
You cannot help people permanently by doing for them what they could and should do for themselves.”*

*Abraham Lincoln*

---

What has become of the American nation, conceived with the notion of liberty, opportunity, and justice for all? We have descended into the clutches of corporate and other special interest groups and are seemingly becoming a second rate world power. Our government does not work any more, or perhaps more properly, does not work for the American people. Legislators and presidents all too often do not work for the benefit of their constituents, but rather to perpetuate their own power and agenda. The present attempt by a left wing president to gain governmental control of the nation’s health care system (a very substantial portion of the economy), while opposed by a substantial majority of the American people is but one of a long list of examples. If our nation is to survive with any reasonable standard of living and liberty, this must change and soon.

Traditional US equity markets have just completed the worst decade in their history. The Standard and Poors composite ended 2009 more than 20% below where it was ten years prior and the NASDAQ was down more than 40% from its level ten years prior. There are those who would attribute this poor performance to a decline in our domestic manufacturing base. For example, ten years ago, the United States supplied some 14% of the world’s steel, today it’s 7%. When asked about this, former Federal Reserve Chairman Alan Greenspan’s answer was that, “we’ll find another way to create profits.” Perhaps we can all trade equities and create derivatives, or perhaps we can enter the “service sector”? No, I guess not, we are outsourcing all of that to India.

While there is a glimmer of hope in recent political developments, we have seen this many times previously and have been disappointed. Some are hopeful because of the alleged emergence of so called “green shoots”; we do not share that optimism. We are of the opinion that the investment landscape has changed and shall remain so for the next many years, if not for the rest of our reader’s economic lifetime.

The mantra of “buy and hold” equities is unlikely to produce profits in the foreseeable future. Substantially higher interest rates are nearly a certainty in our view, however, we are not certain this rise in rates will be accompanied by inflation, which many others are forecasting. It is possible, in our opinion, that the coming rise in rates will be almost entirely risk based. The manner in which all of us manage our investment portfolios will change significantly, if not dramatically. Please call us for a complimentary consultation concerning your situation.

Michael C. Jordan  
President

Please visit [Polarinvest1.com](http://Polarinvest1.com) – [President’s Corner](#) for prior letters.

Polar Investment Counsel Inc is a federally registered investment advisory firm and broker dealer,

which manages customer accounts on a fee or commission basis.  
The firm's senior principal, Michael Jordan has nearly thirty-five years of industry experience.

**Polar Investment Counsel, Inc.**

Member: FINRA, NFA, MSRB, SIPC

Broker-Dealer / Investment Advisory

Home Office: Thief River Falls MN 56701 218.-681.7344 \* 218.681.1329 [fax]

[www.polarinvest1.com](http://www.polarinvest1.com)

The views expressed above are those of Michael C. Jordan and not those of PICI nor necessarily those of PICI's independent contractors, brokers or advisors.

[Click here to OPT OUT of future publication](#)