



# The Polar Letter

Dated 3-23-14

---

*“Is America still the land of opportunity?”*

*There can be no liberty unless there is economic liberty.”*

**Margaret Thatcher**

---

Dallas Federal Reserve President Richard Fisher has recently been credited with stating, “Quantitative Easing has been a massive gift of wealth, which has overstayed its welcome.” He seems to opine that Federal Reserve purchases should end by October of this year. He states, “there are increasing signs quantitative easing has overstayed its welcome: market distortions and acting on bad incentives are becoming pervasive, margin debt is pushing up against all-time records.”

Reminiscing upon his days in business school, he reflects, “everything we learned in business school in the mid-1970s was orientated toward operating and growing companies under the assumption of constrained, conservative debt markets, and a fundamentally driven equity market. Today the opposite obtains. Credit is super abundant and stock market behavior is conditioned not so much by the fundamental performance of its underlying companies but by increasing doses of monetary Ritalin. Against this backdrop, I am not surprised by the reaction of business. Operating in a highly uncertain environment it is eminently sensible for them to defensively use their newly strengthened balance sheets to buy back shares and pay out dividends, or perhaps employ them offensively, say in making acquisitions, which often leads to employee consolidation and not payroll expansion for U.S. workers.

We believe that Mr. Fisher is saying that quantitative easing is leading us, once again, to the very excesses that brought it about in the first place. We would be pleased to discuss our opinion with any of our readers either via email or by phone.

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](#)