Ist Quarter, 2010

Investment Watch

The Blind Side

What a difference a decade makes! At the turn of the last century after the Y2K meltdown fizzled, American's optimism abounded. The economy's strong growth appeared never-ending, the stock market was soaring to new heights and unemployment was at historic lows. We believed that our technological ingenuity created a *New Economy* eliminating the boom-and-bust business cycle, that American soil was safe from harm and that the our financial systems were unshakable. The American Dream, American ideals and The American Way reigned supreme.

A fitting end to the 20th century, christened the *American Century*, during which America's stature and dominance flourished. After WWII, *Pax Americana* (Latin: American Peace) was coined to describe the liberal peace enjoyed by the Western world due to the dominant power of the United

States of America. The influence was not only political. During the 20th century, we grew to be the world's absolute economic and military power. We prevailed through the cold war and after the fall of the Soviet Union, the United States was universally recognized as the sole superpower.

Just then, America was blindsided! In the first decade of this new century, America was blindsided by the bursting of the tech bubble, the 9/11 terrorist attack and the subprime mortgage meltdown. The American Dream turned into foreclosure, American ideals were tarnished and The American Way was guestioned.

"The Blind Side" portrays The American Way based on our ideal that anyone, regardless of their social and economic circumstances, can succeed through determination, hard work and natural ability. The American Way is family,

generosity, idealism, self-reliance and fulfilling our potential as reflected in this inspirational true story of American Footballer Michael Oher.

Some believe that American dominance peaked at the end of the *American Century* and that we have lost our drive and our dominance. Was the first decade of the 21st century truly the lost decade and a prognosis of our future? <u>Time</u> <u>Magazine</u> in their annual special issue emphatically disagrees, *"Don't believe the prophets of doom."* <u>Time</u> feels that American influence will not only continue to flourish during the 21st century, but will be globally integrated into a vast, ever-increasing global middle-class.

The American Way of life is individualistic, dynamic and resolute. Americans are the most generous, charitable peo-



ple of the world. The American Way is humanitarian, forward-looking and optimistic. We believe in progress and originality. Our missteps during the last decade have bruised **Brand America**. However, just like Michael Oher, we may be down but Americans are never out. We must pull together to repair the damage here at home and confront the serious challenges we face. Our resilience and commitment will reassert our global leadership.

During the *American Century*, our influence expanded due to our superior economic, military and political power. Now during this century, a vast consumerist middle-class will evolve throughout the world. Emerging economies including China, Russia, India and Brazil have begun their long march toward forms of our capitalistic ideals of private enterprise. Their increasing prosperity will result in a burgeoning middle-class. A middle-class who will be influenced by The American Way through American technology and through the global reach of our multi-national companies.

<u>The Economist</u> predicts that the 21st century "could see the fastest growth in average world income in the whole of history." With urbanization and a rising standard of living, the new global middle-class will be more educated and hungry for information and America will be the source and will provide the conduit.

Although our economic, military and political power will continue to dominate world leadership for the new millennium, innovated technologies and digital social networks will be the new thoroughfare to directly expose the new global populace to The American Way. The proliferation of American movies, television, games and music foretell this digital future and portend a further explosion of **Brand America**.

The world needs America to balance the growing power of China and Russia. At the same time the world is growing more like us everyday. More Chinese are now learning English than America has people. But the political differences that caused Google to take on the Chinese government's censorship of its content still exist. American ideals will not be compromised and we must demand the same from our political and corporate leaders.

With American leaders protecting the blind side, our hard work, ingenuity and resolve can expand The American Way into The Global Way in this the *Second American Century*.



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