

Think!

The West must wake up to common sense

John Risley
Clearwater Fine Foods Inc.
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I worry we seem to have forgotten or dismissed the value of careful and considered thought. Common sense seems to be in very short supply. Examples of this are everywhere. We send an email, one which is important (at least to the sender) and we expect a reply virtually instantly. Indeed, if one is not forthcoming within 15 minutes we begin to wonder if the recipient has died.

Now think about this: assume that the question being asked *is* important. We must therefore want a careful and considered response, a response which has had the complete attention of the recipient. Is it reasonable to assume this could possibly have occurred within 15 minutes?

We avidly consume the latest headlines and prognosis for the economy and various companies, listen attentively to the ever-changing advice of our trusted broker and then make instant investing decisions. How many times have you looked carefully at the latest balance

sheet of a potential investment, reviewed its latest filings, thought carefully about your view of the world and how this company might fare within it. Are we too smart and intuitive to pursue such a disciplined approach? Or are our investing horizons so short we don't care so long as we know how to buy low and sell high. Common sense, should we care to tap our own, would tell us no one is that smart and further that really successful investors focus on a small number of companies with whom they become very familiar and in whom they stay invested over the long term.

Common sense is also powerful enough to have taught us that good long term decisions are much more important and valuable than those focused on fixing current or short term problems. Focus on the symptoms, not the disease seems to be the order of the day. We encourage (and even reward) our political, institutional and corporate leadership to focus on the short term. Give us instant gratification!

We know a balanced diet and exercise are incredibly important contributors to ensuring good health. Yet a huge proportion of the population is obese. We know our health care system is not sustainable in its current form but criticism erupts from across the land whenever there is talk of change. Virtually no one stands up to say, “Hang on a minute here, don’t we need to try and make changes designed to improve outcomes and reduce costs?”

We know intuitively when a government builds a road that someone has to pay for it. Yet we resist vehemently any attempt at imposing such costs, by way of tolls, on those who would use that road. Now just think about that, if the users don’t want to pay for it, who should?

I hope you are getting my point. I believe the western world is in decline. That’s right, Canada, the U.S. and Europe are going down. And Asia is on the rise. Evidence of this is everywhere. It’s resident in the emphasis on quality education, by the state of government finances, by the investment in crucial infrastructure, by the growth rates of the respective economies. No one argues our standard of living in the western world is not higher, but it is not growing. In fact, it is eroding, whereas the opposite is happening in Asia.

So what needs to happen to turn this around? We all need to wake up to the value of common sense. We need to take personal responsibility, not look for someone else to pass it on to or blame. We need to demand change in our health care and education systems, to insist on accountability. We need to be sympathetic to the responsibility of good leadership, to be tolerant of short term pain for long term gain. We need to provide competing ideas rather than raw criticism. We need to get involved, to take ownership. But most of all we need to slow down and think, to make use of that valuable feature called common sense. This isn’t about

someone else. It isn’t someone else’s responsibility. It’s yours.



Atlantic Institute for Market Studies

**2000 Barrington St., Ste. 1302 Cogswell Tower,
Halifax NS B3J 3K1
phone: (902) 429-1143 fax: (902) 425-1393
E-Mail: aims@aims.ca <http://www.aims.ca>**