

INVESTMENT OUTLOOK



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WEST WITH THE DOLLAR

There's a wonderful book that was written in the 1940's and was only recently rediscovered. West With The Night is the autobiography of Beryl Markham, certainly the first and most famous female bush pilot of Colonial Africa. Not to be confused with Karen Blixen, who was the subject of "Out of Africa"-Markham led a life of considerable risk taking. Not only was she a woman in a "man's" world but her playing field was relatively undeveloped and in many cases, unexplored. Of her fellow aviators flying above the African plain, over half would meet disaster in the cockpit. But the story is less about the risks of flying and more about the experiences of living. Markham attacked life and the world, seeking to change it in her own self image. It was only the passage of time that taught her that humanity changed slowly and that in many cases it was better to receive the world's energy than to expend her own. The end of the book finds her on a freighter drifting almost aimlessly towards Africa. "And so," she writes, "the little freighter sat upon the sea, and though Africa came closer day by day, the freighter never moved. She was old and weather-weary, and she had learned to let the world come round to her."

The same aggressiveness which a youthful Beryl Markham displayed has characterized our international trade policy for the past several years. Faced with a growth-crippling trade deficit of \$150-200 billion, Treasury Secretary Baker joined with four and in some cases six other nations in a vigorous attempt to drive down the dollar. Baker and his G-7 companions, believed that they could mold relative currency values to fit their own image. By stimulating economic growth in Germany and Japan and engineering a series of discount rate cuts as well, it would only be a matter of time before the dollar sank and the trade deficit disappeared. To insure the outcome, Baker took the lead in talking down the dollar, letting his world know that when the time was right, he would announce when the dollar had reached its appropriate value. The first part of the script went exactly according to plan. Driving down an overvalued dollar through moral suasion and minor economic adjustments, however, should