



PACIFIC INVESTMENT MANAGEMENT COMPANY

INVESTMENT

OUTLOOK

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Absolutely.....

Once you've admitted to yourself, as I have, that absolutes don't exist, and that life's trails are relative in almost every sense, it becomes hard to avoid chasing your tail. That is, it becomes hard to suggest anything definitive and make it stick. Only absolutes have eternal glue and if there are few of those to be found - well then life in general, or any life in particular, can be viewed as a circular path. Each of us accepts particular ideas or philosophies at a certain point of our life, only to modify or reject them later on. In many instances, we come back to where we originally started, thus closing the circular knot of our existence.

It's this everchanging, ephemeral nature of life that is the most frustrating to me. Like almost all of us, I have a need to convince and convert. I really don't want everyone to think like me but it would be nice to see how it feels. Sound familiar? Even if I managed to sway the entire world, however, would it have any meaning if my own ideas were constantly changing? Convert to what? For how long? For me, change destroys much of life's significance, reducing it to what Shakespeare characterized as "sound and fury....signifying nothing". If I could hold on to an idea and petrify it for an eternal moment in time, then perhaps things would be different. For now though, my absolutes are merely billowy phantoms in a glorious yet dispiriting existence.

Life's changing patterns are never so visible as in the world of finance and investment economics. If there be icons here, then they'll be short lived ones. Take the theory of monetarism for instance. After Milton Friedman struggled for several decades to find an audience for the idea that money growth influences economic output and prices, he finally played