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Upon Saying Farewell

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Shortly after the passing on June 5th of the founding editor of JPM, Peter Bernstein, the publisher, Allison Adams, and I met to discuss how to honor him. We decided to include a commemorative section in his memory, a collection of tributes from those who knew Peter well.

I started penning my thoughts about Peter. As the contributors submitted their short essays, however, I found that my thoughts were expressed well by them. Descriptive qualities such as the following appeared in the essays: true intellectual, thorough researcher, bridge from academics to practitioners, fountain of contagious enthusiasm, sharer of ideas, smart manager, loving human, Renaissance man, prolific author, superb editor, and man of courage and fortitude. Burton Malkiel labeled Peter "one of the smartest and most insightful commentators on financial markets," Marty Leibowitz dubbed him Peter the Great, Nobel Laureate Harry Markowitz said "for modern financial theory Peter Bernstein was like the Apostle Paul who spoke to the masses beyond the initiate," and John Bogle said Peter's "generous grace gave those of us who write and think about investing the strength to keep going, and to keep going in the direction of truth and reason." There are no further accolades I could provide.

Instead, let me share with you some of my memories in dealing with Peter over the past 25 years. In the summer of 1984, Peter and his partner and wife, Barbara, invited me for lunch in New York City to discuss my possible involvement with JPM. Peter and Barbara were concerned with the handling of the large number of submissions resulting from JPM's enthusiastic reception in both the investment and academic communities. I agreed to help and became the managing editor. Five years later, Peter asked me to move up to the position of editor so that he could spend more time on other activities.

Working with Peter was a delight. There was never any pressure. Despite the increase in submissions to almost 10 per week, we handled the flow efficiently, keeping track of submissions and referees using only a spreadsheet. Although I handled the vast majority of the papers, Peter still wanted to look at the papers on economic analysis and the papers of certain individuals; some people Peter viewed as "original thinkers" and he insisted on reading their submissions. (I promised Peter I would not divulge that special list of names.) Some papers were so off the wall that Peter and I would spend a good deal of time trying to figure out if the author was brilliant and we lacked the vision to appreciate the thesis or if the paper was just a crackpot submission. Regardless of how bad a paper was, after his review Peter was always gracious in his response to an author, so much so that some authors thought Peter was inviting a resubmission. In fact, after a good number of resubmissions of papers that he had reviewed and had indicated to me were clearly unsuitable for JPM, I finally convinced Peter not to be such a nice guy in corresponding with authors, not something he was comfortable doing.

Over the past 25 years, Peter and I watched the professional growth of some of today's leading academics and practitioners who submitted their earlier works to JPM when they were assistant professors or researchers at dealer firms. A good number on our watch list moved in short time onto Peter's original-thinker list and became sought after in the investment community as consultants and circuit speakers.

In the earlier years, our correspondence was by snail mail. It was amazing that we were able to handle the enormous flow of submissions and related editorial correspondence. Ah, then came the Internet. Fortunately, Peter gravitated to the Internet without a hitch. We both used AOL, which had features that made communication even easier. The only problem I had was Peter's unwillingness to reproduce my original emails in his responses to me, thus sometimes I was not quite sure which email he was responding to. This was particularly troublesome when I would dash off a half-dozen emails in one day, but not get Peter's responses until a few days later, by which time I had forgotten what I had written him. There were times when our email correspondence about a variety of issues was so great that I sometimes confused his responses, almost making the wrong editorial decisions on some papers. I suppose that because of Peter's training during World War II as an officer in the Office of Strategic Services (the CIA's predecessor), he felt that I should not have any problems deciphering his short, unreferenced messages.

In the early years, Peter was learning the mathematics of investment theory and some of the latest theories in financial economics along with the rest of the profession. Some might have shunned these concepts and theories because of their mathematical complexity, but not Peter. He cornered anyone who would be willing to explain difficult material. I recall that in the preparation of one of his books, he wanted to know how the stockholders of a company can be viewed as having a call option on the firm. We went through some extensive correspondence until he firmly grasped the underlying theory. More recently, although Peter understood the roots of the current financial crisis, he wanted to know every detail about the subprime market in order to fully understand the crisis at a micro level, so we had a short RMBS 101 tutorial.

Despite the demands on his time due to his other professional activities, Peter was still involved in every phase of what JPM's staff and I referred to as his "baby," even having the controlling say on the design of the new cover of JPM, selection of the paper stock, and design of the website. Nothing was done to alter any aspect of JPM without Peter's approval, and all his decisions were made jointly with Barbara.

Exactly 20 years ago, Peter appointed me the guardian of his "baby." With the guidance of Barbara, JPM will continue to operate smoothly, but an almost magical someone will be missing from the editorial process. I have lost a dear friend and a colleague.