

Hello Everyone,

Anyone who has ever done a jigsaw puzzle knows you start with the frame. Once the frame is done you have something on which to “hang” the other pieces.

I hope this next series gives you a different--and more objective-- investment frame.

Today’s missive launches the **Loser Nation** series. And, you can’t separate a nation from its investments. You may even find the principles apply to other areas of life.

Signed, Your On-A-Different-Subject-Am-I-Catching-A-Whiff-Of-Inflation? Financial Advisor,

Greg

KKOB 06.03.2019 Loser Nations Part 1 Free Flow of Information

Bob: So, Greg, we are starting a new series this morning. And, I must admit when I saw the topic I thought, “Well OK, let’s see where this goes.” So, you want to talk about Loser Nations.

Greg: I do. Many years ago, there was an article in the US Army War College publication called **Parameters**. The was article written by Ralph Peters and was titled ***Spotting the Losers***. The premise was basically this:

- How is it a country like Saudi Arabia with all its wealth, can’t even make a toaster the world wants? Meanwhile, Hong Kong, which is basically a rock---having no natural resources ---thrives and prospers?

Bob: I hadn’t really thought of that. But, you’re right. Hong Kong has a nice port, but there are lots of nice ports in the world. Meanwhile, there are lots of countries with all kinds of natural advantages like oil, or mineral wealth, or great agriculture--yet they stay stuck in third-world status.

Greg: Right. So, over the next few weeks, let’s examine the hallmarks of Loser Nations....and then tie this concept to your

listeners' investments. I believe once you recognize the traits of the losers, it will be easier to spot the winners.

So, with that as backdrop, let's get started.

The first characteristic of a Loser Nation is...it seeks to control information.

Bob, if you go to a country where the government runs the TV, radio, newspapers, magazines, and Internet, know this---you are visiting a loser. In today's global economy, you cannot compete if you do not have the free flow of quality information.

Now, governments usually justify censorship policies based on either religious or political grounds. Things like, "*God doesn't want you to see or hear that.*" Or, "*The Party does not approve of you learning that.*" But the result is the same. Bad information makes for bad decision-making.

Anyway, once a nation's leaders start down this path, they're saying two things:

- We do not trust our people, &
- If the people learn too much, they won't trust us.

Bob: I can see that. If all you ever get is the party-line, your view of the world gets really skewed. You'll never know what's true and what's propaganda. So, that leads back to the bad information makes for bad decisions thing.

Greg: Right. And say what you want about America, but if you don't like Fox, switch to MSNBC. If you don't like the *NY Times*, read the Dallas Morning News, or go online. By viewing multiple sides of an issue, you can get closer to objective truth...and then act accordingly.

Of course, with all this information-flow, you also get the awful stuff---like porn and scams--- and your listeners know the rest.

But despite the bad, I've come to believe information flow is more important than oil flow. And, when governments restrict data, those societies fall behind the rest of the world. Oh, and the longer the control goes on ---the longer it takes to catch up. This is why the censorship trend at big tech firms like Google, Facebook, and Twitter is disturbing.

Bob: I see all that. And, I'm with you, I don't like all the bad stuff on my computer and TV---- but the alternative is worse. Dictators control information—whether they are public (like government) or private (like big-tech).

Greg: Right. So, as an investor, apply this logic---or better said, these standards—to your investments. Are you investing in *firms* that are open and honest? Are their accounting measures transparent? Are their press releases honest...or just spin?

Bob, if your investments are “dark” information-wise, run away. This in one of the reasons I warned your listeners about Tesla last year. You couldn't get straight answers; but that's a story for another time.

So, what did you learn today?

Bob: Let's see---Loser Nations control information. And information flow may be more important than the flow of oil. So, investment-wise, avoid any country---or entity---that censors information.

Greg: Nice!

Bob: I think I am going to like this series. How do people reach you?

Greg: I hope so. My number is 508-5550. 508-triple 5 zero. Or, go to my website at zanettifinancial.com.

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