►On Target

Martin Spring's private newsletter on global strategy

December 15, 2012 No.157

Tottering on the Edge of the Cliff

Now European governments and the IMF have agreed to lend a lot more money to the Greeks following their promises to behave just like Germans – clearly a triumph of hope over experience – markets have switched their focus to the more troubling threat that the US may be about to plunge over the so-called Fiscal Cliff.

What's that all about, what's likely to happen, and how should it shape our investment tactics?

The US federal government spends far more every year than it receives in revenues.

Partly that's because of the sluggishness of economic recovery following the debt crisis, which has reduced the bases, such as capital gains, on which taxes are calculated, and because the costs of the various hugely expensive measures taken to anaesthetize the pain.

But it's also partly because of the ever-increasing expense of entitlement programmes such as Medicaid (for the elderly) and Medicare (for the poor), for which the politicians have failed to provide proper funding.

The federal government has been overspending on a huge scale – by more than a trillion dollars every year, equivalent to nearly 9 per cent of the nation's entire economic output over the past four years.

To cover the gap between revenues and spending, known as the fiscal deficit, the Treasury borrows money to finance the spending. More and more of it, every year, passing on to future generations the costs of benefits being enjoyed now.

But the amount of federal debt cannot exceed a limit set by Congress. When the rising debt approaches that limit, Congress has to agree to raise it.

There is growing public opposition to the high and fast-growing public debt. All politicians agree that the fiscal deficits driving up the debt are a problem that must be addressed, but they are deeply divided over how and when to deal with it.

Democrats generally favour tax increases for the wealthy and cuts in benefits largely enjoyed largely by them, such as many of the deductions allowed to taxpayers that reduce the amount of tax payable. They fiercely resist reductions in benefits enjoyed by their core support groups such as ethnic minorities, organized labour and the poor.

They also argue that tough austerity measures to address the public debt problem will damage economic recovery, so they should be delayed until the economy is stronger.

Republicans generally oppose tax hikes focused on the wealthy on the grounds they would damage economic growth. Such increases distract attention from the fundamental problem – the growth of "an entitlement state" like those in sluggish European economies. That's where Republicans want to focus deficit reduction.

They also argue that delaying tough austerity measures is a cop-out because when the economy does strengthen, experience suggests there will be no enthusiasm then for tackling the huge inherited public debt.

The core issue is that the US cannot continue to afford its entitlements, whose growing burden is inevitable in terms of current laws, plus the costs of new entitlements such as Obamacare now being phased in.

The deficit has to be cut through a combination of higher tax revenues and reductions in entitlements. Inevitably, much of that pain has to fall on the middle classes. But they dominate the political system. This is the "live rail" the politicians won't grasp.

The radical Democrats' focus on taxing the rich is dishonest because it suggests that would be an important contribution to reducing fiscal deficits, whereas in fact it would be marginal. One example by researchers favourable to the idea suggests it could only reduce the deficits by about 7½ per cent.

The radical Republicans' focus on intransigent opposition to any tax increases is also dishonest because the fiscal deficit cannot be brought under control without some of those – or permanent cuts in benefits for all, including the middle class, so savage that they never suggest them.

When, last year, Treasury borrowing hit the ceiling on federal debt and asked Congress to raise the limit, the Republicans, strongly influenced by their Tea Party hard-liners, refused to do so without an agreement to address the long-term problem of rising debt.

No permanent agreement proved possible. However, as a temporary solution to permit an increase in the debt ceiling, the two sides in Congress did agree with great reluctance that, failing all else, a package of tough measures will come into effect automatically as from the start of 2013.

Investment markets love loose-money policies

Various "temporary" tax cuts introduced when the financial crisis erupted will be withdrawn, and there will be significant cuts on spending. That will cut fiscal deficits significantly – although still leaving them at about 4 per cent of GDP each year, and continuing to push up public debt.

However, the politicians are frightened of tackling the debt problem now, even on the relatively limited scale proposed, in that way. And the markets would generally prefer fiscal profligacy to continue because loose-money policies generally push up investment asset values.

The fast-approaching deadline is called the Fiscal Cliff because automatic implementation of the measures will plunge the economy back into recession by reducing economic growth by about 4 per cent, costing about two million jobs.

Congress cannot avoid doing something because, apart from the fiscal package deadline they set last year, there is the additional problem that the Treasury is again about to run out of borrowing capacity, probably by early March. Congress cannot avoid lifting the debt ceiling yet again, as failing to do so would force a progressive shutdown of the federal government.

It's happened before, twice. But the effects were so painful – millions not receiving their pay cheques – that the squabbling politicians were quickly forced into compromise deals.

However, this time it's likely to be even more hugely difficult than before, for Congress to stitch together even another temporary agreement.

Both sides have been energized by the outcome of the presidential election, which was marked by extreme propaganda. The Democrat Left is encouraged by the success of its class warfare strategy to stick with its tax-the-rich strategy. The Republican Right is encouraged to veto tax increases by its success in maintaining control of the House and gaining 30 state governorships. Radicals on both sides have been strengthened as losses, where they occurred, were focused on moderates.

The markets overwhelmingly assume that, after a lot of heated rhetoric and passed deadlines, Congress will once again "kick the can down the road" and agree to a temporary agreement without getting any closer to reconciling the fundamentally opposed positions.

That's probably right. But it's not certain.

Hardliners could prefer a high-risk strategy

There's positive speculation that there could be a basis for agreement to increase taxes on the wealthy without raising tax rates by limiting deductions. I think it optimistic to assume that the politicians will agree to any substantial changes that would threaten donations to powerful interests such as universities, museums and the rest; employer-financed healthcare insurance; and/or home-owners' mortgage loan deductions.

The Democrat Left could force the party to insist on the high-risk strategy of no backing away from taxing the wealthy on the assumption that economic damage consequent upon the political deadlock could be blamed on the Republicans in mid-term elections in two years' time.

Its leader, Barack Obama, is ideologically biased towards the Hard Left and singularly lacking in the negotiating skills and flexibility that made Bill Clinton so successful at resolving political logjams.

The Republican Right might favour a similar high-risk strategy on the contrary assumption that economic damage caused by deadlock can be blamed on the Democrats' obsession with class warfare rather than fixing the economy.

Its de facto leader in the House of Reps, budget committee chairman Paul Ryan, is the ideological and intellectual leader of the Hard Right on economic policy, and a potential presidential candidate in four years' time.

I suspect that the political infighting and consequent market turbulence will be greater than generally expected, although the most likely outcome remains "kicking the can down the road," with continuing financial irresponsibility.

Not bad for the safest bonds. Good for equities. Even better for gold.

Planning for Life in Emerging Economies

The following article by Thailand-based personal financial advisers Chad and Peggy Creveling offers such excellent advice that I have decided to re-publish it in full…

With increasingly global careers, poor job markets in the developed world, and retirees looking to stretch their savings and pensions, greater numbers of people are building their lives outside their home countries. In many cases, they end up as expatriates in emerging and developing economies where growth and opportunity seem abundant and the cost of living can be cheaper.

While living, working, and retiring overseas can be a rewarding experience, it is not a decision that should be made lightly.

It's one thing to be sent temporarily overseas by a multinational on a full "expat package" that includes a car, driver, generous housing and school allowances, and medical insurance. But it's an entirely different matter to seek your lot on your own or to retire overseas.

Entitlement programmes and support systems available in your home country may not be available overseas, and you will likely be unable to tap into home country support systems while living in a foreign country. Without proper planning and an awareness of the challenges of building a life overseas, dreams of a lavish expat existence can quickly turn into a nightmare.

Whether as a retiree or a professional embarking on an extended stint as an expatriate, here are some things to know as you begin your expat life in an emerging economy.

Access to banking facilities and bank products can be limited. Establishing a bank account in a developing country can be difficult. In addition to your passport, you may be required to show a work permit and a valid visa, as well as other documents establishing your residency such as a lease document or utility bill. Just having a tourist visa may not be enough.

Even if you can open a bank account, your non-working spouse may not be able to gain access if joint accounts aren't offered or if your spouse does not qualify.

Additionally, the range of banking products you're used to may not exist, or if they do, you may not be able to access them as a foreigner. For example, most countries do not offer 30-year fixed-rate mortgages. It can be difficult, if not impossible, for foreigners to borrow in local currency.

For a number of reasons having a local bank account can still make sense, so you'll want to research what's involved in advance.

Inflation is generally higher than in developed countries. While living overseas, especially in one of the emerging markets, can seem cheap at first glance, the reality is often different. The cost of a middle- or upper-middle-class lifestyle has been bid up by lack of supply, increasing numbers of foreigners, and generous corporate expat packages.

By some accounts Luanda, Angola, is one of the most expensive cities in the world for expats — more so than Geneva, London, or Sydney. Even in traditionally inexpensive Thailand, some things such as cars and wine are more than double what you'd pay in your home country.

Inflation in the developing economies can also run much higher than in the developed world. What was once affordable could quickly become untenable, particularly for those on a fixed income.

Exchange rates of emerging market currencies tend to be more volatile. This can be important, as very rarely do expats live entirely on the local economy and generate earnings in the local currency. Often they are either supported by earnings in their home currency, or they want to preserve the ability to return to their home country or a third country. Additionally, imported goods are often priced (directly or indirectly) in developed world currencies such as the US dollar.

Managing currency risk is paramount and can be difficult, especially for those on fixed foreign currency pensions. Expats will want to avoid the situation where a combination of inflation and an appreciating currency prices those on a fixed income out of their intended retirement home.

Investing overseas can be expensive and risky. Often, expats invest overseas to avoid home country taxes. In many cases, though, local capital markets are less developed and regulated, which results in less investment choice, expensive and inferior products compared to home country products, and less investor protection. This can make saving, goal funding, and hedging inflation and currency risk, difficult at best.

Many expats rely on offshore financial markets for their investment needs, but what they save in home country taxes, they often more than give back in the form of excessive fees.

Lack of regulation, investor protection and predatory sales practices often permeate the offshore financial market, although recent attempts by regulators to crack down, and competition, are forcing improvements.

For Americans, investing overseas opens them up to a whole range of regulation, punitive taxes and onerous reporting requirements backed by substantial civil and criminal penalties for failure to comply.

Difficulty in owning property. Expats from developed countries are often surprised how difficult it can be to buy property in an emerging country.
In Thailand, for instance, foreigners are not allowed to purchase land, which generally precludes them from purchasing a house. They can buy condominiums, however, subject to foreigner/local building space ownership ratios.

The lack of a developed mortgage market for foreigners means purchases typically have to be cash purchases, which constrains an already relatively illiquid secondary market.

Some Americans are also surprised that they are liable for US capital gains taxes on property sold overseas, and that movement in exchange rates on both the foreign property and foreign mortgage can have a significant impact on the taxes due.

Difficulty in obtaining adequate insurance. Like the financial markets, the insurance market in the emerging markets and offshore markets typically offer less product choice, less regulation and investor protection, and greater expenses than markets back home.

Obtaining adequate medical insurance can be particularly difficult for the long-term expat. Home-country policies will often not cover you for an extended time overseas, and offshore or local policies tend to be very expensive and restrictive in what they cover.

Many expat policies have age limits and will not cover you after age 70 or so. This can be particularly difficult for intended retirees.

In the past, expat retirees had the option of returning to their home country to access national medical programmes, but many countries are shutting that access off for expats. Likewise, Americans are unable to use Medicare overseas.

In addition to healthcare, other policies, such as long-term-care insurance, long-term disability, and term life insurance, can be non-existent, restrictive, and expensive. However, there is no shortage of fee-laden insurance-linked investment and savings schemes.

Increased tax complexity. This applies especially to Americans. Not only can they be taxed by their home country, but they also taxed by their country of residence and other countries where they may own assets.

Sorting out the intersection of various conflicting tax codes and tax treaties can be complicated and time-consuming. In the past, many expats typically ignored the situation, but a renewed emphasis on compliance by many governments around the world is now making this impossible.

Limited availability of retirement plans, pensions, and other benefits. Expats working overseas often have no access to national pension schemes or other government-incentivized retirement savings structures.

While working overseas, particularly for a foreign company or their own business, they will not be paying into Social Security or other national pension systems, which means they won’t receive the benefits when they retire.

Even if they can participate in local savings-oriented retirement schemes, these schemes are typically inadequate and, for Americans, generally not recognized by the IRS, and thus taxable.

Offshore products billed as “pensions” bear little resemblance to national pension schemes and are certainly no replacement.

Without access to the same type of retirement support structures offered in their home countries, planning for retirement becomes even more important and difficult for expats.

Increased complexity of estate planning. Expats must often consider estate planning from the multiple conflicting perspectives of their home country, their country of residence, and any other country where they may have significant assets.

Many expats are surprised to find that while they are considered non-resident of their home countries for income tax, this is not the case for estate/inheritance tax, which is often based on citizenship rather than residency.

It can be particularly important to have a co-ordinated set of estate planning documents when subject to multiple jurisdictions with differing property disposition and minor custody laws.

Planning can be further complicated by the lack of trust law and recognition of powers of attorney, living wills, and healthcare directives in the emerging markets.

Limited availability of professional resources. Cross-border planning issues can be complex and there are too few professionals serving the growing expat population beyond those offering services to the ultra-wealthy.
Local professionals serving the domestic population are often poorly equipped to deal with expat cross-border planning issues, as are home country professionals who lack local knowledge and global perspective.

Professionals such as estate lawyers, tax advisors, financial planners, and other service professionals so readily available back home are often few and far between in the emerging markets — although there doesn't appear to be any shortage of people selling real estate, insurance, and offshore investment schemes. Unfortunately, selling a financial product or asset falls far short of the type of comprehensive, coordinated planning that is needed to plan a secure future overseas.

While an expat life can be rewarding and adventuresome, it comes with its own challenges, especially expat life in the world's emerging or developing economies.

While this list is not all inclusive, and each country will have its own unique planning challenges, it touches on some of the main issues faced by expats as they embark on the adventure of overseas living. As with most planning, solid financial planning done in advance makes life easier. This is all the more the case for expats who live outside of the financial infrastructure and protection that their home countries may provide.

Creveling & Creveling is a private wealth advisory firm specializing in helping expatriates living in Thailand and throughout Southeast Asia build and preserve their wealth. The firm is a Registered Investment Adviser with the US SEC and is licensed and regulated by the Thai SEC. For more information, visit www.crevelingandcreveling.com.

Golden Rules of Successful Newsletters

Clearing out old files from my days of publishing financial newsletters in South Africa, I came across my memo to fellow-executives on the key roles to success, which I achieved over two decades. Although newsletter marketing has changed much since the memo was written in 1994, I suspect my basic principles retain their basic validity.

If you're in or contemplating entry into subscription-financed newsletters or a related business, you may be interested in my "golden rules"…

► A newsletter must meet all three of these requirements: passion, complexity and change. If the subject is not complex, customers won't pay much to have it explained. If it is not constantly changing, customers will prefer to buy books, which are much cheaper. If there is no passion, no gut-wrenching emotions of greed or fear, customers won't be impelled to pull out their pens and sign up.

► You must offer the kind of information that people perceive they cannot get elsewhere, or cannot get reliably elsewhere, otherwise they won't be willing to pay the relatively high price you are asking.

► The most powerful editorial is that which starts with a clear concept of what readers desperately want, and then meets that need. As far as possible, this should be based not on subjective guesswork but analysis of available market research, such as records of subjects requested and publications bought. Powerful marketing flows naturally from powerful market-driven editorial.

► You are in the business of selling actionable information. If you don't tell readers what to do, and how to go about it, you are in the magazine feature business. Your subscribers will eventually stop renewing and you will go out of business.

► Marketing quality is important because if you can sell subscriptions you can generate enough revenue to improve editorial quality and fix any defects. Editorial quality is much more important than editorial quantity. Subscribers will accept a cut in size fairly readily, but not a deterioration in quality.

► It always pays to spend more on marketing, rather than less, providing most of the extra money is used to convey more information about the benefits of the newsletter and its contents, and to encourage immediate response.

► Promotional packages must be structured to produce response of any kind. A "no thanks" response is better than nothing, as it provides a name that will be three times as responsive as a standard compiled list for subsequent promotions. A response that is cancelled, and yields no revenue, is nevertheless better than a "no thanks" as it improves the odds that you will make easier a future sale to the same person. An order based on continuing payment is usually better than one accompanied by a single annual payment, as it provides a higher average lifetime revenue because of cancellation inertia.

One key to success is price testing

► With any new projects you can expect the market to be smaller than you think, but willing to pay more than you think. Financial newsletters are generally price inelastic (higher prices more than compensate for lower volume), but this is not always so. The only way to find out is to price test, which should be the priority requirement of any test launch.

► Selling "off page" (conventional advertising space) rarely pays. Inserts are better. Free publicity – editorial exposure given to you by others – is far better, if you can get it. Direct mail [these days, internet direct response], although normally the most expensive, is nearly always the most cost-effective.

► Don't spend money on radical redesigns of successful promotional packages unless you are fairly sure they are worn out through over-use. Remember the hierarchy of profitability is: firstly, use better lists (can improve performance by up to 1,000 per cent); secondly, make a better offer (can lift performance by up to 250 per cent); and thirdly, a stronger package (improvement not likely to reach 100 per cent, even in the best cases).

Aaah… those were the days!

Mining Asian Silver

A new report by the Hong Kong-based investment bank CLSA Asia-Pacific Markets, Asia Greying, highlights the opportunities presented by ageing populations in Asia.

Among the more interesting stocks they suggest are:

Celltrion [A068270:KOE], a Korean developer and producer of drugs used to treat cancer and rheumatoid arthritis. Because of its consistent, high rate of earnings growth, it's very expensive.

Fanuc [6954:TYO], the world's leading designer and producer of robots in Japan, where shortage of human carers due to tough immigration controls combine with a fast-ageing population to create an extraordinary opportunity for mechanical substitutes.

Hyundai M&F Insurance [A001450:KSC], a Korean specialist in non-life insurance, including retirement fund products. It has delivered outstanding earnings growth, yet is still attractively valued with a dividend yield of about 4 per cent, more than 3½ times covered.

Kalbe Farma [KLBF:JKT] , an Indonesian pharmaceutical company that looks exceptionally cheap on a price/earnings ratio of less than 3x, given its consistently excellent profits growth record.

LG Household & Healthcare [A051900], a Korean manufacturer of cosmetics, beverages and household goods with a great earnings and dividends growth record – but it is expensive.

Lippo Karawaci [LPKR:JKT], an Indonesian property developer with a particular focus on private hospitals. It came through the global crisis well and is now delivering strong growth.

Raffles Medical [R01:SES], the long-established and well-known operator of healthcare facilities in Singapore, as well as Hong Kong and Shanghai. It has an excellent earnings growth record.

Sino Biopharm [1177:HKG], maker and distributor of medicines, particularly traditional Chinese treatments, for which there is a fast-growing market.

Standard Foods [1227:TAI], which manufactures and distributes foodstuffs in Taiwan, particularly nutritional foods. It has an excellent earnings and dividends growth record, yet isn't unduly expensive on a yield of about 2.4 per cent, twice covered.

World in the Grip of Money Power

Those who "benefit hugely" from the bubble of money creation are "those who are at or near its point of issuance – governments and banks," writes Dominic Frisby.

“They have the power to create money (whether by printing or through lending) and to charge interest on it. They also get to buy assets with their share of the newly minted money before prices rise to reflect the new money in circulation.

“Meanwhile the rest of us find that our savings or wages buy less and less, so we have to take on debt and then pay interest on that debt to be able to buy the things that we or our parents were once able to afford to buy outright.

“There is a constant transfer of wealth and it compounds over time. The few benefit at the expense of the many. This is why the state and financial sectors have grown so disproportionately large.

“It’s responsible for this gap in the wealth between generations. It’s why we have a culture based on debt and spending rather than saving and investment."

Canadian researcher Andrew Gavin Marshall argues that a small group of companies, mainly banks, exercise enormous and unprecedented power and influence over the world economy.

A Swiss study reported in the *New Scientist* showed that a core group of 1,318 firms own about 80 per cent of the global revenues of more than 43,000 trans-national corporations.

In the US alone, five mega-banks control half the economy. The financial crisis has made them even more powerful than before, as governments regard them as too important to be allowed to fail.

One consequence is that they are encouraged to continue taking risks, even bigger ones, as they know they can count on being bailed out if they get into trouble. “Essentially, it’s an insurance policy for criminal risk-taking behaviour.”

“Free markets” are actually nothing of the sort. In practice they are actually “highly protectionist, regimented, regulated, and designed to undermine competition and enforce monopolization… for the benefit of large multinational corporations and banks.”

They behave just like the global drug cartel, but manage to escape appropriate punishment for their crimes. In May this year [2012] it was reported that a poor Black, Edward Dorsey, was convicted in Washington DC for peddling 5½ grams of crack cocaine and sentenced to ten years’ jail, while “just across the river from where Dorsey committed his crime, executives from HSBC admitted before the US Senate that they laundered billions in drug money, just as Wachovia [bank] had admitted to”… but no one was even sent to prison. A case of executives of mega-banks being “too big to jail.”

How Many Horses Do You Own?

In Italy the tax agency has developed a Web application people can use to assess how much they are at risk from being discovered as tax evaders, to encourage them to be honest about the incomes they declare.

Questions of the self-test clearly signal the kinds of information tax inspectors go after when reviewing taxpayers’ affairs, such as:

► Do you have a boat… or a helicopter?

► When you go on holiday, how much to do you pay on hotels, spas?

► How many horses do you own?

Italy's fiscal crisis has triggered greater emphasis on collecting unpaid taxes. Unpaid taxes are officially estimated to run to the equivalent of about $150 billion a year, with unreported economic activities, even excluding criminal ones such as illegal drugs, estimated at about 18 per cent of annual economic output.

A study released last year showed that 27 million Italians declared annual incomes of less than $26,000, or whom more than 200,000 owned large boats, luxury cars or helicopters.

Tailpieces

American taxes: Those scary stories about how high tax rates in the US could go, if the Democrats succeed in raising taxes on the wealthy as part of a budget deal, exaggerate the situation, a reader tells me.

Most people in all tax brackets do not pay the rates stated in tax tables after claiming credits and deductions. People in the 35 per cent bracket often get down to 20 to 25 per cent, those at 30 per cent get down to 15 to 20 per cent, and many in the 20 to 25 per cent category get their effective rate down to zero.

Qualified dividends are taxed at whatever rate applies to your adjusted taxable income, which is rarely at the published rate. A lot of higher-yielding shares such as energy master limited partnerships, real estate investment trusts, closed-end funds and foreign American depository receipts are not considered to be qualified, "so you don't pay the 15 per cent rate anyway."

The Philippines: Its stock market has been the strongest performer in the Asia-Pacific region this year – up 36 per cent in the first ten months – and seems to be headed for further gains given investor confidence about the nation's economic growth.

After years of lagging behind with investment in infrastructure, the Philippines has embarked on a strong programme that is expected to lift trend economic growth by a full percentage point to about 6 per cent.

Consumption growth is also encouraging, driven by remittances from Filipinos working abroad and revenues from business process outsourcing, which accounted for 14 per cent of GDP last year.

If you're interested in investing, four stocks worth considering are Security Bank, rated the strongest in the country; the food processing company Universal Robina and the fast-food chain Jollibee Foods. If bottom fishing interests you, take a look at the real estate group Cebu Holdings.

Pain Down Under: Corporate bankruptcies hit their second-highest peak on record in the last quarter as the economy is squeezed by the strength of the Aussie dollar driven by foreign capital inflows seeking alternatives to dodgy currencies such as the US dollar and the euro.

Despite successive cuts in interest rates, the Aussie remains strong. Foreigners now own 75 per cent of government bonds.

The central bank does not seem to be concerned that the slowdown in the economy will amount to anything more than a needed readjustment. One of its fundamental strengths is that government debt is only 27 per cent of GDP.

Production-line surgery: The cheapest heart surgery in the world is now on offer in India at the Bangalore hospital of Dr Devi Shetty, who trained at London's famous Guy's, using what business writer Robert Guest calls "mass-production techniques of the sort you might find in a car factory."

A bypass costs about $2,000, which is "barely a tenth of the cost in the West, yet survival rates are equally good."

He predicts the next wave of technology will come from countries that used to be thought of as poor and backward.

"Asian boffins" – many of the best ones trained in the West – "are stripping products to their essentials and remaking them much, much cheaper. They are creating £45 fridges, £200 houses and handheld heart scanners for £350… out of necessity, because most Indian and Chinese consumers cannot afford pricey products."

Exchange traded funds: Their true costs are much higher than claimed total expense ratio, according to a study presented to an investment conference in The Netherlands. Based on analysis of 30 ETFs in that country, actual costs are twice as high as claimed – an average of 0.82 per cent versus 0.41 per cent.

According to researcher Marcel Tak, claimed figures ignore costs such as those derived from securities lending and tracking error.

Autonomies: It's the name coined by analyst and commentator David Fuller for "the select group of multinationals that are so big, diversified, well-managed, successful and largely in control of their own destiny that they are comparable to nation-states."

Wise words: *Price is what you pay. Value is what you get.* Warren Buffett.

Martin

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