

# Visionaries Don't Always Make the Best Businessmen

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GUALFIN, ARGENTINA – This week, we got a visit from an Austrian man who recently retired and is spending five years traveling the world.

He has a specially outfitted four-wheel-drive Toyota with such marvels as heated water for a shower, a stove, a kayak, and an iridium-based alarm system.



*Bill encounters a truck prepared to travel the world*

In case the vehicle gets stuck, it also has a balloon under the carriage that can be inflated to lift the tires up and out of the sand.

“Wow... I guess there’s a lot of new technology involved,” we remarked, just making conversation.

“No... they took the new technology out of it. There are almost no electronics. It has to be fixable... almost anywhere.”

*Recommended Link*



### [“Gold will hit \\$1,500 this year”](#)

Gold is soaring. But please: Don't just buy bullion. There's a much lesser-known way of investing in gold right now, which will make you 5 to 10 times more money... in a fraction of the time. [See how to buy in here.](#)

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### Low-Tech Apple Pies

We do not think much about new technology.

Not only do we know nothing about it, but we also don't want to know.

We're perfectly happy with old technology. The low-tech apple pies cooked by our grandmother were as good as any tech-enhanced, plastic-wrapped confection in the grocery store today.

The wood fire we sit in front of every night warms us as well as any electronically controlled central heating system.

And yesterday, Mila – the 10-year-old daughter of one of the gauchos, now enrolled in Elizabeth's English class – came to my office.

She handed over an old-fashioned note, handwritten on a piece of low-tech paper (no need for batteries or an internet connection).

On it she had drawn a heart, with these words: “I will always be with you and your family.”

Show us the website that can beat that!

### River of No Returns

But now, Wall Street seems to be in the middle of a new bubble, even wilder than the last one.

In the bubble of the late 1990s, dot-coms with no proven ability to earn money sold equity worth billions of dollars.

Investors told themselves that the dot-coms would be hugely profitable. Most of them never were profitable at all. In March 2000, their stock prices collapsed.

But today, investors don't even seem to care about profitability – not now... not ever.

We say that after reading colleague Dan Denning's update on Amazon in the latest issue of our monthly newsletter, *The Wall Street Letter*. [Paid-up subscribers can access it [here](#).]

More than 10 years ago, we dubbed Amazon the “River of No Returns.” Since then, a lot of water has run under that bridge.

Shareholders have bid up the company's market cap to nearly half a trillion dollars. And they've made a lot of money trading the stock back and forth between themselves.

But Amazon has not returned a single penny to investors.

*Recommended Link*



### [Silicon Valley's next big thing?](#)

This tiny market is still virtually unknown. But some of the biggest names in Silicon Valley have started pouring in billions. At least 5 national governments – with a combined GDP of \$17.3 trillion – are getting in now too. A former hedge fund manager says “this is an absolute chip shot to make a ton of money.” [Get all the details here.](#)

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### Badge of Honor

There are rare moments when politicians don't lie... porn addicts don't want to look at dirty pictures... and investors don't care about money.

They won't last, we predict.

But for now, investors are happy to be in the company of a real visionary... and they count on other investors to want to

The theory, we suppose, is that if you can get enough gross, you can turn it into net when the time is right.

But Amazon's business model seems to depend on not making any profits. It makes sales by offering products without incurring a profit... and its competitive advantage disappears.

Not that we know what will happen. But we're amazed by investors' patience: They're waiting more than a decade to find

At least Facebook and Google were profitable when they went public. Snap – which makes a messaging app popular with millennials – had a loss of more than 100% of sales when it went public earlier this year.

And ride-sharing app Uber had losses of about \$3 billion when it went public. Losing money was a badge of honor, not

### The Tesla of Schmatta

But this is the kind of thing you get in a zero-interest-rate world.

The big players have a lot of ready money to work with.

What to do with it?

Give it to the guys with “vision”!

The next thing you know, Amazon – the visionary retailer, remember – launches an entertainment business.

Yep. This year, Amazon is spending \$4.5 billion on Amazon Studios, which produces original TV shows and movies for its Prime streaming service. By contrast, competitor HBO spent only \$2 billion last year.

But why not?

Investors give you all this money, you gotta do something with it, right?

Meanwhile, back in dear ol' Baltimore, the city's leading visionary is having trouble focusing.

Under Armour CEO Kevin Plank – hero to all those millennials who got confused and thought that Baltimore might be the new San Francisco... or at least the new Brooklyn – tried to sell his sportswear company as though it were a tech firm.

We never understood how the two connected and ridiculed the concept in *The Bill Bonner Letter* as “The Tesla of Schmatta.”

[Paid-up subscribers can catch up [here](#).]

But Mr. Plank – young, handsome, rich, and “visionary” – was the toast of the town while we were, uh, chopped liver.

He was not only going to create one of the great new tech companies of the 21st century, but he also built a whisky distillery, a horse breeding operation... and a 3D factory to “print” running shoes on demand.

Plus, he had plans to renovate a whole rusty and dilapidated part of the city, with new stores, restaurants, theatres, and apartments.

So, we admit to being seized by a certain amount of unbecoming and disgraceful schadenfreude in reading that Plank’s company had since lost 65% of its value.

Which just goes to show that investors can lose confidence in the vision of the visionary... as well as the whole “red is the new black” investment mantra.

Someday, perhaps soon, we predict that red will be dead again... and black will be back.

Investors will want profits. And dividends.

They may have sent their money off in a self-driving, electric-powered, artificial-intelligence-assisted auto. But they’ll be glad to see it come back home, older and wiser, on the bus.

Regards,

Bill