

Posted to the Gilder forum - August 3, 2000

Gilder Lighthouse

GG is a lighthouse and your portfolio is a ship. The lighthouse's job is to tell you, the captain, where the lighthouse is. You still need charts and knowledge to navigate safely to harbor. In the old days, before GPS and RADAR and LORAN and DECCA and OMEGA, all electronic positioning systems, the captain relied on everything his senses could provide. They would look for the lighthouse, often not visible in the fog. They would listen for bell buoys, they would listen for other ships. They would measure the depth of the water and bring up samples of the bottom: Is it mud? Is it sand? Whenever possible they would have a safe exit route. If they lost their ship, they could blame no one but themselves. And when they lost their marbles, all hell would break loose like on the Cain. I remember that scene so well, Bogart playing with the marbles in his hand. Temporarily, at least, his marbles were in the wrong place.

On the land in Early America it was no different. The people who settled first the East and then the West were self reliant. Not one of them sued the owner of the general store because the coffee was too hot and they too stupid not to spill it on themselves.

A goodly number of Gilderites suffer from lack of self. Both self confidence and self respect. They are lazy people who want Gilder to make them rich. And Forbes plays on their innocence or lack of self with meaningless promises like: "Get rich in the coming technology revolution." (Sorry, I don't recall the exact wording of that piece of fluff). Until about December of last year, Gilder could do no wrong. There was so much schmaltz coming out of Gilderites that my computer almost slid off the desk with the ooze. This year, Gilder can do no right. There is so much hate coming out of Gilderites that Richard is forced to threaten censorship.

The schmaltz and the hate are the two sides of the same coin, people with no self respect, people with no self confidence. When Gilder increases their portfolio they ooze schmaltz and when things go wrong, they ooze hate. They are not nice company to keep.

Life is not fair. The market is not fair. The ocean is not fair. Non of them gives damn about you. Non of them even knows you exist! Their rule is simple: "Survival

of the fittest." If this is too strong for you, get out of the market, buy an Index Fund or buy CDs, there is no shame in that. But the whimpering, the hate and the schmaltz are disgusting, at least to me they are.

There are many novices here and there are many veterans willing to help them. It is not easy, times change and even the best and most successful speculators and investors fall on hard times. Soros and Buffett are two recent examples that come to mind. The main difference between them is that Soros is asking for government intervention to save him. Shame on you Soros!

Remember, GG is a lighthouse and the rest of us are bell buoys and other navigation aides. But you are the captain of your portfolio and the only one accountable for it

Denny

"Demand creates queues. Supply gets rid of them."