



MEMO

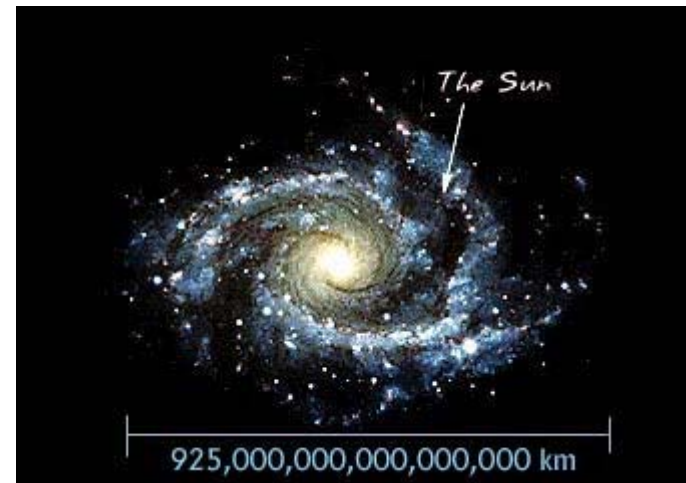
To: The powers that be

From: History

Subject: New Countries

Date: 20 Sept 2014

Message: The long term trend in the number of sovereign states is still increasing. Deal with it.



“The big picture doesn't just come from distance; it also comes from time.” Simon Sinek, British Author

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OBSERVATIONS

United-ICAP

from Walter J. Zimmermann Jr.

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The Status Quo Bias
20 Sep 2014

"A" = "C" = 247

Number of Sovereign States by Year

260.0
240.0
220.0
200.0
180.0
160.0
140.0
120.0
100.0
80.0
60.0
40.0
20.0

Year	States
3500 BC	10
100 PC	26
1 AD	23
500 AD	34
820	44
1000	65
1400	84
1500	153
1600	180
1776	145
1850	179
1900	68*
1950	106
2000	191
2014	196

"A"
180

68
"B"

.618 x "A" = 69

Perspective

- The population of the world in 3500 BC is estimated to have been 10 million. That is the population of Bolivia today. Or Jakarta. Hence the dearth of sovereign states in 3500 BC
- The population of the world today is 7.1 billion
- The long term trend in both population and the number of the number of sovereign states is very much up

Monthl 3500 BC 100 B.C. 1 A.D. 500 800 1000 1400 1500 1660 1776 1850 1900 1950 2000 2014



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Geo-politics of the "B" Wave

- The "B" wave correction was the product of two key forces
- That would be Colonialism and Consolidation
- England was the chief colonial power and the epi-center of consolidation during the period of the "B" wave was Europe.

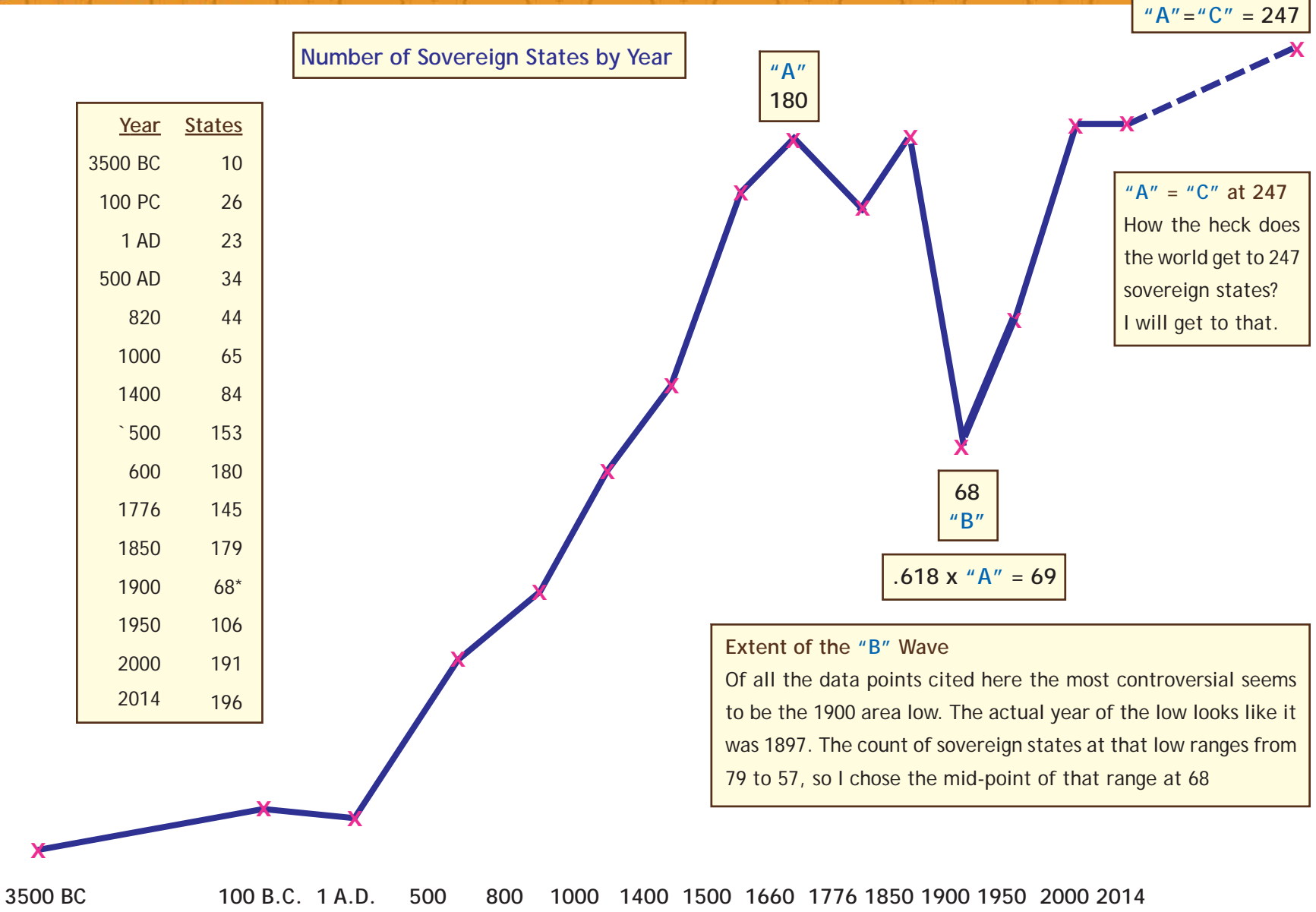
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Number of Sovereign States by Year



"A" = "C" = 247

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"A" = "C" at 247
How the heck does
the world get to 247
sovereign states?
I will get to that.

Extent of the "B" Wave
Of all the data points cited here the most controversial seems
to be the 1900 area low. The actual year of the low looks like it
was 1897. The count of sovereign states at that low ranges from
79 to 57, so I chose the mid-point of that range at 68

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Scare mongering for the Status Quo

The population of Scotland is only 5.3 million. The population of the United Kingdom minus Scotland is 58 million. Yet from the scare tactics of the “no” vote camp one would have concluded that a “yes” vote would have marked the beginning of the end for both the UK and Scotland.

The “no” vote proponents exalted British nationalism as if it were the apex of human civilization. However Scottish nationalism was labelled “a very dangerous political animal.” Scotland was warned that with a “yes” vote their entire banking system would flee to London. Many warned that all major corporations would stampede out of Scotland for London. With no economy, no banking system and no currency, Scotland was warned that a “yes” vote would quickly take the country into chaos.

The “no” vote advocates also made it seem as if a “yes” vote by Scotland would lead directly to Catalonia leaving Spain, Belgium splitting into separate Dutch and Flemish countries, Quebec would be incited to leave Canada, both Texas and Alaska would exit the United States, China would shatter like a piece of glass into at least nine different nations, and the Kurds would finally get their own sovereign state.

When in the entire history of the world did less than five million voters ever have such sweeping apocalyptic powers over the entire planet? What the heck is going on here? Or as the Star Trek science officer Spock would surely say: “Fascinating.”

Behavioral Economics

Behavioral Economics is that field of science that endeavors to identify the tendencies that guide human behavior. Any such tendency is called a bias. I personally find the use of the word ‘bias’ in the context of behavioral economics to be an unfortunate choice of words. A bias implies a self-constructed, cultural, and unfair prejudice that can be vanquished with knowledge. That is not what is meant by a bias in the field of behavioral economics (BE). In BE a bias is a psychological, social, cognitive or emotional inclination that transcends cultural influences. In many cases the so-called bias is a mixture of cognitive and psychological factors that suggests something that has been hard-wired into the human nervous system. As used by BE, a bias is an aspect of human nature.

Perhaps the most significant facet of these biases is that they are not products of imagination or theorizing. They are located through careful observation. A bias is not an invention. It is an observed phenomena that can help reveal the neuro-physiological foundations of decision making. As such a bias is very different from a theory. A theory is an idea in search of evidence. A bias is evidence in search of the theory.

An example of a theory is the efficient market hypothesis. A behavioral economist might cite the efficient market theory as an instance of an ‘empathy gap’ bias. An ‘empathy gap’ is the tendency to underestimate the strength of emotions in oneself and others. Is the efficient market hypothesis an irrational need for a cold, calculating, logical world.



The Status Quo Bias

The central observation of this report is the role that one particular bias of human nature played in the Scottish independence vote. That would be the 'Status Quo' bias. The status quo bias is a cognitive bias. A cognitive bias is a distortion of perception created by illogical assumptions, emotional judgements and fear based inferences. These inferences result in the creation of a 'subjective social reality' that is a distortion of objective reality. Those operating under the influence of a cognitive bias display irrational behavior. They perceive and act within a self created reality that does not align with what actually exists.

The "Status Quo" bias is a strong preference for the current state of affairs, or status quo. The effect on behavior of the status quo bias is that any change from the existing situation is perceived as a loss. Let me repeat that for emphasis: *'any change is perceived as a loss.'*

Now of course there are many situations in life where change is not change for the better. So we need to distinguish between distorted perceptions and situations where the status quo is objectively superior to the existing alternatives. However drawing such distinctions is typically not a such difficult task. A person, community, or nation afflicted with a serious status quo bias will exhibit irrational fears, cite exaggerated risks, and display a stubborn resistance to rational arguments for change of any kind. The fast pace of change in modern life must make holding a status quo bias especially uncomfortable.

Long Term Up Trend in Sovereign States

From the 68 plus or minus sovereign states in the year 1900 there are now between 196 and 209, depending on who you talk to. Let's take the lower number of 196 to avoid controversy. So between 1900 and 2014, a span of 114 years, the number of sovereign states has risen from 68 to 196, a gain of 128. For over a century now newly minted countries have been being added to the roll-call of planet Earth nation states at the rate of more than one per year. And with every new addition there have been a list of reasons why the new country was not a good idea. Such lists are invariably drawn up by those with a vested interest in the status quo. And it is clear that those with a vested interest in the status quo have been fighting a losing battle since the dawn of civilization. The ideal of cultural integrity will always trump things like economics and politics.

Long Term Up Trend Target = 247 States

There are now roughly 200 nation states. How does the world get to 247 sovereign nation? Maybe easier than you might think. There are presently 32 independence movements in Africa, 21 in Asia, 28 in Europe, 6 in North America, 7 in Oceania, and 6 in South America for a grand total of 100. Russia has the largest number of independence movements at 25. Spain has 12. So fans of the status quo should take no solace in the recent 'no' vote out of Scotland. There will be other votes in other places. And this is not some mere domino effect. Neither is this a snowball effect, or a chain reaction. The proliferation of new nations is nothing less than the long term trend in human civilization. As they say, 'deal with it.'