

PRICEVALUEPARTNERS

Bad news

“It’s news to us.”

- Tag line for satirical news website [The Daily Mash](#).

Perhaps it was always naïve to expect the Internet, the world’s largest vanity publisher, to provide high quality news and an objective analysis of current affairs. As the computer scientist Robert Wilensky once said,

“We’ve all heard that a million monkeys banging on a million typewriters will eventually reproduce the entire works of Shakespeare. Now, thanks to the Internet, we know this is not true.”

Now the Internet seems to have morphed into a showroom for millennial journalists to flaunt their contempt for what remains of their paying customers. Janan Ganesh for the *Financial Times* last week was only the latest political commentator to lazily elide Brexit voters with supporters of Donald Trump and Marine Le Pen, as if 17.4 million Britons were culturally and politically identical to 63 million Trump-supporting Americans and however many million French people will vote for the Front National. Perhaps the right strategy is to take a leaf out of Rolf Dobelli’s book and [avoid the news altogether](#).

After all, it’s not like the regular consumption of either news or financial commentary necessarily aids the investment process. In 1986, for example, Warren Buffett purchased a 400-acre farm near Omaha for \$280,000 – “considerably less than what a failed bank had lent against the farm a few years earlier”. (You can tell you’ve partly entered a fairy tale world in that in a Warren Buffett anecdote, banks are allowed to fail.)

“I knew nothing about operating a farm. But I have a son who loves farming, and I learned from him both how many bushels of corn and soybeans the farm would produce and what the operating expenses would be. From these estimates, I calculated the normalized return from the farm to then be about 10%. I also thought it was likely that productivity would improve over time and that crop prices would move higher as well. Both expectations proved out.

“I needed no unusual knowledge or intelligence to conclude that the investment had no downside and potentially had substantial upside. There would, of course, be the occasional bad crop, and prices would sometimes disappoint. But so what? There would be some unusually good years as well, and I would never be under any pressure to sell the property.

Now, 28 years later, the farm has tripled its earnings and is worth five times or more what I paid. I still know nothing about farming and recently made just my second visit to the farm.”

“..Forming macro opinions or listening to the macro or market predictions of others is a waste of time. Indeed, it is dangerous because it may blur your vision of the facts that are truly important..

“My two purchases were made in 1986 and 1993. What the economy, interest rates, or the stock market might do in the years immediately following -- 1987 and 1994 -- was of no importance to me in determining the success of those investments. I can't remember what the headlines or pundits were saying at the time. Whatever the chatter, corn would keep growing in Nebraska..”

The backlash against supposed promoters of ‘fake news’ keeps gathering momentum. But what if **all** news was essentially fake ? This would doubtless have been the view of Marcus Aurelius, who suggested that

“Everything we hear is an opinion, not a fact. Everything we see is a perspective, not the truth.”

Of the past year’s political and cultural events, probably none has provoked more intense outrage, incandescent exchanges or flurries of online virtue-signalling than Brexit. Within a week of the referendum vote, the philosopher John Gray suggested in *The New Statesman* that

“Predictably, there is speculation that Brexit will not happen. If Britain can vote for Brexit, it is being argued, surely anything is possible. But those who think the vote can be overturned or ignored are telling us more about their own state of mind than developments in the real world. Like bedraggled courtiers fleeing Versailles after the French Revolution, they are unable to process the reversal that has occurred. Locked in a psychology of despair, anger and denial, they cannot help believing there will be a restoration of an order they believed was unshakeable.”

In addition to practically severing the British voting population down the middle, very very roughly along a north-south axis, Brexit has effectively polarised the worlds of journalism and ‘news’, too. It has even infected the world of comedy. Brendan O’Neill for *The Spectator* wrote last week that

“..right-on funny men and women, who for decades have been cracking gags about nasty, grasping politicians, have also had a meltdown over Brexit. They’re raging against the revolting masses and pining for the EU. They’ve been exposed as court jesters — Juncker’s jesters — telling jokes (I say jokes) designed to flatter power and defame revolt. They are, perversely, satirists for the status quo.

“Marcus Brigstocke told Radio 4.. that his anti-Brexit schtick is causing him trouble in the north of England: ‘People have been angry. People have walked out of shows and people have booed.’ He reckons Brexit is ‘not just the hideous social and political turn we have taken as a country’ (yawn — change the record) but is also ‘comedic poison’.”

(Another reason why audiences may have deserted Marcus Brigstocke gigs is that the ‘comedian’ in question is about as funny as watching orphans burn.)

“Britain’s comics are almost universally anti-Brexit. The conformism is staggering. Aaron Brown, editor of the British Comedy Guide, nailed it this week when he said ‘the comedy world’s reaction [to Brexit] has been exclusively negative’. Too many comics, virtually all of them, ‘rely on lazily branding 52 percent of voters as racist’, he said. There isn’t much comic mileage, he reckons, in ‘lashing out at stupid people making the wrong decision’. Indeed. No wonder the likes of Brigstocke face fury in Brexit country. People don’t like being told they’re disgusting, hateful idiots. Who knew?

“That a hulking swathe of the populace rejects the EU but hardly a single comic does shows how utterly disconnected the comic class really is. It confirms the colonisation of British comedy by a breathtakingly narrow strata of society. Tragically, the same is now happening in the pop and acting worlds: they’re being overrun by well-fed toffs or well-connected middle classes who tend to share the same worldview. Hence the cultural elite now thinks one thing, and ordinary people think another..

“Please. It’s such a farce. A minute or two of serious reflection will confirm it’s the pro-EU side that is establishment, and the anti-EU plebs who are anti-establishment. In the run-up to the referendum, the EU side was backed by most MPs, by big business, by virtually every global institution, by the White House, by almost all of academia. If you’re making jokes or writing columns or taking to the streets on that side, then you’re not anti-establishment. You just aren’t! And that’s okay. You’re nervous and conservative. Fine. Own it.

“All of this points to the spectacular failure of the left with regards to Brexit. I’m not sure the left will ever recover from its failure to see in Brexit a good and honest mass yearning for greater democratic accountability and meaningful popular sovereignty. The right’s failures on Brexit are technical — it looks like they’ll make a dog’s dinner of the negotiations — but the left’s failures are existential. A movement founded to express the will of the people against the established political order now does the utter opposite. The right might have been exposed as inefficient by the Brexit revolt, but the left has been exposed as kaput, over, reduced from a dreamer of rebellion to the obedient propaganda wing of a clapped-out oligarchy that millions hate. Now that’s funny. Come on, comics: this material is rich.”

While Europhile media have been keen to point out that the EU unemployment rate has fallen to 9.5 per cent, its lowest level since May 2009, Europe’s achievements in the direction of full employment look somewhat threadbare by comparison to Japan’s, by way of example. The Japanese unemployment rate has just fallen to 2.8 per cent, its lowest level since 1994. And as the Ministry of Finance points out, both operating and recurring corporate profits in Japan are now at all-time record levels. There *is* good news out there. You just have to be looking in some of the right places. And *pace* Messrs Brigstocke and Ganesh, it helps to have your eyes open, while you’re doing it.

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Tim Price is co-manager of the [VT Price Value Portfolio](#) and author of ‘Investing through the Looking Glass: a rational guide to irrational financial markets’. You can access a full archive of these weekly investment commentaries [here](#).