

Alternative views

“The good news is that we know what is coming next. The bad news is that we know what is coming next. The current war on deflation, a war lost if the shift in bond yields is to be believed, is bringing forth from the authorities not a new tactic but a whole new strategy - financial repression.. So, is the financial repression, now renamed modern monetary theory/makeup strategy/nominal GDP targeting, imminent as bond yields in New Zealand and Australia reach all-time lows and the ten-year bond yields of both Japan and Germany return to zero ?”

- Russell Napier, introducing the latest [Solid Ground](#) newsletter.

One of the many joys of unshackling yourself from the confines of [the mainstream media](#) is that you get to hear interesting, intriguing and thought-provoking perspectives, in a long-form format. Two cases in point: Dominic Frisby and Rory Sutherland, both of whom can be heard in recent interviews [here](#). (There’s a rich archive, too.)

We came comparatively late to discovering Naval Ravikant (check out @naval and @NavalBot on Twitter), but we are now attempting to make up for lost time. At a time when the early possibilities of the Brexit referendum of June 2016 are, perhaps inevitably, succumbing to the massed forces of the Establishment, and at a time when central banks give every sign of having lost their collective gourds in thrall to the bankster elite, the following observations from the thread ‘How to get rich (without getting lucky)’ carry a special resonance:

- Seek wealth, not money or status. Wealth is having assets that earn while you sleep. Money is how we transfer time and wealth. Status is your place in the social hierarchy.
- Ignore people playing status games. They gain status by attacking people playing wealth creation games.
- Pick an industry where you can play long term games with long term people.

- The Internet has massively broadened the possible space of careers. Most people haven't figured this out yet. [Dominic Frisby advocates ensuring that your children avoid the risk of career obsolescence by learning how to code, and he's probably right.]
- Play iterated games. All the returns in life, whether in wealth, relationships, or knowledge, come from compound interest.
- Code and media are permissionless leverage. They're the leverage behind the newly rich. You can create software and media that works for you while you sleep.
- An army of robots is freely available - it's just packed in data centres for heat and space efficiency. Use it.
- If you can't code, write books and blogs, record videos and podcasts.
- Study microeconomics, game theory, psychology, persuasion, ethics, mathematics, and computers.
- When you're finally wealthy, you'll realize that it wasn't what you were seeking in the first place. But that's for another day.

And a few other gems, via @NavalBot:

- Information is everywhere but its meaning is created by the observer that interprets it. Meaning is relative and there is no objective, over-arching meaning.

- The real struggle isn't proletariat vs bourgeois. It's between high-status elites and wealthy elites. When their cooperation breaks, revolution.
- Wealth creation is an evolutionarily recent positive-sum game. Status is an old zero-sum game. Those attacking wealth creation are often just seeking status.
- If the primary purpose of school was education, the Internet should obsolete it. But school is mainly about credentialing.
- The Efficient Markets Hypothesis fails because humans are herd animals, not independent rational actors. Thus the best investors tend to be antisocial and contrarian.
- Crypto is a bet against the modern macroeconomic dogma, which is passed off as science, but is really a branch of politics—with rulers, winners, and losers.
- Objectively, the world is improving. To the elites, it's falling apart as their long-lived institutions are flattened by the Internet.

Speaking of an improving world, which is falling apart according to the elites, still in thrall to their “long-lived” institutions, did anyone mention Brexit ?

Last word this week goes to the biologist E.O. Wilson:

- We are drowning in information, while starving for wisdom.. [we live in a world with] paleolithic emotions, medieval institutions, and godlike technology.

But the last of these need not be a bad thing, all things considered. Better to have come across Naval Ravikant comparatively late in the day, than not at all.



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](#). You can access the archive of our regular 'State of the Markets' podcasts, with Paul Rodriguez of ThinkTrading.com, [here](#).

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