

Ghost train

9th November 2020

“By long tradition, Parliament has had ultimate control over the Government’s purse strings. It must permit major spending specifically. Without this power it is just a mascot or a toy.

That power has been abolished. Back in March, unnoticed by almost everyone, Parliament vastly increased the Government’s freedom to spend what it liked. The old limit, for emergency spending, was increased from a mere £11 billion to almost £270 billion a year.

I cannot say where or how this will end. It is my own growing belief that Johnson and Hancock do not understand what they are doing.

Their decision to strangle our struggling economy once again in an alarmist shutdown is one of panic piled on panic and is visibly destroying the NHS they claim to be saving, as well as laying waste to those jobs and businesses they have not yet ruined or obliterated.

I see them as two schoolboys on the footplate of an old-fashioned steam locomotive, clattering into deepening twilight, too scared to call for help, too vain to admit their error. They started it moving by accident, foolishly pulling and pushing at levers whose functions they did not know. Now they cannot find the brakes. The safety valves are blocked. The whistle screams, the pace gathers.

Alas, the rest of us are trapped in the lurching, bucketing train behind them, unable to reach or influence them, let alone stop them.”

- Peter Hitchens, ‘The dictators have taken over – and we didn’t even notice’, *The Mail on Sunday*, 1st November 2020.

Halloween in central London was a more than usually subdued affair this year. No bands of over-excited children roaming the damp streets in pursuit of a sugar rush. A handful of indifferently carved pumpkins squatting sourly on doorsteps. Boris Johnson fatuously conducting another lockdown dance of the seven veils. How could it have been otherwise, when the irrational, arbitrary and totalitarian behaviour of our current government is infinitely more terrifying than any confected festival of the dead? When the murderous groupthink of

our traditional media is more ghoulish than anything that a Hollywood film director could possibly conjure up ?

Ever since Brexit and the (first ?) election of Donald Trump revealed the moral rot at the heart of the Deep State, we've learnt to adjust our expectations about the efficacy of Big Government. But the Great PCR Test Pandemic of 2020 happens to show – in all too gory detail – how both mainstream and social media are *also* having a disastrous war.

You may perhaps remember a video of ER doctors Dan Erickson and Artin Massihi. In April, they held a press conference on KERO News 23, a TV station in Bakersfield, California. In their (highly recommended) book *The Price of Panic: how the tyranny of experts turned a pandemic into a catastrophe*, Dr. Jay Richards, Dr. William M. Briggs and Dr. Douglas Axe take up the story:

The doctors calmly discussed data from official California sources, backed up by data from their own testing practice, concluding that Californians had “a 0.03% chance of dying from COVID.” They asked whether that low rate justified closing businesses and requiring the entire state to shelter in place. Their message went out to millions on Fox News, and after being posted on YouTube channels, it garnered another five million views.

YouTube answered by playing whack-a-mole – policing the platform for channels showing the video in an effort to block it. But nothing dies on the internet, so the video still shows up on the original news site and elsewhere. In a humorous twist that the officious [YouTube CEO Susan] Wojcicki didn't foresee, the purge itself made the news, raising the doctors' profiles higher than if YouTube had just stuck to their job.

Facebook's Mark Zuckerberg went on ABC news to explain why his company had tried to memory-hole an event page about an anti-quarantine protest in Michigan. He said that kind of thing was “harmful misinformation” and Facebook “will take that down”. According to company spokesman Andy Stone, the purge was justified because “events that defy government's guidance on social distancing aren't allowed on Facebook.”

Facebook and YouTube and Twitter will presumably support anything the US government recommends. Unless it's something said by Donald Trump. (This commentary was written before the 3rd November US presidential election.) We see merit to the user in the second and third of these platforms, none whatsoever in the first. But their days of having cake and eating it by waltzing around Section 230 of the US Communications Decency Act – by avoiding the liability of being a publisher whilst simultaneously de-platforming any views that they find objectionable to their progressive agenda – are surely on borrowed time.

Meanwhile, Lockdown 2 looms.

Economist Douglas McWilliams suggests that the price of a second lockdown in the UK will result in a loss to the economy of £1.8 billion per day. Doctors Richards, Briggs and Axe estimate the running cost of lockdown in the US at approximately \$1 trillion per month. That's

before the cost in what really matters: quality of life; suicides; untreated medical conditions; the damage to education and employment prospects and life chances.. Value investor [Frank Martin](#) writes about the fiscal slaughter in the US, but his comments relate to much of the entire Anglosphere which has (quite bafflingly) taken to lockdowns like Dolly Parton's kids taking to milk:

While Washington fiddles, tail risks smoulder like embers in California's forests. A huge new debt-financed fiscal package will result in a short-lived boost to GDP at the possible cost of an uptick in interest rates. Meanwhile, the Treasury is actually flush with cash, money allocated by the CARES Act that the government has been unable to distribute. The dangers of fiscal policy have been outlined above, but its greatest risk may lie merely in its failure.

If monetary and fiscal policy both fail to right the economic ship, there may be outcries for a major change in the Fed's modus operandi. The economic whirlwind may fan the flames of desperation to have the Fed's liabilities become legal tender or a medium of exchange. This legislative change would mean the central bank could dispense with bond purchases in the market (though it would likely continue them in order to pin interest rates lower) and fund the government, its citizens, or select industries directly.

Inflation would rise, and [Gresham's law](#) ("Bad money drives out good") would induce individuals to hold commodities to be consumed or traded for consumable items. Massive declines in productivity, real growth, and the standard of living would likely follow as inflation finally escalates. The capital markets? Some outcomes are self-evident.

The institutions of government have sown the wind. The nation, writ large, can expect to reap the whirlwind.

The ghost train on which we are all trapped, desperate to alight, may yet take a different track. The Telegraph [reported](#) on 1st November that Nigel Farage was going to reanimate the Brexit Party in the garb of a new, anti-lockdown party called Reform UK. That noise you hear is the entire Conservative Party rushing to change its trousers. As Sheriff Brackett tells the nervy teens in John Carpenter's seasonal classic,

It's Halloween. Everyone's entitled to one good scare.

(Readers keen to get one last good scare in before the season of the witch is properly over are invited to listen to our State of the Markets Halloween special with Barry Norris of Argonaut Capital [here](#). It's sobering stuff, especially about the presumed merit of vaccines.)

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 listen to our regular 'State of the Markets' podcasts, with Paul Rodriguez of ThinkTrading.com, [here](#). Email us: info@pricevaluepartners.com.

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