

THE GRANT WILLIAMS PODCAST

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The Narrative Game: Episode 4 - Events, Dear Boy, Events.
Featuring Dr. Ben Hunt, Epsilon Theory

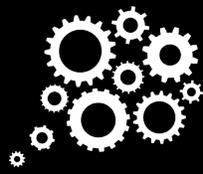
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The Grant Williams Podcast, including *The End Game*, *The Super Terrific Happy Hour* and *The Narrative Game* represents the Copper Tier of grant-williams.com and serves as a prelude to *Things That Make You Go Hmmm...*, Grant's monthly newsletter which, over the past decade has become one of the most widely-read financial publications in the world.

Blending history, humour and keen financial insight, Grant dissects the financial landscape with thought-provoking commentary—taking readers in unexpected directions and opening up investment avenues away from the beaten path which stimulate the kind of original thinking so lacking in today's financial media.

Drawing on Grant's extraordinary network of experts around the world, *Things That Make You Go Hmmm...* weaves together a tapestry of insight and information, folding in a series of under-the-radar stories and perspectives, to give subscribers an important edge in a fast-changing world.

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With the U.S. election just hours away, Ben Hunt joins Grant to discuss the narrative heading into a seemingly climactic event upon which so much is riding.

Orwell's 1984, the words you need to recognise as both sides try to mobilise opinion and the importance of creating an 'Other' all come under the microscope as does, troublingly, Ben's choice for the big theme of 2021: regime change around the world...

Grant Williams:

Before we get going, here's the bit where I remind you that nothing we discuss during the Narrative Game should be considered as investment advice. This conversation is for information and hopefully entertainment purposes only. So while we hope you find it both informative and entertaining, please do your own research or speak to a financial advisor before putting a dime of your money into these crazy markets. And now, on with the show.

Grant Williams:

Welcome everybody to another edition of the Narrative Game. Joining me, as always, is the only one of us that knows anything about the narrative and can answer the questions instead of asking them, my good friend Dr. Ben Hunt. Ben, how are you?

Ben Hunt:

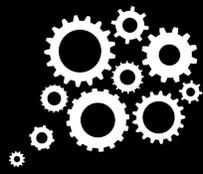
Hi. You know, Grant, I'm doing okay. But just okay. It's a very rainy day, pretty chilly up here in New England, all the trees have given up their leaves. Only the fungi are happy, right? If you go for a walk you only see these big patches of dark mushrooms. And, of course, we've got the election coming up next Tuesday. I'm not sure when this podcast will come out-

Grant Williams:

We'll get it out before then, that's for sure, because-

Ben Hunt:

Fantastic. Oh, please, please, please. And markets which I spend a lot of time, as do you, looking at they are swinging from pillar to post in just a way that I think we talked about this last time, I keep expecting this gulf between real world and market world to somehow miraculously narrow but it only gets wider. And then, look, we've got COVID. Personally, I don't know, what my family does, we live out in the woods here in Connecticut, we're trying to stay safe and be safe for our neighbors. But, man, you look at what's happening in Europe, they're a crystal ball for the United States particularly in our Midwest and mountain



west areas, I mean, it's just an all out epidemic, it really is.

Ben Hunt:

And we have a national government who has made it national policy to let the fire burn. And to try to do something with vaccines, therapeutics, at some point in the unknown future. And I feel a nervous energy. I think everyone in the states, probably everyone in the world feels a nervous energy right now that I haven't felt before. So if you ask how I'm doing, man, I've poured myself a glass of wine here, Grant. I'm going to do a little day drinking for our narrative talk here.

Grant Williams:

It's funny, isn't it? We do seem to have reached that point where it feels like the culmination of something is upon us. And whether that's just us feeling like what you just described so beautifully there, just kind of hemmed in by all this stuff going on and it feels climactic. But, of course, we have a date in the diary now which everybody can and will focus on whether they want to or not, which is next Tuesday and the US election.

Ben Hunt:

Well, let's focus on that a second, Grant, because I think you're right and this is the hallmark of, again what I described as narrative world, narrative world works in these... I'll call them cinematic arcs, right? They really are like a movie script, that's how narrative world works so that act one will come up. It'll be a three act play, we have these structures for the creation of popular culture like movies, right? Where you have the three act structure, you introduce the conflict, you accelerate it, you resolve it, et cetera. Well these structures exist in Hollywood and popular culture that makes a lot of money because it's the way that human being work. It is, and I mean this literally, I'm using the word literally in its correct literal sense, we are hard wired to respond to stories that have this sort of structure.

Ben Hunt:

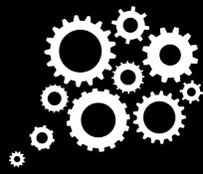
We are hard wired to look for that climactic event as you're talking about, right? And when it's associated with a date certain, then that is absolutely part of how narratives are constructed and the way that we biologically respond to these events. But here's the thing, Grant, and this is what I mean about the gulf between real world and, I said market world, but let's about real world and narrative world. Narrative filling the gap between what's real and what we experience in our heads.

Ben Hunt:

Of course all this stuff we're talking about none of this ends on November 3rd or November 4th. None of it ends, right? And I don't just mean the occupant of the White House, right? I mean, even in that very kind of narrow sense, the current occupant will be the future occupant until late January. And that means something when you have a real world epidemic that is, in fact, no one's even pretending to try to halt it or stop it in this country. So more forward thinking, none of this ends in the sense of the widening gyre, the polarization, the fact that, in the US at least, there are in fact two different sets of facts on which people operate.

Ben Hunt:

We wrote a recent note about this looking at there are two entirely different sets of facts that are reported and focused on and become that narrative for whether you are seen as a member of the red tribe or the



blue tribe. So you're absolutely right, Grant, that we all have in our heads this sense of, "Oh, we're going to have this outcome next Tuesday." And there's a lot of anxiety around that. But the bigger anxiety I have, the much more profound anxiety I have, is that none of this stops on November 4th.

Ben Hunt:

Let me make one last comment about this because I've got my dog eared copies of Brave New World and 1984 that I keep by my desk. And there's this wonderful scene in 1984 where Winston, it's at the end where he's been broken and, of course, the last line is that he loved-

Grant Williams:

He loved Big Brother

Ben Hunt:

He realized he loves big brother, right?

Grant Williams:

Yeah.

Ben Hunt:

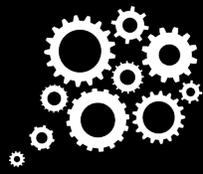
Yeah, exactly. But the scenes just before that are Winston is listening to the radio, announce that big news is coming, big news is coming for the war with... whether it was Eurasia or east Asia, whoever they were fighting at the time, and he's sitting there at the bar having his bad vodka, that's what they drank in 1984, cheap bathtub vodka. And he's very anxious. He hears the announcement, "Oh, there's a big announcement coming about the war, the progress in the war." And Orwell writes it so beautifully describing just the pure anxiousness, right? That Winston is feeling about this announcement. And then of course the announcement comes out and it's a victory and it's like, "Oh, phew. All that anxiety, oh my goodness, oh thank goodness." Right?

Ben Hunt:

And so much about what I think we are experiencing in terms of these events like the election next Tuesday, we're like Winston, we know there's going to be a big announcement next Tuesday. And a lot of you are going to be upset but then a lot of you are just going to be so happy and relieved when, of course in truth, the war goes on. There's no real respite here. So yeah.

Grant Williams:

Yeah, it's so true, it's so true. As we head into this election, one of the things I was curious to talk to you about was the prevailing narrative as we go in because it seems to me as though it's the same narrative almost identically as we saw in 2016. Trump is no longer a challenger, he's the incumbent, but it's the same narrative. If you look at the media, Biden's chances of winning are almost exactly the same as Hillary's were up in the 90th percentile. And I'm seeing the same kind of grassroots reporting of what's actually happening on the Trump side of things which leads me to believe that he may well win this again. And I'm just curious when you look at the narrative, am I imagining that we're basically seeing the same fight going on again or am I missing some nuance to it which is evidently possible?



Ben Hunt:

Well, I mean, are there nuances? Of course there are. But I think you're right in this is the same script because it was a successful script for Trump. And I think he's a very savvy politician and realizes this is the script to follow up on. What are the differences, the differences are I think Biden is actually a much more likable candidate than Clinton was. I think that COVID both has led to an election that in many respects has already taken place. I mean, tens of millions, I think something like 60 million votes... probably not 60 million votes, that doesn't sound right, but it could be, something like 60 million votes have already been cast, right?

Ben Hunt:

So in that respect, the election's already occurred. It's like seeing the light from a distant star, you have to wait the time for the light to get to you. And I feel like in many respects, the election has already happened. And we're just kind of waiting for that light to reach us when those votes are counted but by the same token, it means that there is no crowd effect or appeal for Biden. I think that Trump is reprising, again, that script that worked for him with the big crowds.

Ben Hunt:

Even though I think it's a conscious less sociopathy to put a big crowd together particularly in these areas that are the hardest hit with COVID. The democrats aren't going to spend money or make an effort at in person Get Out the Vote efforts on election day this year. Which is more than a nuance, that's a big deal, that's a big deal in turnout elections because that's what we have. We have an election that's going to be determined... I'll call it, five states, and those states depend on turnout. It's not about convincing some undecided, there are no undecideds. The election is going to be determined by whether you can get your supporters up off their ass and to the poles or maybe they've already cast their vote which, again, is an enormous change in this year's vote, more than the other guy can. And it's going to come down to that turnout in those five states.

Ben Hunt:

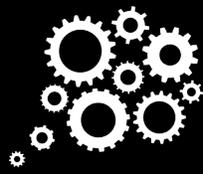
My sense is that Biden does win. That is my sense. But I see and I feel if he does not or even if it's close, frankly, I think the reason if he doesn't that he doesn't, or if it's close that he's close, it's because these are turnout elections and I think Trump is a much savvier politician in that sort of get out the vote effort.

Grant Williams:

It's funny, I was reading something that Jared Dillian posted on Twitter, I think it was this morning, maybe last night. Just talking about this idea that they were expecting a 65% turnout for this election which is great and more people are voting and more people are getting involved. And he made the point, which I think he was quoting somebody else, but talking about how this is actually not necessarily a good thing because generally speaking when less people vote it's because a lot of people's lives aren't impacted by politics. And previous times when there's been a low turnout like 1996 was a 49% turnout, and yet we then went on this 10 year run of relative political calm in the Clinton administration apart from personal stuff.

Grant Williams:

But your markets were calm, the world was calm, the United States was calm. And he was just making that point of the more people who are energized to vote, it actually, necessarily perhaps, means that things are actually worse rather than better. And it may cause more problems than it solves. What do you think about



that?

Ben Hunt:

I like Jared and I think in general he's right that... I think there was another quote, I forget who wrote this, Toynbee or maybe something like that, that the happiest times in history are when the history books are silent. Exactly. The page is blank, right?

Grant Williams:

That's exactly right.

Ben Hunt:

And I think there's a ton of truth to that, a ton of truth to that. That said, I think that our world has gone down a wrong path for life, liberty, and the pursuit of happiness, for liberty and justice for all, for other things that have also been written in the past that I believe very strongly in. And that's just not the last four things thing, that's the last 40 years thing. So I understand, the fact is I think that these are times that demand political participation. I think the tragedy will be if whatever car alarm has woken you up in the year 2020, right? Whether it's the election, whether it's COVID, whether it's social justice, whether it's violence, whatever car alarm has gone off in 2020 that's woken you up this year and I think that has woken... those car alarms have woken up an enormous amount of people which is why we're seeing such political participation expressed as a vote.

Ben Hunt:

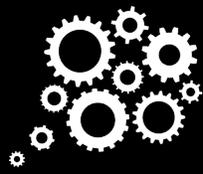
My biggest fear, right? Is that people will go, "Phew, all right. Did my part. I did my political participation. I voted in this event. And now tell me what the results are, right? Because I'm very anxious about this result." It's Winston in 1984. And my biggest fear is that whatever the result is, and let's use the event being a Biden victory. My biggest fear is that the result of that will be the singing of a pleasant lullaby so that we all go back to sleep and maybe everyone will say, "Oh, that's a great thing because we're no longer being politically active."

Ben Hunt:

Well, you know Grant, I think we need to be politically active because I do think we are... the skids have been greased for what I like to refer to as the nudging state and the nudging oligarchy. I mean, that doesn't stop much less reverse without politics, without political participation from the bottom up and if we're told that, "Oh, you did your part. Good job. Here's a little pat on the head, good job. You went and voted just like you should every four years." And everybody goes, "Am I a good boy?" That's my fear, right?

Ben Hunt:

I think there's a great opportunity here that people who've woken up in 2020 and are participating politically, that they can maintain that political participation beyond next Tuesday because it's not next Tuesday that matters. It's not this cinematic narrative [inaudible 00:18:33] that happens then. The political action that matters in your vote is the least important part of your political participation. But the bulk of participation that matters are in the days, the weeks, the months, the years, the decades after next Tuesday. So anyway, that's my plea around political participation.



Grant Williams:

But when you-

Ben Hunt:

I'm all for it.

Grant Williams:

You talk about the nudging state, the nudging oligarchy, it strikes me as you kind of watch certainly the last couple of decades unfold, we're at this point where it feels as though the dye is largest cast no matter who gets in because the problems... if you put the politics aside for a second which isn't easy to do five days before a US election, but if you can put the politics aside for a second and look at what the problems are in society and for us very much as we look at it through a financial and economic lens, the problems are the same for either administration and the problems are of a magnitude which, at this point, really dictates what the policy must be in order to try and stave off a disastrous outcome for everybody.

Grant Williams:

And so I just wonder no matter who wins it almost feels like they are going to be the dog but the tail is going to be wagging them. And that Harold Macmillan quote, "Events, dear boy, events." Is what's actually going to become important and no matter who's in, they're going to face the same sort of dominoes topic and probably be forced to do the same thing.

Ben Hunt:

Oh I think that's right. I've been talking about this for a while, whoever's elected we're going to see a four trillion dollar deficit spending, fiscal spending package for next year. If it's Trump it'll be the Make America Great Again infrastructure plan. And if it's Biden it'll be the no malarkey plan, it'll be the green plan or something like that. Build Back Better or whatever nonsense phrase he has now. It'll be the same thing. We've severed the cord between taxes and spending. And that's true, whoever's in the White House and whoever is in congress, it'll be mitigated somewhat if you've got one party controlling one side of the congress and one party controlling the other. But it's only a mitigation in that regard.

Ben Hunt:

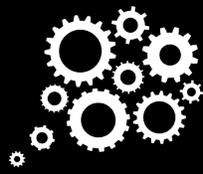
This is part of why I think it's so important for political participation and this awareness, I don't mean woke ness, I mean being awake to persist beyond the election because, look, frankly I don't know what you do with COVID right now. It's another thing where events are going to determine, I think there's some mitigation that we can still do, I really do. But I don't think no matter who's elected, like I say, we know who's going to be president through January. And even after then, there's no switch on the wall you go flip one way or another. It is events. I think the event that we're not really focused on right now but I think we will in 2021 is regime change all around the world.

Grant Williams:

Right.

Ben Hunt:

Because that's what happens, Grant, when you have these enormous human catastrophes in countries and we're seeing this all over the world except in a few Asian countries, right? You don't think Putin's going



to come under stress from what's happening in Russia? You don't think the Polish government is going to come under stress? You don't think the Indian government is coming under stress? Hell, the Chinese government is coming under stress.

Ben Hunt:

And what happens in these circumstances is the government under stress needs to find some other with a capital O to blame, that could be inside your own country. I think that's, in large part, what has happened with this election. But often it's outside of your country you find that other. And I think that's going to be the story of 2021. You talked about the four horseman who come galloping along, right? I suppose in the bible it was war first and then plague but I think you reverse that order of appearance here in the real world in 2021.

Grant Williams:

It's interesting because the idea of war as a kind of coda to this era that we're living through is something that... I mean, I gave a presentation about that in January 2015 talking about this idea. And I was asked a question, the first question I was asked was, "Are you saying there's going to be a war?" And I said, "No, I'm not saying there's going to be a war. What I'm saying is there's not not going to be a war. And it's a very important distinction to make."

Grant Williams:

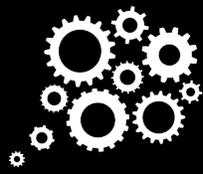
But what's happened in the five plus years since then is I've noticed people like you and other people I've talked to recently much smarter than me also talking about this now and it's become a much more discussable topic because of everything we've seen. And I wonder now the narrative fits in around that whether, in some ways, it's almost that narrative needs to be kind of stoked and kept simmering because you might just need it at some point, to your point you made a second ago. Or is this a natural boiling up of consequences that people are framing themselves into an outcome?

Ben Hunt:

Yeah, nothing natural about it. I mean, it's a conscious decision that every government takes that before they start something risky like picking a fight with someone, they try to mobilize public opinion for that fight. God, this was so long ago, I've been working on narratives my whole professional career. This goes back 35 years now. And a dissertation and a book on this very thing. It's called Getting To War. And it was looking at lots of countries but it did a real focus on the United States and you're to saying that public opinion in and of itself is what causes a war. What I'm saying is that every government of any competence, they're going to try to bring the public along for what they're doing. You would rather have public support than not public support. So you really see that sort of effort and it is the effort that you pick up in narrative world, right?

Ben Hunt:

When we're looking for these sort of signals, these sort of predictive indicators, we're looking for indications of effort, right? And it's the words that used, you use a whole different set of words if you're trying to mobilize opinion. You use words like should and obviously or evidently or as many people are saying, right? You use words and phrases like that, I'll call it purely descriptive X, Y, Z happened yesterday. Now there's certainly a use of picking certain events rather than other events that can be used to try to mobilize opinion but the way you see it in narrative analysis is really with word choice. It's these words that have



affect associated with them. Affect with an A. They're trying to and people are very good at this, choose words for their, again, that hard wired effect that they have on us.

Grant Williams:

Your latest epsilon theory piece, the, Oh No, Here It Comes Again, That Funny Feeling, right?

Ben Hunt:

Yeah.

Grant Williams:

You talked about this. You literally only just published that, I think, maybe yesterday. Perhaps you can just walk people through that because it does talk about the election, it does talk about a kind of echo that you're seeing from, I guess, 2016?

Ben Hunt:

Yeah, well the title, Oh No, Here It Comes Again, That Funny Feeling. You're old enough to... I don't know if you know this group or not [crosstalk 00:28:01], yeah, Grant, but-

Grant Williams:

I recognized the-

Ben Hunt:

Camper Van Beethoven.

Grant Williams:

Camper Van Beethoven.

Ben Hunt:

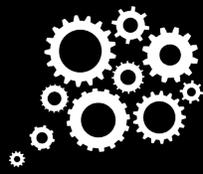
Right? And it's a very short song, it's a wonderful song. And it was a song about this guy, goes out on the porch and listens to the rain, smokes a cigarette because the funny feeling that he's experiencing is that funny feeling that, oh no, this person I've given my heart to, this person I am emotionally involved with, is not going to work out. It's not going to work out. And it's a funny feeling that I think all of us, if we've had enough of a life and enough years behind us, had that feeling, right? Where, "Okay, here's that funny feeling again. It's not going to work out this time, is it?" And it's a wonderful song because it taps into an emotion that I think, again, everyone's felt.

Grant Williams:

Yeah, for sure.

Ben Hunt:

And that's what I was feeling in terms of looking at this election because it was a little bit earlier. It was late September when I wrote the note in 2016 which was that, "I got a funny feeling about this. I know what the polls are saying but there's no... people talk about the enthusiasm gap, right? And that wasn't really what I was talking about in 2016, it wasn't just enthusiasm, it was that what I saw in the democratic party was not an advocacy for Hillary Clinton, it was a, "Yeah, I guess Hillary's fine but here's the issues I'm really



interested in.”

Ben Hunt:

The name of that was virtue signaling. And I actually don't feel that around the democrats and Biden this year. Like I said earlier, I think Biden's a more likable person. I don't see that sort of virtue signaling around support for Biden that I did in 2016. But what I do see and this is, again, largely driven by COVID and the response to it but it's also driven by Donald Trump, I think, being a very effective, savvy, modern politician, the live crowds are important.

Ben Hunt:

This is why sitcoms exist. If you've ever listened to Friends, there's a whole thread on the inter webs where you can listen to Friends with the laugh track turned off. And it's horrifying. I mean, it's literally, "Oh my god, this is just creepy as hell. This is really problematic." Because the laugh track told you, "Oh, this is a joke and you can laugh and you can react positively to it," you do. But without that track, without those social cues it's legit horrifying. It's a funny thing to go look up. So it's Friends without laugh track.

Ben Hunt:

But it's why American Idol, the ratings plummeted once COVID hit because it's not that the singers were any worse, the singers were great this past season. But it's the power of, I like to call it the crowd watching the crowd, right? Because you would film American Idol in front of this big crowd, screaming and reacting positively to it. Not because it made the music any better but because you, the larger crowd watching at home, you react much more positively towards the entire enterprise of American Idol if you see that crowd reacting positively.

Ben Hunt:

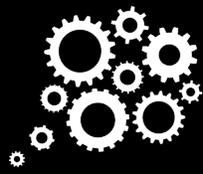
We are, and I'll use this word correctly, literally wired to respond to crowds. This is why executions used to be held in public, right? It wasn't so more people could see the poor guy getting hanged. It was so that the crowd could see the crowd watching the poor guy getting hanged. That's the social control element of this here. So I think it does matter that Trump puts together these big crowds and that Biden doesn't. A, I don't think Biden could get that sort of crowd. B, I think a lot of Biden voters have already voted so why would I go to a rally when I've already voted? And third, I think it's evil, frankly, to put together a big crowd in this environment. I really do. Or at least sociopathic, let's say.

Ben Hunt:

But it's not the crowd that's a political advantage for Trump right now. It's his crowd at home watching that crowd. I can't over emphasize it enough, this is what drives motivation and turnout in a turnout election. It's a crowd seeing the crowd. It's the same thing around yard signs, right? Putting out signs for Trump or for Biden or for whoever, it makes a difference. It makes a difference because you see, "Oh, there's a crowd of people who also believe like I do." And it absolutely emboldens you then to hold those political beliefs or to express those political beliefs that you already have.

Ben Hunt:

So I think that Trump will surprise in these turnout states where he is having these live rallies. Not because the rallies themselves are important because the audience of Pennsylvania voters and Wisconsin voters and Florida voters see that crowd and say, "Yes, I'm part of that." And it makes an enormous differ-



ence. Now, is that enough of a difference to win? I still don't think so. I think it's happening too little too late. I think that if this were the conversation we were having, Grant, three weeks ago, I'd have a different view. But I think that first debate performance, actually getting COVID, and going to be hospitalized for it, for God's sake, I think it's too little too late for the election results. But it's that funny feeling I have all over again, it's that funny feeling I had in 2016 and I'm kind of feeling it again.

Grant Williams:

You and I were together that night in San Antonio, right?

Ben Hunt:

We were.

Grant Williams:

We were.

Ben Hunt:

We absolutely were.

Grant Williams:

You and I were both talking about the funny feeling and to the great surprise of some of our peers that we were chatting with, I remember that very clearly, how something I saw as probable rather than possible, as did you. Other people had just completely written it off, it-

Ben Hunt:

Yeah, an insurance company had us down in San Antonio to give a talk to their people. And God, what was that hotel we were staying at? It was like a West Inn or something like that. I'm sure it was nice 20 years ago, right? It was a hotel like that.

Grant Williams:

I remember I went to sleep once they called, I think, Pennsylvania-

Ben Hunt:

Pennsylvania.

Grant Williams:

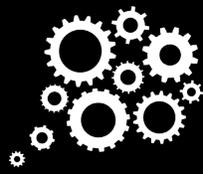
Once they called Pennsylvania, I went to sleep at 2:00 in the morning or something.

Ben Hunt:

Yep, same here.

Grant Williams:

I woke up at 5:00, went to get some water. And when I swung my legs around and put my feet on the floor, there was three inches of water on the floor of my room because there had been a pipe burst. And it felt like there was some biblical blood had swept through in the night while I slept. I didn't know where I was or what was going on, it was bizarre. One other aspect of the narrative I'd love to pick your brains on, I've



been fascinated by this last couple of weeks. And that's the media narrative particularly around this Hunter Biden story. And I don't care about the story, I don't want to get into the story.

Grant Williams:

But I've been fascinated by the response to it by the media. The lack of coverage and the excuses for that lack of coverage. And, again, I saw a piece that Matt Taibbi had written about it which I thought was great and he went to great lengths to talk about it's the suppression of information that's the problem here, forget which side it is, it doesn't really matter. This is the big problem that we're facing that people are arbitrating what we should and shouldn't read and what information we should or shouldn't see.

Grant Williams:

And of course I posted this. And in the tweet I said, "Look, put politics aside and read this because it's important. If Matt Taibbi can do it, so can we." And of course one of the first responses I get is, "Oh, nice try sneaking this through. This story is a load of garbage." I'm like, "It's not about the story. Forget the story." What are your thoughts on not the story but this suppression of information and the arbiters of who decides what's fit for our consumption?

Ben Hunt:

Well I think two things, Grant. The first, and I mentioned this earlier about the two sets of facts, we like to try to measure narratives and the articles and the language that's being used and what we've seen recently and it's always been around or it's been around for the last four or five years, but it's not at a level where it's nuts is what it is, right? It's nuts is what it is, Grant. But what it is is it's not just a difference in word choice. I was describing earlier about using descriptive words versus words that have affect embedded within them like "scientists say" or "evidently" or "the data shows."

Ben Hunt:

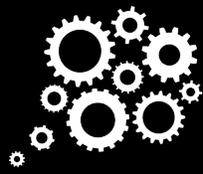
It's gone beyond that now so that there are two worlds of facts that are being presented, right? There's the world of Hunter Biden and the Biden family and Biden corruption. That is the centerpiece of one set of facts about the world. And it's part and parcel of the media of one set of media outlets. And it does not exist. Those set of facts, they don't exist in the other set of media outlets and vice versa. You can't find an article about COVID hospitalization rates in that former set of media outlets.

Ben Hunt:

It's one of those things where, again, does anybody think that ends on November 4th? Are you kidding me? It doesn't end. None of this ends, right? This is not a mean reverting phenomenon. This continues and the other thing I wanted to say about it is this is part of a larger pattern where, and you see this in journalism schools, you see this in every sort of media, is that journalists see themselves as principals today, not as agents. And you saw this on great display with Jack and the other folks who were testifying on congress yesterday. They don't see themselves as the CEO of a common carrier, of a pipeline, right? That's not how they see themselves. They don't see themselves as an agent, a conduit for information.

Ben Hunt:

They see themselves as a principal. Someone who makes the news or decides the news flow and what has value and what doesn't. So it's a great example of what I'm talking about where none of this ends. There's no cinematic climax to this story that we're talking about here, Grant. This gets a lot worse before it gets



any better and I'm not exactly sure what the better looks like. I'll say this, one aspect of better is that I think that there are some regional newspapers that I think by and large actually do a pretty decent job of separating editorial policy which, of course, you should write your principal views, I'm saying P-A-L, not P-L-E, principal views, on an editorial page. Great, have at it.

Ben Hunt:

But the language and the selection of stories doesn't seem to have the same sort of bifurcation and dual worldness that you see in every national publication. Every national media source is part of either one camp or the other with two totally different sets of facts. So maybe there's some hope in some of these regional newspapers if anyone actually cared about regional newspapers anymore. But that's a thin read on which to place any hope, right?

Grant Williams:

Right. It's funny when you talk about you don't know what the better is. It seems that we as a society constantly move forward. There are periods of time where that forward progress, right now, feels like it's struggling. It's not just going forward anymore, it's kind of vacillating around where it was. But we always seem to look for the better to that past. We always look for a better time in America. It was a simpler time back then, politics was less, the politicians were less greedy, the politicians were less corrupt. Whatever it may be, how do you kind of reconcile those two opinions that progress is, generally speaking, takes you to better places.

Grant Williams:

But we've had such a difficult time conceiving of a better future whereas it's a very abstract concept, a better future, it's something that politicians tell you, "We're heading to a better future." But we find it so much easier to compare today with the halcyon days of whatever. Is that a personal thing because our lives were better then or was the bigger life better? How do you kind of reconcile those two competing thoughts?

Ben Hunt:

Well, on the former, there's always been this hazy, warm glow that's been attached to the past, always.

Grant Williams:

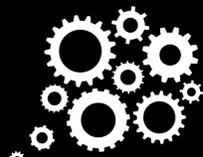
A sepia tint, yeah.

Ben Hunt:

Right, the sepia tint and the, "Oh, our ancestors were stronger, braver, smarter," blah, blah, blah, blah, blah, right right. So I think that's a bit of a constant. I think what is changing in regards to that though is the way that history is increasingly being rewritten, right? Whether it's with canceling this person or that person. I think that's where you see it most. Calling out, let's say, the narrative and the myth making of the past without, and this is the point where I think it is different today, without shall we say, training that same keen eye on the myth making of present.

Grant Williams:

Present, yep, yep.



Ben Hunt:

Because I do think that both the tool kit from myth making today for narrative construction is so much more powerful, right? Than it was 10, 20 years ago. We are all plugged in to those myth making and narrative making tools because we've all got out little dopamine machine right next to us. I'm picking up my iPhone as I'm talking to Grant. So it's what I like to call the long now which I know is used in a nice sense by people trying to make enormous clocks that can last for 20,000 years out in the Sonoran Desert or whatever. But what I mean by the long now is the pulling forward from the future of, in an economic sense, demand and growth through the leverage and the debt we take on.

Ben Hunt:

But in a political sense, this pulling forward from the future, threat... and I keep going back to that 1984 and the war with east Asia or was it Eurasia? I don't quite remember and always waiting for that announcement of, "Big news, you need to get really anxious about this big news. Are you anxious yet, are you anxious? Here's the news, we won that battle. Isn't that great?" It's like, "Ah, hooray." And so it's just all one constant present where the history is molded depending on the needs of the political and economic leaders today and the future is pulled forward.

Ben Hunt:

And that's where I think we are right now, Grant. And that's what I mean about how I think we're on the wrong track. I think it requires enormous political action over a period of many decades to get back to small L liberalism and small C conservatism. Both of which I think only exists in embers that we try to keep alive inside our homes and in conversations like this.

Grant Williams:

Yeah, no, that's a beautiful way to put it. It does feel that way and I think there is a sense that this is a multi decade process which is why I think people are so discouraged because it doesn't feel like you can change anything in the now. You have to be committed to a fight that may go on for decades.

Ben Hunt:

I don't expect to see the end of this in my lifetime. I really don't. And I'm okay with that, I really am. I wouldn't have been okay with it if I was 30 years old. The 30 year old me wouldn't have been okay with it. And life is such a fractal, right? This is true, what we're talking about on a larger scale of political change over a period of decades. But it's also true for the next couple of months. I mean, we're going into the wintertime and we're clearly getting this second wave, whatever wave this is, of COVID here in the states. I got to tell you, Grant, my battery is pretty darn low. I'm exhausted and-

Grant Williams:

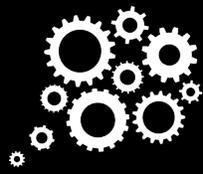
Well you're fighting that fight harder than most.

Ben Hunt:

I don't know. I mean, I'm not fighting it as hard as the person who's lost their job or is really struggling-

Grant Williams:

No, no, no, you're-



Ben Hunt:

And I don't take it that way. But there is a real world drain of our positive energy that has occurred over the last six months. And it looks like we are going into an even more challenging period for all of us. And my biggest disappointment in all the last six months, Grant, and this is what drains me the most is I really thought in the United States, this gigantic nation of so many people and so much talent and heart, in my heart of hearts I really thought that there would be some aspect of our representative government that would rise to the occasion. I really did, Grant, I thought that somewhere, whether it was a county somewhere or a state somewhere much less nationally, really thought some element of our government would rise to the occasion. I really did think it could be our finest hour and I was so wrong about that. And that's what drains me the most.

Ben Hunt:

I think all of us, our batteries are on low ebb at the time where we need that energy the most. So it's up to us and in conversations like this to generate some of that energy, man. And do it for all of us.

Grant Williams:

Yeah, I hear you. I mean, I'm kind of in a neutral territory here and I look at what's happening in the US and I look at my home country of Britain and my adopted home country of Australia and I see the same, right? I see just a terrible, terrible display of leadership around this. And no matter what your views are on COVID, the leadership has been missing, I mean, wherever you look. And, again, if I come back to that point I made earlier on about events, dear boy, events and it's almost as if the leadership is absent because their options are so limited in what they can do now because of all the other problems that they're trying to juggle whether it's debts, whether it's joblessness, whatever it may be, this isn't a clean slate. We have a problem here which is the pandemic, we have resources available to us, we can deal with this. They are trying to fight all these fires that are all self inflicted.

Ben Hunt:

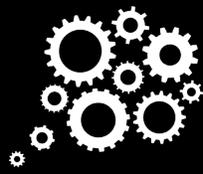
You're absolutely right, Grant, but the brave response to those circumstances, and this is what I expected someone somewhere to do, the brave response, the courageous response to that, is to say directly, "These are the intractable issues we are faced with here and here's how I'm thinking about it. You chose me as your leader, that's what we're going to do."

Grant Williams:

Yeah, it's going to be tough for all of us, yeah.

Ben Hunt:

Instead, the path that's been taken, the cowardly approach that's been taken by every political leader on the right, on the left, you name it, there's zero distinctions here, is to use the noble lie. Or sometimes the ignoble lie, right? To say things that you know are not true but you're going to say they are because you're trying to sell your policy for the greater good or for your political good or whatever good you're trying to achieve. And it's that mendacity that I think has been the most disappointing aspect of all of this, right? And these political don't get it but this is what is making the car alarms go off in everyone's head because we know when people are being inauthentic with us.

**Ben Hunt:**

And it's that lack of authenticity, that mendacity from every political leader I know that is sparking, I think this awakening. And my hope is that we'll be able to channel that for longterm political change so that we can go back and try to reclaim these small L liberal and small C conservative ideals.

Grant Williams:

Yeah, yeah, I keep having... you mentioned 1984 and I keep thinking about war is peace, freedom is slavery, ignorance is strength. I keep thinking about it through so many pieces of this, it's extraordinary. Well look, Ben, this has been another fascinating conversation as they always are. I watch from the sidelines as you take on all comers of the COVID stuff and I thank you for your consistency and your willingness to put up with all kinds of bullshit, frankly, from people.

Grant Williams:

I just sit there shaking my head sometimes and I don't get it because you're a guy with an enormous heart and you're trying to, as you said, you're trying to be the guy that does the right thing and points this stuff out. And kudos to you for having the balls to fight through it. And I can see how tired you are with it all. And I totally understand why. So kudos to you for kind of keeping the fight and keep going forward with it.

Ben Hunt:

You and me together, brother. Absolutely.

Grant Williams:

All right, well look, we'll do this again sometime but in the meantime all that's left is to thank you for joining me and Ben for this last hour. Please follow us on Twitter. You can find me @ttymgh and you'll find Ben @EpsilonTheory, I believe. Everything's Epsilon Theory-

Ben Hunt:

You're right, everything's Epsilon Theory all the time.

Grant Williams:

And we'll see what happens after next Tuesday. I suspect we may have a few more things to talk about Ben, what do you think?

Ben Hunt:

No doubt, no doubt. Thank you, Grant.

Grant Williams:

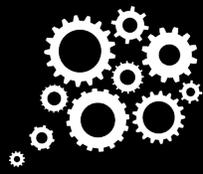
All right. See you soon. Bye-bye.

Ben Hunt:

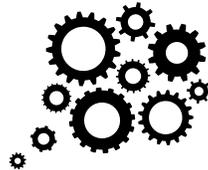
You got it. Bye-bye.

Grant Williams:

Nothing we discussed during the Narrative Game should be considered as investment advice. This conversation is for informational and hopefully entertainment purposes only. So while we hope you find it both



informative and entertaining, please do your own research or speak to a financial advisor before putting a dime of your money into these crazy markets.



GRANT WILLIAMS

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