

"Wherefore Art Thou, Marcus Welby?"

Seek not the favor of the multitude; it is seldom got by honest and lawful means. But seek the testimony of few; and number not voices, but weigh them.

— Immanuel Kant

Have you no sense of decency, sir? At long last, have you left no sense of decency?

— Joseph Welch, counsel for the US Army, confronting Sen. Joseph McCarthy (1954)



Trust Cramer!

— CNBC ad campaign

We are all wrong so often that it amazes me that we can have any conviction at all over the direction of things to come. But we must.

— Jim Cramer

Pro wrestling is not fake; it's sports entertainment. We go out there and we perform, and a lot of what we do out there is real, but we're not going to insult anyone's intelligence - there is a predetermined winner. It's just the fans don't know who it is, and that's what makes it so intriguing.

— Kurt Angle, professional wrestler

People never understood that there was Brian and there was the Boz. They were two completely different people.

— Brian Bosworth, flamboyant pro football bust



"Ginny!" said Mr. Weasley, flabbergasted. "Haven't I taught you *anything*? What have I always told you? Never trust anything that can think for itself *if you can't see where it keeps its brain*?"

— J.K. Rowling, *Harry Potter and the Chamber of Secrets* (1998)

Oliver Sacks is both a gifted neurologist and a gifted writer. I want to begin this note with a passage from his book "An Anthropologist on Mars". It's a long selection, but worth the effort.

He was, I noted, somewhat weak and spastic in all his limbs, more on the left, and more in the legs. He could not stand alone. His eyes showed complete optic atrophy – it was impossible for him to see anything. But strangely, he did not seem to be aware of being blind and would guess that I was showing him a blue ball, a red pen (when in fact it was a green comb and a fob watch that I showed him). Nor indeed did he seem to "look"; he made no special effort to turn in my direction, and when we were speaking, he often failed to face me, to look at me. When I asked him about seeing, he acknowledged that his eyes weren't "all that good", but added that he enjoyed "watching" the TV. Watching TV for him, I observed later, consisted of following with attention the soundtrack of a movie or show and inventing visual scenes to go with it (even though he might not even be looking toward the TV). He seemed to think, indeed, that this was what "seeing" meant, that this was what was meant by "watching TV", and that this was what all of us did. Perhaps he had lost the very idea of seeing.

I found this aspect of Greg's blindness, his singular blindness to his blindness, his no longer knowing what "seeing" or "looking" meant, deeply perplexing. It seemed to point to something stranger, and more complex, than a mere "deficit", to point, rather, to some radical alteration within him in the very structure of knowledge, in consciousness, in identity itself.

— Oliver Sacks, "An Anthropologist on Mars" (1995)

And now for an observation and diagnosis of my own.

About 3 years ago I was on a flight, sitting in an aisle seat, and I couldn't help but notice the young couple having a mild argument one row in front of me, across the aisle to my right. As the woman settled into the middle seat, I saw that she had her husband/boyfriend's name – Randy – tattooed on the back of her neck, and I saw that Randy had the letters T – R – U – S – T tattooed on the fingers of his left hand. When I saw this, I found myself thinking warm thoughts towards the couple. Clearly these were two people from a very different background than my own, but I appreciated the sacrifice and public display each had made to show a commitment to the relationship, and it reminded me of the (non-tattooed) commitment my wife and I have made to each other. I remember thinking, "you know, I bet these crazy kids are going to make it," even though the argument never seemed to totally fade during the flight.

The plane landed and we all stood up to disembark, and I remember still smiling to myself as Randy and his wife/girlfriend moved into the aisle, still mildly arguing. And then I saw the letters tattooed on Randy's right hand.

N – O – O – N – E

And just like that my internal Narrative flipped by 180 degrees. I didn't know what this guy's name was, but I was pretty sure it wasn't Randy. I didn't know what they were arguing about, but I was pretty sure that this wasn't a relationship built to last.

I've been thinking about that incident a lot recently, not just for what it shows about the malleability of the stories we tell ourselves, but even more so for a really troubling thought: [I feel like we all have "TRUST NO ONE" tattooed on us today, and we are poorer investors and allocators, neighbors and citizens as a result.](#) It's an entirely rational tattoo, the result of years of both abject lies and the [far more common \(and ultimately far more corrosive\) white lies that are at the heart of "communication policy"](#) – the calculated [use of public speech for behavioral effect](#) rather than the honest exchange of information.

But it's not just that we have lost the ability to trust, particularly when it comes to markets and investing. **The larger problem is that – like Oliver Sacks' patient who was blind to his blindness – most of us don't even recognize that we have lost the ability to trust.** Many of us create bizarre simulacra of trust – like the notion that the mass media persona of Jim Cramer is somehow deserving of trust in the same way as a flesh-and-blood financial advisor with a fiduciary responsibility to his clients. Just as Sacks' patient came to believe that "seeing" meant constructing mental imagery to go along with audio stimuli, and that everyone "saw" this way, so have we come to believe that "trusting" means giving mental allegiance to a disembodied, mediated representation of a human being, and that we all "trust" this way.

I'm making a big deal out of the distinction between a public persona and a real person because it is, in fact, a big deal when it comes to questions of trust. The "Jim Cramer" we see on TV is not Jim Cramer, any more than "Hulk Hogan" is Terry Bollea, any more than "The Boz" is Brian Bosworth, any more than "Marcus Welby" is Robert Young. But while Marcus Welby was an outright fictional character, and he was clearly understood as such when he was called "the most trusted man in America", all of the other stage names in this list are presented and re-presented as non-fictional characters, as somehow more "real" than Marcus Welby. And in a way they are more real. Certainly the



stage persona of “Jim Cramer” draws heavily from the actual experiences and views of Jim Cramer, but I think the right way to think about this is that Jim Cramer writes the dialog for “Jim Cramer” and performs the role of “Jim Cramer” in a highly personal, improvisational way that Robert Young was never allowed with “Marcus Welby”. Jim Cramer performs “Jim Cramer” in the same way that Terry Bollea performs “Hulk Hogan” – as a serious, non-tongue-in-cheek (which separates these guys from how Stephen Colbert performs “Stephen Colbert”), yet *highly* stylized representation of a financial adviser and a wrestler, respectively. Both Cramer and Bollea are incredibly talented – if you can’t recognize that Cramer has got some serious market chops, the equivalent of Bollea’s crazy musculature, I don’t know what to tell you – but what makes them so successful in their chosen fields is the combination of these talents with outstanding showmanship and a phenomenal ability to project authenticity.

My point is not that mass-mediated financial advice is kinda like professional wrestling. My point is that mass-mediated financial advice is EXACTLY like professional wrestling. And I know that it must seem like I’m slamming Cramer and CNBC and the rest of the mass media financial guru-sphere by equating their efforts with professional wrestling, but I’m really not. I just want to call things by their proper names. I LOVE professional wrestling. Second only to professional politics, **professional wrestling demonstrates Narrative creation and execution at an extremely high level of artistry**, with hundreds of millions of dollars at stake. And it’s NOT a fake representation of wrestling in the way that an episode of “Marcus Welby, M.D.” is a fake representation of medical practice. Professional wrestling is scripted and choreographed, like a TV medical drama, but there are actual athletic feats executed here. It is “real wrestling” in that sense, where there is no “real medicine” being practiced in the filming of “House”. But no one in his right mind believes that professional wrestling is the same thing as Olympic wrestling or collegiate wrestling. Professional wrestling is its own thing – a marvelous and entertaining thing – and it deserves to be understood in that light.

Well ... mass-mediated financial advice is its own thing, too, where Narrative creation and execution is the only thing that matters, and *everything* you see or read is driven by the economic diktat of driving the Narrative du jour forward. No one in his right mind should believe that mass-mediated financial advice is the same thing as professional, individuated financial advice. **And yet here we are, in a world where the notion of trust has become so warped that every day, thousands of investors question the trustworthiness of their flesh-and-blood financial advisors and tens of thousands**

more act on their own because they trusted a piece of Narrative-driven advice they heard on the TV or read in the newspaper.

Why is it so important to distinguish between real people and mass media representations of people when it comes to matters of trust? **Because in the wise words of J.K. Rowling, never trust anything that thinks for itself if you can't see where it keeps its brain.** I know exactly where an individual human being like Jim Cramer keeps his brain, but I have no idea where the brain of "Jim Cramer" resides. It's certainly not (only) inside the human Jim Cramer, but also within the contract between Jim Cramer and CNBC, within the various humans who produce and executive produce the various shows on which "Jim Cramer" appears, within the corporate imperatives of Comcast and NBC Universal, and a myriad of other locations. **The brain of "Jim Cramer" is a thoroughly distributed and hidden set of preferences, totally unlike the brain of Jim Cramer the person, and as a result it is impervious to the tools and strategies that game theorists use to understand and develop trust.**

Game theory can tell us a lot about the construction and preservation of trust between individual decision makers. I can develop a rational basis for trust with Jim Cramer the person (if I knew him), because I can model the pay-offs associated with cooperation (the foundation of trust) and defection (the destruction of trust) within the parameters of a repeated-play strategic interaction (a game). So if I'm some Comcast exec negotiating a new contract with Jim Cramer the person, or if I were an investor in Jim Cramer the person's hedge fund back in the day, I could use game theory both to measure how much I should trust the guy and to suggest ways to increase the level of trust between us (I won't develop that idea in this note, but if you're interested in the subject you should start with Robert Axelrod's classic book, "The Evolution of Cooperation"). On the other hand, it is impossible to develop this notion of interpersonal trust with "Jim Cramer" because "Jim Cramer" is not a person and does not possess a person's discrete, transitive, and ordered set of preferences ... a brain. It's hard for some people to believe this, I know, because CNBC (smartly) does everything in its power to suggest that everyone watching CNBC has a *personal relationship* with "Jim Cramer". Well, you don't. You can't. **"Jim Cramer" is real in exactly the same way that "Hulk Hogan" is real, and trusting in these mass-mediated representations of actual human beings to be somehow more than what they are makes you a sucker.** Maybe you won't see a "heel turn" out of "Jim Cramer" the way you did out of "Hulk Hogan" (the most thrilling 180-degree turn in a Narrative I have ever witnessed), but at some point **you will find yourself on the wrong end of a Narrative shift if you trust and rely on "Jim Cramer" or any other mass media persona for your financial advice.** I'm not saying that flesh-and-

blood financial advisors are always right in how they think about markets and investing ... of course they're not. But they are worthy of trust, or at least eligible for trust, in a way that mass media personae of pure Narrative can never be.

Here's the other thing, the darker side of a world where we all bear the "TRUST NO ONE" tattoo ... it's all well and good when mass-mediated representations of financial advice and ersatz authenticity generate characters like "Jim Cramer", who I believe is relatively harmless in a larger political or social sense.

But this is how characters like "Senator Joe McCarthy" are created, too, and they are anything but harmless. The flip side of a

world where no one is trusted and nothing is believed is that anyone can be trusted and everything can be believed. I've recently experienced this [modern-day McCarthyism and fear-mongering](#) first hand. It makes me angry, of course (one day I'll write an "[Angry Ben](#)" note on this topic), but even more than that it makes me sad. I'm sad because I see more and more intelligent, engaged, well-meaning people withdrawing from anything with a public face or function, asking themselves "why would I subject myself to this particular form of social torture", and ceding the field to the McCarthy's and their media stooges.



What's to be done? I really don't know. McCarthy was undone when an institution of overwhelming authenticity and popular trust – the US Army – challenged him directly and got the newspapers to print the story. I just don't know if any modern institution, including the Army, still commands that sort of trust, and I'm certain that **there's no modern institution that has the broadly dispersed and widely available reservoir of authenticity necessary to combat [the pandemic of mistrust that has swept through modern markets](#)**. Everyone's an expert today, and we think nothing of dismissing the advice we receive from our traditional bastions of professional advice – doctors, lawyers, financial advisors – in favor of our own views, almost always channeled from some charming disembodied voice we hear on TV or read on the Internet. We're all our own doctor and lawyer and financial advisor today, precisely because we mistrust so thoroughly, and as a result we leave ourselves open to false notions of trust. We need new pockets of authenticity, a disaggregated source of authenticity to

combat the disaggregated McCarthyism that is bursting spore-like all across the country. In my more optimistic moments I look at the Internet's ability to eliminate media intermediaries and gatekeepers, and I think that there must be hope in the vast array of blogs and comment communities and Twitter-verses out there today. But then I actually spend some time in these virtual communities and I start to despair.

I shouldn't, though ... despair, I mean. It's amazing how messy community building and small-l liberalism can be, and the whole idea here is to let 1,000,000 flowers bloom, no matter how inane or misguided some of those communities may seem to me. Cream rises. Leaders emerge. It won't be pretty, and it won't be fast, but it will happen. In the meantime, I'll continue to try to [build my own community around Epsilon Theory](#). I've got a pretty good microphone now, and I won't deny the emotional gratification of speaking to more and more people. But it's time to deepen the personal relationships here rather than just broaden the readership, as it's the strength of individual connections with outstanding people that builds trust and a *lasting* community. As Kant wrote, "number not voices, but weigh them." That's how I'd like people to evaluate me. That's how I'd like people to evaluate Salient. And it's how I'm going to evaluate the success of Epsilon Theory.

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