Occam's Broom

"The molecular biologist Sidney Brenner recently invented a delicious play on Occam's Razor, introducing the new term *Occam's Broom*, to describe the process in which inconvenient facts are whisked under the rug by intellectually dishonest champions of one theory or another. This is our first boom crutch, an *anti-thinking* tool, and you should keep your eyes peeled for it.

"The practice is particularly insidious when used by propagandists who direct their efforts at the lay public, because like Sherlock Holmes's famous clue about the dog that *didn't* bark in the night, the *absence* of a fact that has been swept off the scene by Occam's Broom is unnoticeable except by experts...

"Conspiracy theorists are masters of Occam's Broom, and an instructive exercise on the Internet is to look up a new conspiracy theory, to see if you (a nonexpert on the topic) can find the flaws, before looking elsewhere on the web for the expert rebuttals.

"When Brenner coined the term, he wasn't talking about creationism and conspiracy theories; he was pointing out that in the heat of battle, even serious scientists sometimes cannot resist "overlooking" some data that seriously undermine their pet theory. It's a temptation to be resisted, no matter what."

- Daniel Dennett, *Intuition Pumps and Other Tools for Thinking*

JS Comment:

Occam's Broom often shows up in fundamental analysis, when a very important fact (or whole class of facts) is "swept under the rug" to better serve an agenda.

A classic example is the macro-doom argument that America is drowning in debt, the dollar is toast as a currency, and so on. This worldview only works if you focus exclusively on one side of America's balance sheet — the liability side — and literally *completely ignore* the asset side. As yours truly wrote in a recent email conversation:

As for worries about America's balance sheet: They are myopic in the extreme. If you hear a man has $100 million in debt, perhaps you worry about his financial situation. Then when you find out he is Bill Gates, you stop worrying.

America is Bill Gates times a million. Anyone who wants to extrapolate out on America's future debt obligtions, if they are going to be intellectually honest, must ALSO extrapolate out on the incredible embedded earnings power advantages of America's capital base (+70 trillion in household wealth), America's corporate knowledge and knowhow (Google, Apple, Exxon, Intel, IBM, need I go on), America's huge food + energy edges (grain superpower, shale superpower), America's future export *advantages (if the dollar declines, guess what happens to profits on the grain we export and eventually the oil?), America's attractiveness as an asset base (again as the dollar declines, what happens to attractiveness of, say, highly desirable metropolitan real estate?), on and on.*

Oh, and when the biotech revolution happens, and the explosion in benefits from next-gen healthcare advances, guess where the lion's share of that multi-trillion-dollar windfall is going to flow? Which country do you think…

The point is not to revisit a macro argument here, but to demonstrate how misguided a very popular stance is (the USA-doomed-by-debt argument) because it literally (and deliberately) omits *staggeringly* important elements — America's future earnings power, structural advantages, retained resources, and embedded edge sustainability — from the equation.

And of course, Occam's Broom is trivially easy to deploy at the micro-level as well: Just make a bullish case for XYZ stock deploying the half dozen observations that make it sound like a compelling buy, while "sweeping under the rug" the negative element that counter-weights (or completely torpedoes) the bull case.

How careful are you to avoid Occam's Broom in your own analysis? Can you think of instances where you might have fallen prey to it? Do you ever use Occam's Broom subconsciously, or even deliberately, to try and persuade others (or even yourself)?