

WALL STREET'S MAGICIANS AND THEIR TRICKS

Once Again, They Have Fooled You!

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Do you remember the story about “The Emperor’s New Suit of Clothes”? It is a story about the kind of thing which could happen to you, and did happen to most of you living in the U.S.A. today.

If you learned the lesson of that story, many among you should stop being so perversely self-righteous in your complaints against the U.S. intelligence services. Neither the government, nor Wall Street, nor the mass media, could ever have fooled you as they customarily do, if you did not virtually beg to be fooled, exactly as most of you today beg to be fooled into believing, still, even now, in a non-existent economic “recovery.”

For example: Do you remember the origin of the term “magician”?

Do I hear some among you mutter, “Are you trying to explain something to us, again? We wish to be fooled, leave us alone. Don’t try to take our games away; let us be as happily fooled as we wish to be”? If you had cared enough to discover how magicians, now, as then, play their tricks, you would not have voted as foolishly as most of our voters, or non-voters, alike, have done recently. When your giddy neighbor’s hyper-inflated mortgage will be foreclosed, you may then wish you had cared enough to pay more careful attention to the warnings of such things which I had written for you.

If you still believe in “going along, to get along” with

“popular opinion,” you may not win the prize for being the biggest fool on this planet, but, at the least, you are in the running. I explain the fraudulent tricks of “free trade,” which so many of you, have paid the Enron accountants, Fed Chairman Greenspan, or other magicians, to play upon your senses, to fool you as successfully as they have done so far.

First, before looking into the common frauds of today’s accounting practices, I explain the general principles of how the people who fool you, learned how to lead you around by the nose, most of the time, and make you come back for more of the same. And I shall explain, in the course of this report, the essential feature of the trickery by means of which most of you are fooled. That is the trick of inducing the intended victim to believe that he actually knows some nonsense which he, the victim, has been induced merely to learn, as, perhaps, from “looking it up” on the Internet, or “following the news.”

I throw these things at you, not to hurt you, but to call your attention to the life-raft you now need, very much, if you are to survive the *Titanic* shipwreck the economy has become.

1. Who Are the Magicians?

According to the best official sources, that famous fooler known as the cult of Apollo at Delphi, began its operations at that location, as the satanic, snake-worshipper’s religion of Gaea and Python. In the course of time, a strange fellow, named Apollo, is alleged to have wandered in from Asia, chopped the phallic god Python (the snake) into pieces, and then buried the evidence. A bit later, this same Apollo, alleg-



William Hogarth, "A Midnight Modern Conversation."

edly, was seized by a fit of remorse, or, perhaps, triumphalism, and established the temple of snake-worship called the cult of the Pythian Apollo at that gravesite.

From that time, past the time the famous Apollo priest, Plutarch, operated from that site, a silly babbler, called the oracle, produced the symbols, or virtually meaningless jabber, which the attending priests of Apollo, like stock-brokers, would interpret, for the visitors, for a price. This cult of Apollo became the leading private banker of the Mediterranean region in their time, and the model imitated by most among the teachers, professors, financial accountants, and mass media columnists and Sunday morning talk-show hosts of today.

These priests of Apollo were the chief architects of nearly every known bit of major foolishness which the Greeks and others afflicted upon themselves during the relevant times. That same foolishness has been passed down, through the times of ancient Rome, to those modern imitators of the priests of Apollo, who are controlling most of the universities and mass media, and also our government institutions, to the present day. So, the Nasdaq hoax called "the new economy" was

crafted, in the same fashion as the legendary "Emperor's New Suit of Clothes."

If you doubt that, those many of you who have been the sorry victims of the "information theory" hoax, and the like, should know, by now, that my warnings were true. Therefore, you should have understood how the magicians work, and should never be fooled like that again. If you are fooled again, it will probably be that you are like the man who seeks love from a prostitute (and, then, perhaps, afterwards, beats her for pleasure). Or, perhaps, the person who seeks such something-for-nothing as love from a lottery, or a gambling casino, or all such combined. He is fooled, simply, because each such fool wishes to be deceived into any illusion, which, for even a mere moment, "makes him or her feel good." You may be familiar with that feeling.

Among the principal models for those methods of mass manipulation, was a priest-caste which played an important role in the history of ancient Greece, a caste associated with Mesopotamian empires, known as the magi, or magicians. The modern English use of the term "magician" has that ori-

gin. The techniques of the modern entertainer, known as the stage magician, employ principles of trickery which are essentially identical with those employed to empty the pockets, and take the souls, of the majority of U.S. citizens living today. I must emphasize, that this is exactly the same swindle, exposed as a fraud by Carl Gauss, back in 1799, but used, to this day, by the dupes of the hoaxster Joseph-Louis Lagrange, to pretend to reduce physical science to the mere shadowy forms of ivory-tower mathematics.

Take, as an example, the often referenced image of a faker who lures a credulous population into believing that he has, in some way, caused an eclipse to occur. Consider, similarly, the case of the superstitious fool in the U.S. Congress, who seeks riches for his re-election campaign funds, even if it bankrupts his constituents, if he does something which makes the Wall Street magicians happy.

The Secret of Sense-Uncertainty

The most effective way in which magicians and others succeed in causing people to fool themselves, is to say to the intended victims: "Seeing is believing." Or, for example: "See, the market is up today." Or, "I measure success by what I read on the bottom line!" Or, "All the eyewitnesses agreed." Or, "But he had such an honest face!" So, direct the victims' attention to what you wish them to focus upon, give them the sense-experience they wish to believe, and, often, they are easily fooled.

There is a deeper principle of physical science behind the way many people are fooled. It is the principle which separates merely learning from actually knowing. In today's modern world, the simplest way to illustrate that point, is by referring to modern microphysics. No one can actually see, hear, touch, or smell a microphysical reality, such as nuclear radiation, but we can know that radiation exists. It is not merely a matter of objects too small to be seen, even with a microscope. The universal gravitation which controls the Solar orbits, is scarcely too small to be seen, but its efficient existence can not be denied, even by Wall Street.

The secret of the magicians' frauds, ancient and modern alike, was exposed about 2,500 years ago, by Plato, in his dialogues. Typical is Plato's use of what is best known as his parable of The Cave. The argument of that parable is fairly described in modern terms, as the statement, that what our senses show us, is not reality as such, but, rather, something analogous to shadows cast on the irregular surface of the walls of a dimly firelit cave. What we *learn* to perceive, is those shadows; what we should desire *to know*, is the unseen objects which cast those shadows, objects such as universal gravitation, or nuclear fission.

Seeing, hearing, touching, and smelling, are usually the results, registered by our mind, of some form of excitement, called sense-perception, which is induced within the relevant aspects of our biological apparatus. Our senses do not tell us what lies *outside* our skins; by themselves, our senses can do

no better than alert us to sensations experienced *within* our skins. We can learn from such experience; but, we can not actually know what lies outside our skin, except by a different quality of the mind than mere sense-perception. That different quality of the mind is called knowing, or, it were better to use the more precise technical term: *cognition*, a quality of mental life which does not occur in any known living species but individual human beings.

Recognizing the significance of this distinction, between merely *learning*, and the act of cognition called *knowing*, is your only real protection against being fooled in the ways today's U.S. voters, for example, usually are. The essential trick played by the crooked or simply mean-spirited magician, involves getting the victim to become so obsessed with the desire to learn the solution to a problem posed as a distraction, that that victim, at least for that moment, forgets about actually knowing.

The fellow who says: "Don't ask me to work out the solution! Just give me the bottom line! What is the answer? Cut out that long-winded part; I just need the answer!" The fellow peeking in the back of the book for the answer to the problem, is the kind of fool a magician is waiting for. Think of that magician as the spider waiting for the next fly.

For example. A man falls dead after a shotgun blast is heard on the street. The policemen on the case, trying to keep everything neat and simple, arrest the man carrying the shotgun in its case, but, back at the station, are mystified by the lack of any evidence that that shotgun had been recently fired. Then, some wise guy upsets everyone by asking: "What about the plumber, carrying the two pieces of pipe, who disappeared shortly after the incident?" In the interest of keeping things simple, no one had thought to suspect anyone but the man carrying the shotgun. The yelling broke out when the wise guy from the prosecutor's office asked: "Was the man with the shotgun totally innocent of that crime, or was he the decoy, covering for what you thought was the plumber?" In other words: Were the police on the scene set up?

One wonders if the Justice Department, in today's Washington, D.C., would have stuck to its presumption, that the man carrying the shotgun must have been the shooter in the case? In any case, would the man carrying the shotgun have known in advance about the shooting itself, even if he had been deployed by someone behind the killing?

The same blunder was made by the U.S. Justice Department, and others, in the case of the attacks which occurred on the morning of Sept. 11, 2001.

In a plot as sophisticated as Sept. 11, 2001, the blunderers led themselves down a false trail laid for them by the perpetrators. Why did the plotters behind Sept. 11th elect to hit New York first, when they could have hit Washington, D.C. targets, such as the White House itself, first? Remember the trial in the case of the earlier case of the bombing at that location. Was hitting New York in that way, intended to create a trail that would lead simple-minded investigators to the door of

Osama bin Laden, all for the sake of that Brzezinski-Huntington-Bernard Lewis “Clash of Civilizations” war-plan, which has been set in motion in response to Sept. 11th?

Any careful reflection on the known facts of Sept. 11, 2001, suffices to show a degree of sophistication in the operation far, far beyond anything within the reach of the mind of former Anglo-American terrorist asset Osama bin Laden. The word from the top was, that no one wished to hear about such facts. Their minds were made up. They were going to bomb Afghanistan, and wished no facts which might lead to a different suspect. They believed what they wished to believe, and the relevant magician’s sleight-of-hand tricks with the facts, did the rest.

Such is the modern practice of magic.

Back to Plato’s Cave. How can you know not to be fooled?

2. What Accountants Don’t Know

For example, were mankind merely some higher form of ape, the living population of this planet would have never exceeded a bit more than several millions individuals, under the conditions prevalent during the recent two millions years.

Notably, as we can show most readily from study of the factors of technology chiefly responsible for the progressive aspects of demographic changes, during the recent six centuries of globally extended European civilization, this absolute superiority of man over all lower forms of life is the result of two classes of increase of practiced knowledge during those centuries.

The first, is the Fifteenth-Century Renaissance’s rebirth of physical science, after about 1,600 years of decadence under the rising power of Rome throughout the Mediterranean and adjoining regions. The second, related factor, was the parallel rebirth of the principles of Classical artistic composition after 1,600 years of domination of European culture by Romanticism. These two sets of positive changes in the course of European civilization are typified by the work of the Fifteenth-Century Renaissance, as typified by such names as Filippo Brunelleschi, Nicholas of Cusa, Leonardo da Vinci, and Raphael Sanzio.

The evidence is made clearer, by the efforts of the Romantic reactionaries to turn back the clock of history, as under the Habsburg and related Venetian influences expressed during the 1511-1648 interval of horrible religious warfare. The rebirth of the Renaissance, centered around the anti-Romanticism circles of Mazarin, Colbert, Leibniz, and J.S. Bach, and the resurgence of the Classicism of Cusa, Kepler, Leibniz, and Bach with the late-Eighteenth-Century rise of the Classical opposition to the decadence of the British and French Enlightenment, illustrate a crucial point.

For reason of a number of political-cultural and natural causes, the civilization of the Mediterranean region entered a dark age of catastrophic cultural decline, during a period of

centuries preceding and following a point about 1,000 years before the birth of Christ. After a few hundred years, the maritime cultures of what we call ancient Homeric Greece, Cyrenaica, and the Etruscans, prospered under the influence of a revived culture of Egypt. From the time of Thales, Pythagoras, and Solon, there were centuries of net progress in the leading edges of scientific and artistic discovery and practice, up to about the time, 212 B.C., the Romans murdered Archimedes.

The rise of Roman power, during and following the period of the Second Punic War, marked a long wave of persisting cultural degeneration in European and adjoining cultures. European civilization did not reach the cultural level of thought of the science and art of ancient Classical Greek and Hellenistic civilization, until the Fifteenth-Century, Italy-centered Renaissance.

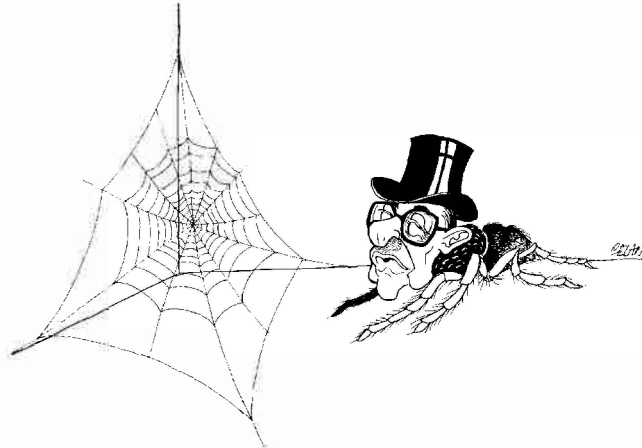
Thereafter, as I have indicated above, although the benefits of the Renaissance persisted somewhat, the period 1511-1648 was a relative dark age of Venice- and Habsburg-dominated, anti-Renaissance evil in European civilization, until the renewed Renaissance centered around Leibniz and Bach, in the aftermath of the 1648 Treaty of Westphalia.

And, so on, and on, the ebb and flow of civilization has proceeded, until now.

To restate and summarize the point so illustrated: There are periods of well-defined ebbs and flows in the progress of the human condition, ebbs and flows which are expressed, notably, in periods of improvements, or stagnation, or even brutal regression in the demographic characteristics of both particular cultures and mankind more broadly. The markers which are associated with such changes, correlate chiefly with two typical, determining factors. These two are, first, the discovery and persistence of forms of scientific and artistic knowledge consistent with discoveries of efficient kinds of universal principles, and, second, the variable degree to which that knowledge either shapes the internal practice of nations and their cultures, or the practice of that knowledge by society, is more or less suppressed. These forms of knowledge are, each and all, of the quality known as knowledge, as distinct from mere learning.

It is those mental processes, called cognition, as distinct from dependency on learned sense-perception, which provide an absolute distinction between the human individual, and society, on the one side, and animal life in general. That is the point of difference between a society behaving as a set of human beings, and a society which substitutes the method of learned tricks, like the tricks of a circus animal or trained dog, for those distinctively human forms of understanding classed under a proper definition of “cognition.”

In point of fact, if we measure changes in the productive powers of labor in physical terms, per capita and per square kilometer, the sole ultimate source of the increase of those productive powers is the application of technologies which are derived from experimentally valid discoveries of univer-



The Chairman is watching you.

Federal Reserve Board Chairman Alan Greenspan. "The fellow peeking in the back of the book for the answer to the problem, is the kind of fool a magician is waiting for."

sal physical principles. In modern society, economic progress occurs as the successful development of agriculture, mining, and manufacturing, provided these are conducted in an environment shaped by very large proportions of well-chosen investment in developing and maintaining basic economic infrastructure.

Among the most essential investments in basic economic infrastructure, is generalized public and higher education, a category of investment chiefly aimed at the portion of the total population between the ages of 6 and 25 years. The ability of a society to receive the discoveries of principle from earlier generations of mankind, to apply those discoveries in a cooperative way, and to generate added discoveries of the same type of quality, depends largely upon the quality of the education delivered to that stratum of the population.

Similarly, the improvement of nature, through large-scale modern forms of transportation, water management, and generation and distribution of power supplies for the society as a whole, is, by its nature, primarily a responsibility of government, not of private enterprise. Yet the relative productive potential of farms, mines, and factories depends absolutely upon that public investment in basic economic infrastructure.

Now, go to the blackboard at the head of the university classroom. Let the fellow teaching accounting or economics show, on that blackboard, how real social profit, an increase in the productive powers of labor, is generated in any society. He can not do it. He may appear to do it, if the students are foolish enough to believe he does; but, if they do, they have been duped by a typical magician's trick.

Hey, Professor: "Show me, on your blackboard, where and how you account for the discovery and application of universal physical principles as the efficient cause for an increase in the productive powers of labor."

If the Professor is a well-trained swindler, he will probably argue that increases in social productivity come about through a kind of frictional-statistical mechanism which he identifies, with a wave of his hand, as "free trade," otherwise

called by many "the magic of the marketplace."

This swindle, of waving a hand in the direction of the blackboard, and claiming that the principle of economic success is all a matter of magic, is the fraud taught as accounting and economics in most academic classrooms and public debates on issues of law-making concerning these subjects today. Little wonder, that the performance of the U.S. economy over the past thirty-five years, especially since August 1971, has been one giant "hand-waving" swindle.

The question which the Professor is ducking, should be reformulated as follows.

"Professor, let's cut out the magic, and stop chattering about 'invisible hands.' Let us get back to the real world. What is the form of action by means of which the effect of growth of productivity, per capita, and per square kilometer, is caused? What experiment might we conduct, some equivalent of a crucial laboratory experiment, by means of which we can prove that that principle of efficient action actually exists?"

"Professor. Give us an example of a typical form of experiment, in which we can demonstrate, here and now, the existence of a cognitive process of the individual human mind, through which we can prove knowledge of something which can not be seen with the senses, but whose efficiency, as a universal principle, can be proven conclusively to the satisfaction of the senses. That, Professor, is what we mean by the kind of principle of action, which you failed to show on the blackboard, a principle without which all that you claim is nonsense."

Take, for example, the original discovery of a principle of universal gravitation, by Johannes Kepler, as reported in detail in his 1609 *The New Astronomy*.

In that case, as in every valid discovery of a universal physical principle, the discovery was prompted by recognition of some crucial kind of self-contradiction in the equivalent of experimental evidence. That is to say, that according to previously accepted definitions, axioms, and postulates,

the evidence confronts us with something which is never supposed to happen, but, does happen, repeatedly. According to the general set of definitions accepted by the followers of Aristotle, Kepler's measurements showed not only that such diverse followers of Aristotle as the astronomers Claudius Ptolemy, Copernicus, and Brahe, were each and all wrong, but that the method of Aristotle was absurd relative to physical evidence. Kepler showed, experimentally, that the planetary orbits are governed by an efficient intention which exists entirely outside the limits of Aristotle's method. The name of that intention, is the universal physical principle called gravitation.

For the discussion of the problems of the U.S. and world economy today, I am using the case of Kepler to define scientific method in general, not only one principle of astrophysics. I am using Kepler as a model of what I mean, scientifically, experimentally, by cognition, rather than mere learning from sense-perception. I do so, because cognition, as Kepler's discovery of gravitation illustrates the meaning of cognition, is the underlying principle of physical action on which successful forms of actual economic processes depend, absolutely, and universally.

I restate the argument as follows.

The progress of mankind, from a potential relative population-density equivalent to that of the apes, to billions today, is entirely the result of a cumulative process of discovery and rediscovery of universal physical principles, that defined as such principles with the same connotations as Kepler's discovery of universal gravitation. The transmission of the experience of reenacting such discoveries, not as mere learning, but as reenactments of the original cognitive process of discovery, from one generation to the next, represents a process of accumulation of such cognitive knowledge. This is human culture expressed at its best. It is the ability of society to cooperate around use of a treasure of such transmitted cognitive knowledge, over successive generations, which is the principle of economic and related forms of progress.

It is a society organized around such cooperation in man's efforts to increase our mastery of nature, per capita and per square kilometer, which defines economic progress in the broadest terms. This is what the typical professor of accounting or economics, simply does not know. He waves his hands, again and again, but is never able to point to any actual principle which explains how an economy actually works.

Whence the Magic?

The essential trick of the magician is best typified for modern settings, by considering two-and-a-half of the most typical swindles practiced by the magicians of our time: Aristoteleanism, empiricism, and existentialism. I describe all three from the standpoint of reference of generally accepted classroom forms of teaching of geometry and arithmetic from a Euclidean or quasi-Euclidean standpoint.

All three systems are premised on blind faith in what

is called "reductionism." Each of these reductionist systems assumes that the universe is best described, in terms of a fixed, arbitrary set of definitions, axioms, and postulates. The usual result is what the Professor displays at the blackboard. These usually include blind faith in the presumption that numbers are originally defined in the form of counting numbers, despite the work of Carl Gauss which proved the contrary.

No principle of universal action is allowed to alter such a system. Thus, on that account, by itself, these three systems exclude any distinctively human quality from the economic process.

Aristotle is typified by the common failures of the astronomies of Ptolemy, Copernicus, and Brahe. Empiricism was introduced as a radical reform of Aristoteleanism, by Venice's Paolo Sarpi. The third system, existentialism, is a derivative of Kant's *Critiques*, based on the denial of the existence of truth. Fascism, as a philosophical-political system is a derivative of the combination of the form of radical empiricism known as positivism with the existentialist denial of truth.

All of these pathological types are implicitly fixed, "ivory tower" (a prioristic) systems, which leave an aperture for the purely arbitrary and mystical. The modern, anti-American system of British political-economy, bases its economic dogmas axiomatically on precisely such mystical assumptions as "free trade" and "invisible hand." Three cases are sufficient for reference here: Bernard Mandeville's thesis that allowing private moral corruption is the generator of the public good, Physiocrat François Quesnay's similar, pro-feudalist doctrine of "laissez-faire," and Adam Smith's doctrine of "free trade" and the "invisible hand."

As I have stressed in other locations, all three of these types have a common origin in the tradition of that neo-Manichean gnostic cult known variously by such names as the Cathars or, in memorable English slang, "the buggers." Typical of all, is the argument of Quesnay, that, since the peasants on the feudal estate are essentially human cattle, the profit of the estate is, by definition, a magical secretion of the landlord's title as such, and no efficient physical cause. There is no difference of principle between this and the pro-satanic argument of Mandeville, Smith's dogma in his 1759 *The Theory of the Moral Sentiments* and *The Wealth of Nations*, or the dictionary-nominalist mysticism of U.S. Justice Antonin Scalia's definition of "shareholder value," or between Scalia and the pro-slavery Locke doctrine of the Preamble of the Constitution of the Confederate States of America.