

Porky Pies

When one of the smallest words in the English language, rarely used in public, incites a vast family of synonyms and metaphors, you know you are dealing with powerful stuff. Even in private conversation, its use can quicken the breath and trigger a physiological change in body language. The word is *lie*. True to itself, the word is ambiguous and awkward to use. To lie. To deceive. To be economical with truth. Like nitro-glycerine, the word is explosively unstable in native form. Calmer, more socially stable substitutes, are generally preferred.

Yet the ability to lie is a very human trait, some might say a defining trait of the species. We speak of dumb animals with affection, as much for their guilelessness as anything, recalling a time when life was simple and pleasures came free. Not that animals and plants can't lie, or even, not lie well. Some

harmless plants make an easy living exquisitely imitating their more deadly neighbours. Deception is rife in the animal kingdom of course: sophisticated camouflage, feigned injury, infidelity, slavery, involuntary adoption, seduction, bullying, treachery, ambush, unpaid debt, entrapment ... Nature's arsenal of measures and counter-measures seems every bit as awesome as modern day technological warfare.

But other species tend to be good liars at just one thing – not being good to eat. When it



Of these golfers, Tom always tells the truth, Dick sometimes, and Harry never. But which is which?

comes to wholesale deceit, nothing even comes close to human beings. Deception is the skill we learn from birth, extend and perfect through play and social intercourse throughout our formative years and beyond. It is also one of the last faculties to desert us in old age. The ability to deceive better, may well have been an evolutionary pressure to evolve a bigger brain. *A liar ought to have a good memory*, is as much a scientific observation as an ancient moral warning. More ominous today, deception is one of the last remaining bastions distinguishing us from our silicon friends, the computers.

Deception is common currency in human affairs, accepted in most countries around the world, an indispensable ingredient in life's daily saga of love, literature, humour, sport, media, crime, detection, commerce, power, espionage, politics and war. Will Rogers' claim that *Income tax has made more liars out of the American people than golf*, is surely not specific to Americans. Nor golfers,

presumably. In game theory, the player who always lies, is just as vulnerable as the player who never lies. The least vulnerable player – the hardest to play against – is the credible liar, the player who lies only sometimes, as poker players and security forces around the world know only too well. If Tom and Harry can't be identified, Dick is safe.

Only when deception proves effectively undetectable, is it valuable as a tactic. Lying at draughts or chess is ineffective precisely because it is easily detectable, not because it confers little advantage. Deception – and equally its avoidance – is the unspoken ticket to high status and reward. We pay judges handsomely to detect it. We pay barristers yet more handsomely to dispense it. When all's said and done, which politician do you vote for, the very good liar? Or the very poor liar? There is a clear statistical correlation between one's status in society and the ability to "plausibly misrepresent". There, just five hundred words and I can't even write it.

How did it all come to this? Philosophers will fall over themselves arguing incomprehensibly at the word's definition. A very good thing too, allowing the rest of us to get on quietly with the job of deciding when it is acceptable to lie and when it is not. If I greet my friend with *Good Morning*, am I lying, if I happen to have a blinding hangover and a wife who's just filed for divorce? When a fast winger sells a dummy, or a bowler sends down a googly, it is apparently acceptable to deceive. They don't get sent off or pilloried by the public. When a Prime Minister deceives Parliament, apparently, it is not acceptable. They do get sent off and pilloried. The problem for most of us seems to fall in the vast spectrum of human interaction somewhere in between.

In arithmetic, given any two fractions, there exists an infinity of distinct fractions between them. In human society, it seems impossible to define an incontestable point on the line from honesty to dishonesty. The defining point

has a tendency to shift, depending who we are and which side of the point we happen to find ourselves. The striker who falls a little too readily in the penalty box; the key dossier that disappears; the formidable memory which fails at a crucial moment; the astute manager who conveniently misinterprets; the dissembling answer to an unwelcome enquiry; the lucrative mistake which goes uncorrected; the state secret that subsumes an inconvenient fact ...

There are some fields of human endeavour, however, where deception is virtually absent, such as mathematics and science. Not that practitioners here are necessarily more honest than elsewhere, more simply that deception proves an ineffective technique. What makes science and mathematics honest is not the integrity of its investigators, but the existence of an accessible arbiter – logic in mathematics and measurement in science. The fallacious theorem in mathematics is prone to simple counter-example; the minutest exaggeration of a conclusion vulnerable to ever-narrowing

limits of upper and lower bounds. In science, theories must be falsifiable – capable of observational rejection. Theories which have no measurable implications are not entertained as science. A theory must also submit to increasingly stringent observational tests over indefinite time, not merely slip through under cover at committee stage. In science, the debate is *never* over: measurement and observation retain indefinite licence to refute.



All this is quite alien to the business of earning a living in the real world. Ambiguity, the more socially presentable cousin of deception, is a major player in human society. Far from being an embarrassing limitation of language, ambiguity aspires to a sought after ideal in sales, marketing, accountancy, management, finance, taxation, bureaucracy, law and politics. Even Attorney Generals have been known, from time to time, to redefine the word. Commerce, of course, has long prospered on judicial degrees of deception – *Let the buyer beware.*

Nowhere, however, has the primitive species *Homo honestus* evolved into such seductive and ruthless creatures, as in the hot sticky jungle of today's global money markets. Gone are the days when high priests of the financial world paid cursory homage to sentiment and morality. Today's mandate is crystal clear. Learn the rules, play the game, make money. Sentiment is for losers. Leave morality to philosophers and social workers. In the

relentless stampede to make money, where seconds equate to fortunes, lumbering beasts with moral baggage go quietly into the night. Today's financial markets are ruthless, efficient and unfettered, free to do what they do best. Make money.

And make money they do, apparently. Millions, billions, trillions of pounds – much more so, than the rest of the nation, which finds itself relegated to a tired sideshow for tourists. But most magical of all, the raw material from which new wealth is created is ... nothing. Modern financial alchemy is so far advanced, fabulous quantities of wealth can now be conjured entirely from thin air. All one needs to harness this powerhouse of financial wizardry is the world's most powerful formula, the mathematical transmogrification of a single key word. The word is *lie*.

Buried deep within the mathematical glitz that adorns today's arsenal of financial

instruments, lurks a simple, age-old sleight of hand:

*A mouth-watering profit can be created,
If an eye-watering loss is relocated.*

Relocated say, on a separate balance sheet, of an inconspicuous annexe, within someone else's accounts. Someone say, not long for this financial world. The jargon and tactics evolve with time of course, that's the creative side of the game, but the bottom line remains. When profits are mouth-watering, balance sheets learn to take care of themselves. No one need break the rules and everyone makes money.

Of course, it's one thing humans deluding themselves, it's quite another thing fooling nature. Nature will find any fallacy, however long and tortuous the paper chase. At some point, newly created wealth must re-couple to the hard-earned realities and social values of the outside world. And it is in the nature of

such things, the longer the deception is played, the greater the final implosion. Each player knows this of course, but while the good sun shines, unspeakably large shed-loads of hay must be made. For when the rainy season comes, and flood waters rise up to carry off the great paper chase, where previously stood a mighty bank will rest but a mysterious great hole.

None of this would affect ordinary mortals of the real world, were it not for another great legacy of the 1980's. Since deregulation, every pot of money for the proverbial rainy day, every savings account, current account, pension fund, premium bond, mortgage contract, insurance premium, health care plan, trust fund – even the nation's gold reserves – every prudent measure for an uncertain tomorrow, has become inextricably coupled to the gyrations and casualties of the global money market. The ruinous shenanigans of today's financial gurus are financed and underwritten by the hard-earned savings of

every prudent citizen. If that were not enough – and now it appears not – through the politiconomic miracle of *quantitative easing*, even our children's future earnings are systematically plundered, in hock, to appease the new masters. A new age beckons. *Let the saver beware.*