

Tales of Unconscious Deception

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On Wednesday ADP tabulated employment figures based on the 400,000 firms that it services and came up with 263,000 new hires in March. That report contributed to two very good trading days. Then on Friday the BLS reported the official government figure – a very poor 98,000 for March, less than half of the preceding two months, making the six months average 163,000, 102,000 less than the six month peak in the middle of 2014. The markets returned very little of its ill gotten gains.

How are those responsible for selling a weak economy as a strong one able to get away with it? Are they expert liars? According to an article by biologist Robert Trivers and psychologist William von Hippel published in the *Journal of Economic Psychology* the most successful deceivers make themselves convincing by first deceiving themselves.

Their conclusion was based on a convoluted online study of 300 subjects who are offered incentives to write about a fictional person either has likable or not. They are offered videos of this person showing him doing nice things and also doing bad things. They can turn off the videos when they please. Those that wrote the most convincing articles about this person focused on just the information that fit their assigned task. If it was to show him as likable then it was off with the negative stuff, in short, they were biased in their use of the data.

The more interesting question is how did these two blockheads deceive themselves into believing that the most convincing articles had to be written by authors who first deceived themselves about their subject matter?

We live in a political and economic system that runs on lies. Because of the pervasiveness of lying polite protocols have been developed to make the deployment of lies as personally acceptable as possible, thereby making them most convincing. Since all of this is the way of the world it would be a matter of extreme ignorance rather than conscious or unconscious deception should they not know they are making stuff up.

Trivers and Hippel are acolytes of that master deceiver Richard Dawkins, the man who transferred his own biases to the poor innocent gene in *The Selfish Gene*. A human body is just the container genes use to perpetuate themselves, and what we think as our cultural advancement is actually a gene-like process embedded in memes – something genes spew out from their robotic containers. Thus, when a human uses the term meme, we at least we know that it's coming from a nonentity.

Even with the lousy jobs report the unemployment rate fell from 4.7% to 4.5%. Surely this means extreme tightness in the labor market and a significant rise in

real wages. It did not. Real wage increase was minuscule. The Labor Force Participation rate remained at 63, about a half point above its 30 plus year low.

The minutes of the March FOMC meeting were released. They were such a confused mess that they could be interpreted any which way – doves and hawks can each ease their concerns. The only new thing is that they plan to unload some of their balance sheet starting in a couple of years. Currently they are reinvesting securities rather than placing them on the market.

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