

## THE BIGGER THE LIES, THE BIGGER THE DENIALS OF TRUTHS, THE BIGGER THE FINAL ACCOUNTING

An article in the February 14, 2002 edition of the Wall Street Journal, titled **CAPITAL: The Calm at the Center of a Roiling Economy** opens by stating: "*The 1990s are looking more and more like an economic mirage.*"

The monumental nature of the Enron Corporation's accounting scandal and corporate fraud is proving to be the culprit snow ball triggering an avalanche destined to sweep everything and everyone before it. The accounting profession represents itself as the paragon of rectitude, but has never been anything more than the mere lackey and stooge of its paymaster, the corporations who are its clients.

Further to the point, corporate and Wall Street insiders have always been more concerned about lining their own pockets and gulling the masses with only lip service to their duties and obligations in dealing with the public. In particular is this the case with respect to their abusive use of the privilege of creating corporations as vehicles for their many schemes and enterprises.

The wizards of Wall Street and their corporate insider compadres have always enlisted the support of the nation's politicians, local, state, and federal in raiding and monopolizing the nation's human and economic resources. After years of getting ever more bolder with their pie-in-the-sky scheming, they have now created a private and public debt mess from which there will likely be no recovery. They have created a world of corporate and governmental off-book, derivative instrument madness which the creators and players no longer understand, or can manage even with hi-tech wizardry, or can prevent from collapsing.

The prosperity of the 1990s was indeed built on a "mirage." The mirage goes back decades earlier, but simply reached its final crescendo of unsustainable illusions in the late 1990s. Who can you trust?

Americans are in an advanced state of denial about the sorry state of all their institutions, secular and religious.

As the magic of their credit-based money/financial/economic system continues to lose its glitze, they will lose their misplaced confidence. They will feel betrayed -- not willing to accept that every citizen shares in the blame as a world-wide credit-money/financial/economic bubble continues to implode around them in spite of the best efforts of the very wizards who created this manic state of the nation to start with. There is much more to fear now than mere conventionally defined and perceived terrorism. Domestic terrorists trained on Wall Street, Madison Avenue, Pennsylvania Avenue, and Main Street and in the best universities have manufactured and planted Credit /Debt Bombs, Pension Bombs, Environmental Bombs, Law Bombs, Agricultural Bombs, Water Bombs, Energy/Power Bombs, Educational Bombs, National Defense Bombs, Corporation Bombs and the like nationwide. Of course, Americans in every community have contributed their "fair share" in implementing all of these bombs to say nothing of their part in creating the nation's and the world's Population Bomb.

These bombs are all ticking. These bombs are already exploding. The progressive and continuous explosions of each of these bombs will sequentially trigger further detonations of the others.

A world-wide deflation is, by all appearances already unfolding in consequence of these various bombs going off. In its early stages, only a few are perceptive enough to recognize

its entry as the world's new center-stage preoccupation and event. Everyone else is oblivious of its onset or they make excuses, to include creating theories to explain away deflation's unfolding features. The events which characterize deflation are always downplayed and explained away. The apologists' theories are only later recognized as fallacious. No one wants to say or hear the D-word -- such is human nature.

But unfolding deflation is the very reason the Enron story has come to light. There will be many, many more of these stories as deflation gathers momentum and central bank money medicine men are no longer able to effectively work their magic. Confusion and chaos will increase.

Survival will require luck and keeping your wits.

Few Americans are accustomed to using their wits, but instead have become lap-dog consumers feeding Pavlovian fashion on the bounty produced by a corporate world which is only interested in them as consumers and could care less whether Americans are able to continue making a living sufficient to support their consumer habits. Nor does the corporate world, nor Americans' so-called political leaders, care whether the people are educated and taught critical reasoning skills necessary to sustain their modern civilization.

Deflation reveals all the short-comings of a society to include its overextended credit-based economy, its casino-oriented bank and financial systems, the failure of its illusions of the Rule of Law and of law and order, and the reality that it's leaders all along were money-grasping frauds only paying lip-service to the nation's spiritual and intellectual development required if it is to prosper beyond the moment.

Regards,

James B. Woods III