

## Biiwii Commentary

**eResearch Corporation** is pleased to provide an article, courtesy of Biiwii.com, and written by Steve Saville.

The article, starting on the next page, is entitled: **“How Falsehoods Become Facts”**.

Biiwii.com was created in mid-2000 solely as a way to help get the message out about deeply-rooted problems about too much debt and leverage within the financial system. The concerns were confirmed and the message proved justified 3 to 4 years later as the system began to purge these distortions, resulting in a climactic washout extending from October, 2008 to March, 2009.

Along the way, a geek-like interest in technical analysis, a long-time interest in human psychology, and various unique macro market ratio indicators were added to the mix, with the result being a financial market newsletter (and dynamic interim updates), Notes From The Rabbit Hole (NFTRH) that combines these attributes to provide a service that is engaged and successful in all market environments by employing risk management first, and opportunity for speculation second.

**But It Is What It Is:** You can access Biiwii at its website: [www.biiwii.com](http://www.biiwii.com).

**Notes From The Rabbit Hole:** You can access NFTRH at its website: [www.NFTRH.com](http://www.NFTRH.com)

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## How Falsehoods Become Facts

By **Steve Saville**

All is certainly not well with the global economy, but you cannot properly make that point using a nonsensical statistic.

The more an invalid piece of information is quoted as if it were true, the closer it will come to being widely viewed as correct.

Here are four examples that spring to mind:

- (1) The claim that there is a severe shortage of physical gold in Comex inventories, making a Comex default likely. This claim seemingly originated at ZeroHedge.com and was ‘supported’ by a chart showing the ratio of Open Interest to Registered Gold. Even though it was never true, the Comex gold shortage story started by Zero Hedge got picked up by numerous gold-focused sites/newsletters and quickly became accepted as fact within a significant portion of the “gold community”. I debunked the story multiple times at the TSI blog, including in the May-2016 post linked [HERE](#).
- 2) The claim that the “science is settled” on the matter of Anthropogenic Global Warming. This claim is ridiculous, because:
  - a) Many scientists dispute the theory that the most recent warming period was primarily the result of human activity.
  - b) The models that were constructed over the past three decades to show what would happen to the climate under different CO2 emission outcomes haven’t worked.
  - c) The science is NEVER settled. Instead, it is constantly evolving as new information becomes available.

Despite being ridiculous, the “science is settled” claim has been quoted so often that many people now believe it to be a fact.

- 3) The claim that the Russian government colluded with the Trump team and conducted operations during the 2016 U.S. Presidential campaign to hurt Clinton, including the hacking of DNC (Democratic National Committee) emails and the leaking of these emails to WikiLeaks. I don’t know for sure that this claim is false, but it is currently not supported by any evidence (WikiLeaks has stated that the emails did not come from Russian hacking). Despite being unsubstantiated by hard evidence and quite possibly being a completely fictitious story, the supposed Russian involvement in Trump’s election victory has now been mentioned so many times that it is widely viewed as confirmed.
- 4) Oxfam’s statement that the eight richest men in the world, between them, have the same amount of wealth as the bottom 50% of the population combined. This statement has been cited in countless articles and is generally considered to be evidence that all is not well with the global economy, but it is claptrap. As pointed out



in [Felix Salmon's article at fusion.net](#):

*“...if you use Oxfam’s methodology, my niece, with 50 cents in pocket money, has more wealth than the bottom 40% of the world’s population combined. As do I, and as do you, most likely, assuming your net worth is positive. You don’t need to find eight super-wealthy billionaires to arrive at a shocking wealth statistic; you can take just about anybody.”*

All is certainly not well with the global economy, but you cannot properly make that point using a nonsensical statistic.

In conclusion, the more that a false statement or misleading number is quoted, the closer it will come to being generally perceived as factual. If it gets quoted enough its validity will no longer even be questioned.

I wonder if there is a lot less fact-checking and healthy skepticism these days, or if it just seems that way.

## Biiwii/NFTRH on the Web

[NFTRH](#) and [Biiwii.com](#) commentary and technical analysis have regularly been published, highlighted and/or quoted at [SeekingAlpha](#), [Investing.com](#), [MarketWatch](#), [Yahoo Finance](#), [Ino.com](#), [TalkMarkets](#) and many more since 2004.

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Biiwii: but it is what it is

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