This is the seventh chapter of "WORDS ON THE STREET" ("Language and the American Dream on Wall Street"). In the published version, these pages appear at pages 249-340.

VII. The WAR of the WORDS and the TRIUMPH of INVESTMENT

The famed investor Warren Buffett notes: "'Many in Wall Street- a community in which quality control is not prized- will sell investors anything they will buy.'" NYTimes, 3/12/01 (pC10)

The investment bank, Bear Stearns, "told investors in its two failed hedge funds that they will get little if any money back after 'unprecedented declines' in the value of AAA rated securities used to bet on subprime mortgages. Estimates show there is 'effectively no value left' in the High-Grade Structured Credit Strategies Enhanced Leverage Fund and 'very little value left' in the High-Grade Structured Credit Strategies Fund, Bear Stearns said in a two-page letter." (Bloomberg News, 7/18/07). A limited partner in one of the funds, Navigator Capital Partners, sued Bear Stearns. "Bear Stearns said it planned a vigorous defense and called the lawsuit's allegations unjustified and without merit. 'The plaintiff is an experienced investment firm and as described in the fund's materials, this was a high-risk, speculative investment vehicle,' Bear Stearns said in a statement." NYTimes, 8/10/07 (pC4)

"What do we mean by 'investor'? Throughout this book the term will be used in contradistinction to 'speculator.' As far back as 1934, in our textbook *Security Analysis*, we attempted a precise formulation of the difference between the two, as follows: 'An investment operation is one which, upon thorough analysis promises safety of principal and an adequate return. Operations not meeting these requirements are speculative.'" (p1)..."In most periods the investor must recognize the existence of a <u>speculative factor</u> in his common-stock holdings. It is his task to keep this component within minor limits, and to be prepared financially and psychologically for adverse results that may be of short or long duration." (p3)..."In our conservative view every nonprofessional who operates <u>on margin</u> should recognize that he is <u>ipso facto</u> speculating...And everyone who buys a so-called 'hot' common-stock issue, or makes a purchase in any way similar thereto, is either speculating or gambling." (p4)..."Since our book is not addressed to speculators, it is not meant for those who trade in the market. Most of these people are guided by charts or other largely mechanical means of determining the right moments to buy and sell. The one principle that applies to nearly all these so-called 'technical approaches' is that one should buy <u>because</u> a stock or the market has gone up and one should sell <u>because</u> it has declined. This is the exact opposite of sound business sense everywhere else, and it is most unlikely that it can lead to lasting success on Wall Street...We do not hesitate to declare this approach is as fallacious as it is popular." (Introduction, p.x). Benjamin Graham, "The Intelligent Investor" (Graham's emphasis)

"But there is only one side to the stock market; and it is not the bull side or the bear side, but the right side" (p36). "The speculator is not an investor. His object is not to secure a steady return on his money at a good rate of interest, but to profit by either a rise or a fall in the price of whatever he may be speculating in" (p122). "Why everybody did not buy coffee I cannot tell you. When I decided to buy it I did not consider it a speculation. It was much more of an investment. I knew it would take time to cash in, but I knew also that it was bound to yield a good profit. That made it a conservative investment operation- a banker's act rather than a gambler's play." (p190). Edwin Lefevre, "Reminiscences of a Stock Operator"

George Best, the famed British soccer player said: "I spent a lot of money on booze, birds and fast cars. The rest I just squandered."

"Treasuries [United States] tumbled, sending the most actively traded two-year note to its biggest weekly loss in at least 24 years, as investors speculated the Federal Reserve may stop cutting interest rates. ....Interest rate traders pared back bets on a rate cut at the Fed's Dec. 11 policy meeting." Bloomberg.com, Top Financial News, 11/16/01

A NYTimes headline on 4/15/00 (p1): "STOCK MARKET IN STEEP DROP AS WORRIED INVESTORS FLEE; NASDAQ HAS ITS WORST WEEK" "DOW IS DOWN 618". It follows with "A Report on Inflation Ignites a Sell-Off—Technology Rout" "Bad Day Ends Bad Week."

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What's in a name? Money's in a name. Words like "investor" sell the Wall Street game to risk taking players aiming to make money and thereby breathe the sweet smell of success.

Wall Street participants as well as economists have long engaged in wars of words as to the proper definition of labels such as investor and speculator. Definitions are powerful weapons in Wall Street's rhetorical arsenal. Definitions guide viewpoints and actions of Wall Street and other economic leaders and followers. They help to lure people to Wall Street and keep them there. Though Wall Street generals express diverse opinions as to how to define investor and investment, some rhetorical formulations have been more dominant than others. Many Wall Street firms and participants, especially those in stock and debt marketplaces, have big financial stakes in winning language fights. Because the outcome of rhetorical conflict has major money consequences, Wall Street's definitional duels are spirited.

The would-be scientists of economics and Wall Street hunger for objective definitions and propositions, yet their ravenous appetite for objective truth only results in their spitting out scientific rhetoric. These aspiring scientists inevitably build castles of natural physical science metaphors and remain prisoners of subjectivity.

Purportedly objective definitions, propositions, arguments, and laws on investment and related topics recall Hans Christian Andersen's fairy tale, "The Emperor's New Clothes". Claims that one is wearing the finery of scientific rationality (or something very much like it) merely cloak one's definitions and arguments with illusory objectivity.

Not every cultural player (observer) believes that objectivity in cultural domains is possible. But a great many embrace this faith. Supposedly objective definitions are crucial steps in rhetorical dances aiming to persuade audiences that an objective (scientifically rational) observer of Wall Street and other economic phenomena is possible. Armies of Wall Street evangelists and economics scholars enthusiastically battle to sell their personal visions as objective, scientific, natural, rational, intelligent, logical, and prudent. These holy warriors weave what they believe are objective definitions of marketplace players and their practices as part of their crusade to adorn themselves with the mantle of the scientific method. They work faithfully and ceaselessly to persuade themselves and the public that there is or eventually will be an objective way (or several objective ways) of perceiving and analyzing marketplace phenomena. Many of these counterfeit scientists attack competitive viewpoints as subjective, or as less scientific (rational).

Everyone knows that cultural communities such as a family, professional group, economic or political unit, or religious faith have values. These values involve concepts of good (right; virtue) and bad (wrong) in an ethical or moral sense. In some circumstances, religious values extend beyond the arena of so-called formal religion. A given ethical scheme perhaps has grades (levels, degrees, hierarchies) of goodness or badness, and it may speak of indifference or neutrality. Values of course can change over time. Some people intend to be bad or deliberately reject the prevailing principles of the society or group within it. However, the majority attempts to think and act in good (praiseworthy) ways, to avoid bad paths, and to persuade others to think and act appropriately. Many rely on leaders and traditions as guides to point out and explain the good, less good, neutral, or bad.

Many words within a given culture or community within it resonate with (figuratively contain) values of good and bad. Within the United States community, the American Dream is good. Money is part of the American Dream, so money in that context is good. Possession of substantial wealth is a good sign of American Dream success. Many outside of the United States may reject parts of the American Dream such as liberty and equality, yet nevertheless may value money as a good objective. To the extent they lust after financial security and wealth, they embrace part of the American Dream's values.

In Wall Street, terms that define participants and their practices represent or suggest goodness, less goodness (or neutrality), or badness. Investor and investment are crucial words in this language battle.

Wall Street, often with the support of economists and the financial media, goes to great lengths to associate investor and investment with goodness. Because most people in a community wish to be good and act good, the various Wall Street campaigns defining the term investor (and related words) often guide the perspectives, strategies, and behavior of Wall Street professionals as well as the Main Street public. Despite a variety of competing subjective definitions of investor and investment, those that see themselves as investors will try to act as investors "should".

Some semantic schemes speak of true (classic, pure) investment. Many doctrines identify various types of investor. In some recipes, financial instruments possess intrinsic investment (or speculative) qualities or grades. Is there a range of good (golden) investment opportunities in equities and interest rate playgrounds? Wall Street hunts for marketplaces that allegedly have an investment nature. Shouldn't politicians and central bankers dutifully promote investment?

In cultural fields, is there true rationality? Outside the domain of genuine natural physical science, some high priests talk of degrees or levels of rationality and irrationality.

In Wall Street, are some investors more rational than are others? If some investments are riskier than others, are purchasers of the riskier ones less rational?

Wall Street definitions of investor and other marketplace players usually refer directly or implicitly to the opposing columns relating to rationality and irrationality discussed in "The Seduction of Science and the Romance of Rationality". As in many other arenas, Wall Street narratives almost always deem rationality, reasonableness, objectivity, logic, intelligence, common sense, and so forth as good. Wall Street rhetoric struggles fiercely to bind investment tightly to the rationality pillar. Generally, as in other fields, the irrational column for Wall Street implies less good or bad.

To be convinced that staying in the Wall Street battlefield is worth the risks, a trader must have faith that it has a very high likelihood of capturing and keeping sufficient money. Some definitions of or related to investor help to foster this belief, especially when packaged as part of the natural physical science rhetoric that much of Wall Street and most economists feed audiences.

Wall Street parades an extensive metaphorical array of words and viewpoints inspired by games, love, war, politics, religion, natural physical science, and other domains. With the assistance of vocabulary imported from these fields, Wall Street pulpits preach persuasively of leadership and expertise, of the goodness of belonging and following. Since these realms have leaders and experts (and as social sciences like economics likewise have authoritative gurus), economic arenas like Wall Street and investment communities within it should too. These eloquent sermons motivate Wall Street dwellers as well as Main Street residents to seek out worthy ringleaders and experts for guidance as to the appropriate- or supposedly best- marketplace definitions, arguments, perspectives, strategies, and actions. Many financial pilgrims are inclined to embrace the opinions of those already possessing prestige, wealth, or both.

The Old Testament Book of Genesis (ch11) describes an attempt by the people of Babel to build a tower whose top might reach to heaven. They spoke one language and used the same words. However, God confounded their language so they could not understand one another's speech, and He scattered them around the earth.

Today Wall Street communities, though geographically dispersed about the globe, obviously share many words regarding marketplace phenomena. We all know that a common understanding of a great number of important terms (such as buy and sell, or stock and bond) is necessary to create and sustain a viable marketplace culture, whether on Wall Street or Main Street. Since players in a given marketplace- whether one of stocks, debt, currencies, or commodities- in numerous respects comprehend each other, they work, cooperate, and trade with each other.

Nevertheless, both Wall Street and economics manifest great range and substantial disagreement between viewpoints as to how to define very significant shared words such as investment and speculation. Even within and regarding the same Wall Street marketplace community- such as that for United States stocks- speakers have significantly different understandings of such commonly used key words. In cultural playgrounds, attachment to similar terms and adoration of a shared goal such as wealth do not create either objective perspectives or true for all definitions. Besides, do economists even agree on how to define economics? No, as later discussion will show.

Suppose people in a given arena agree on key definitions. This is a crucial step toward agreeing how to apply that definition to the phenomena of that field, and thus in creating shared propositions, arguments, theories, and laws. However, consensus alone does not prove that a given definition is objective (scientific).

Genuine sciences (the natural physical science ones) and the scientific method require objective definitions to create scientific propositions, arguments, perspectives, and laws. Dreaming of being real scientists (or very much like them), many economists and Wall Street evangelists yearn to establish true for all objective ("rational") definitions.

Picture any natural physical science at a given point in its scientific history. Though at times a few viewpoints compete, and though scientific revolutions occur, any physical theory objectively must satisfy the scientific method to be part of genuine science. Most physicists working around the same time broadly share a Natural worldview. They also generally agree on the meaning of important shared words such as proton and gravity. Sometimes the accepted meaning of a widely used natural physical science word changes over time. However, definitional disagreement regarding (and evolution of) key natural physical science terms is much less than in Wall Street and other cultural precincts.

Subjective fields cannot escape subjective definitions. Significant, sustained, and widespread definitional disagreement indicates that all viewpoints as to who is an investor, what is an investment, or what is an investment marketplace are opinions. Express or implied claims to the contrary by armies of Wall Street's would-be scientists and their companions in economics and elsewhere are erroneous and misleading. Because definitions of such key economic (financial, business, commercial) words like investor, investment, speculator, speculation, long run, short run, economics, inflation, unemployment, and so on represent subjective viewpoints, the propositions, arguments, and conclusions involving or related to those words therefore are and always remain rhetoric rather than science.

Financial definitions are not divorced from financial perspectives, thought processes, and methods. Subjectivity in definitions reflects and creates subjectivity in propositions incorporating them; subjective viewpoints and methods intertwine with these subjective words and sentences. Differences in personal faith involving such marketplace definitions, propositions, and arguments consequently result in diverse marketplace outlooks, strategies, and actions. "Seeing, Saying, and Herding" and other chapters further show that perspectives, methods, and arguments within and regarding Wall Street and other economic arenas are never objective. An objective application of the scientific method in (regarding) Wall Street and other cultural fields is impossible. Cultural (subjective) rationality and scientific (objective) rationality are entirely different.

Even revered Wall Street rocket scientists and idolized economists cannot demonstrate in the true for all sense that their beloved economic definitions are anything other than rhetorical expressions of a personal (cultural) perspective. Some financial icons at times succeed in giving a scientific veneer to a word such as investor. Such luminaries in good faith may be trying really hard to be, or be like, a natural physical scientist. However, the hopes and prayers of the would-be scientists of economics and Wall Street (and other cultural fields) do not and never will give birth to real science or anything close to it. Therefore, given the absence of objectivity (scientific rationality), the economic word's definition is subjective and its use metaphorical. In the assorted enterprises by economists and Wall Streeters to be scientific (objective) or very close to it, it is irrelevant that speakers do not intend to be subjective or to fabricate metaphors.

Let's start looking at the word investment via the renowned Oxford English Dictionary. The OED (Volume I, pp1477-78) provides several definitions of investment. The first one involves wearing clothes. However, for economic discussions, an investment is: "The conversion of money or circulating capital into some species of property from which an income or profit is expected to be derived in the ordinary course of trade or business." To invest means: "To employ (money) in the purchase of anything from which interest or profit is expected; now esp. in the purchase of property, stocks, shares, etc., in order to hold these for the sake of the interest, dividends, or profits accruing from them." The OED distinguishes investment from "speculation, in which the object is the chance of reaping a rapid advantage by a sudden rise in the market price of something which is bought merely in order to be held till it can be thus advantageously sold again."

Speculation's etymological origin is in seeing and sight, not clothing. "Speculate" (Volume II, p2952) is "To engage in the buying and selling of commodities or effects in order to profit by a rise or fall in their market value; to undertake, to take part or invest in, a business enterprise or transaction of a risky nature in the expectation of considerable gain." The OED adds that to speculate is "to invest (money) in an enterprise which involves considerable risk".

Unless otherwise indicated, the following discussion focuses on physical (spot) marketplace instruments, not on forwards, options, futures, or other derivative instruments. The arguments, however, in most respects also apply to the derivatives. Also, unless otherwise noted, it uses the words "trader", "trade", and "trading" in a value-free (neutral) sense, without reference to concepts of good and bad.

After the long march of cultural history, Wall Street now typically considers stocks, interest rate instruments like government and corporate bonds, and currencies such as the US dollar and British Pound as Wall Street type instruments. Are real estate marketplaces Wall Street instruments (assets)? In regard to both residential and commercial real estate, think of mortgage-backed securities. Given the advent of and noteworthy securitization in the United States real estate domain, at least the mortgage-backed securities fall within the Wall Street dominion. Not only gold, but also commodities such as crude oil and wheat, increasingly are viewed as members of a Wall Street asset class. Historical development of course is not biological evolution or otherwise Natural. Therefore even widely accepted views as to what is a Wall Street type of instrument are opinions. Apart from the foreign exchange perspective, sometimes cash itself is considered a financial instrument. Often, "cash is king".

Claims that speculation is riskier than investment and that gambling is more dangerous than speculation alert audiences that marketplaces have risks. However, such declarations do not prove either that financial risk exists objectively, or that anyone objectively can perceive or determine such risks (and degrees of danger and opportunity) in a true for all (natural physical science) sense. Instead, might all viewpoints related to risk and opportunity be subjective?

The OED definitions imply that investment involves buying, which means ownership. Note property, anything, purchase, hold, derived, and accruing. Establishing a position via speculation may encompass either a purchase or a sale. Note phrases about buying and selling as well as profits from a rise or fall in value.

Though financial experts dispute various aspects of definitions of investment, most of Wall Street and Main Street agree with the historical perspective that links investment with the initiation of a position by buying. The book jacket of Graham and Dodd's "Security Analysis" announces that for over 50 years that text "has been the investment bible". This gospel highlights: "The common goal of all investors is to acquire assets that are at least fairly priced and preferably underpriced. Should such assets become overvalued, the investors' goal is to recognize the fact and to dispose of them" (Fifth Edition, p5). Peter Lynch, in "One Up on Wall Street", though he speaks of short and long term investment, equates investing with buying (see p27). Burton Malkiel's epistle, "A Random Walk Down Wall Street" (p26), is likewise emblematic. It defines "investing as a method of purchasing assets to gain profit in the form of reasonably predictable income (dividends, interests, or rentals) and/or appreciation <u>over the long term</u>. It is the definition of the time period for the investment return and the predictability of the returns that often distinguish an investment from a speculation." (Malkiel's emphasis).

But despite widespread and longstanding traditions, the exclusive link of ownership (buying) to investment in definitions only reflects personal viewpoints, since these traditions are cultural rather than scientific. Note also signs of a minority view regarding how broadly to define investment. For example, some traders stretch investment's definition via their talk of owning or holding a net short position in a marketplace. Some players extend the conventional Wall Street concept of investor to include anyone who transfers money to a professional firm that takes risks in Wall Street financial instruments. Numerous Wall Street institutions persuade the public to invest in (give money to) hedge funds. Many hedge funds and other alternative investment managers engage in short selling, even in stock and interest rate marketplaces.

A given marketplace participant can label itself (or others) however it wants. Yet other observers may have a partly or entirely different perception and assessment of that participant. I may call myself an investor. Others analyzing my risk assessment approach and trading behavior from their vantage points may brand me as a speculator.

Can someone be a speculative investor? Do investors speculate? "Investors" often speculate, bet, wager, and gamble where and how prices will move, and on other future (as well as present and past) economic, political, and social phenomena.

"Comments from Opec ministers in recent weeks have given speculative investors greater confidence that higher oil prices will remain throughout 2005" (Financial Times, 3/5/05, p12). "Big Investors Suffer as Foreign Markets Sour. Investment firms and banks that like to make big bets in the world's financial markets routinely lose millions of dollars here and millions of dollars there on the expectation that taking risks with investments can reap handsome rewards. But in the last few weeks big bets on European and Asian markets have gone suddenly and unexpectedly bad, and the millions here or there have grown to be more like billions of dollars and more, Wall Street investment experts say. " (NYTimes, 3/4/94, pD1)."There may be technical recoveries before Christmas and more fundamentally based ones next year. But it is hard to find investors prepared to gamble heavily on either." (Financial Times, 9/24/90, p. VIII). Gene Marcial, comments in "Secrets of the Street" (p168): "The underwriting procedure is simple enough. The banker matches investors and their money with companies and their craving for that money. The investor hands over cold cash and receives in return a piece of paper. Whether this paper is a stock or a bond, the idea is the same: The investor is gambling on an idea in the hopes of getting a return on the investment."

The frequent entangling (some would say blending) of the language of investment, speculation, and gambling does more than indicate that viewpoints vary as to how to define and apply such terms. Such verbal mixing indicates that objective definition and application of words such as investment is impossible.

The NYTimes headlined that a very successful and renowned computer firm, Microsoft, "Gambles on a Strategy to Provide a Broad Array of Computer Services" (12/18/00, pC5). Suppose an entrepreneur or corporation engages in too risky, gambling, or irrational behavior. Are shareholders or bond owners in the enterprise that call themselves investors actually speculators, gamblers, or worse?

Must investors participate only in physical marketplaces? Coaches disagree. Many firms that purport to invest employ- for other than hedging purposes- financial instruments such as futures, options, swaps, and other derivatives that others criticize as speculative or gambling.

Pundits disagree as to whether Wall Street investment can only be in stocks or interest rate vehicles. Suppose a money manager initiates a long position in a commodity such as crude oil. Is this an investment or a speculation? What if the player intends to hold the position for a long time? Suppose the commodity is a small part of a large portfolio that includes equities and bonds. Textbook definitions are ambiguous and thus do not resolve the issue. Note the "anything" and "etc." in the OED investment explanation. Wheat held in storage accrues profits if the price of wheat rises. Also, commodities are not inherently more risky in price movement terms than securities. Commodities in principle and practice may rise and fall substantially in price. So may and do stocks. What is risky and substantial, and according to what standard? Who determines this? Do they reach a definitive solution via an objective method? Commodities do not pay dividends, yet neither do all stocks.

Suppose a Wall Street firm bought physical assets such as oil tankers or power plants to hold for the long run. Are these acquisitions intrinsically (objectively) speculative?

All traders who purchase a Wall Street financial instrument as an initial position expect some return. Otherwise, they would not buy it. Are they all investors? Picture a stock. For it to be an investment, who determines whether and how much profit should be expected (and according to what principles is this determination made)? Is it the participant, a famed Wall Street sage, or some hypothetical reasonable person? Does it matter if a loss is possible? Wall Street marketplace experts and leaders (and their disciples) may and do vary in their expectations and assessment methods. In addition, Wall Street ceaselessly debates the true value, natural price, central tendency, and equilibrium price of a marketplace. As "reasonable" expectation as to profit is an opinion, so are views as to whether a position is an investment or not.

Numerous Wall Street rocket scientists, generals, and wizards that initiate positions from the long side in stocks, debt instruments, currencies, and commodities employ leverage or transact actively. Yet quite a few of these traders define and market themselves to others as investors. Nevertheless, many people say that such money, asset, and portfolio managers are speculators.

How relevant is someone's overall trading experience- including that in a particular marketplace- in assessing whether that warrior is an investor, speculator, or gambler? Imagine a veteran with 30 years of generally profitable trading history in US equities. Suppose it studies a particular equity marketplace closely and then decides to sell it short. As a matter of Natural law (genuine science), is this person objectively taking greater, the same, or less risk than a trading tenderfoot that decides to buy and hold stocks for the long run "because it feels right and everybody's doing it"?

In "The Magnificent Seven" (John Sturges, director), the gunfighter Harry Luck says: "A dollar bill always looks as big to me as a bedspread." Regarding the definition of speculation, a considerable gain or risk to one person may not be so to another. Suppose a price moves from 50 to 55 in a month. Is considerable based upon arithmetical or percentage considerations? Should one annualize price changes?

One hears diverse opinions as to what "property, stocks, shares, etc." are of investment quality. Inside or outside of Wall Street, does any class of goods have an objective investment character? No. Marketplace instruments do not possess an investment (or speculative) "nature" in the objective (scientific) sense. If someone borrows money to buy a house, are they investing or speculating? Is a home or other real estate an investment according to a rational Natural law? Is ownership of highly rated securities based upon home mortgages intrinsically an investment? Are these ratings established scientifically, or are they merely subjectively?

Art dealers popularize works of art or fine art (however defined) as investments. What else has been proclaimed to be an investment? A Bloomberg article (5/10/07) headlines: "Wine Funds Post Big Gains From Investing in Blue-Chip Bottles." In 2006, Miles Davis co-founded a 2.5 million pound (five million dollar) London-based Fine Wine Fund. He aims for $100 million in assets. "'Wine as an alternative asset class is gaining ground…We're still in the early days.'" The article says "investors are starting to eye fine wine not just as a luxury product but also as a place to park serious money and watch it grow." Remember the appeal of the Fine Violins Fund. The Financial Times (5/24/07) notes this hedge fund investing in old violins has been pledged $11 million- the latest sign that investors are willing to put money into assets which were previously the domain of collectors and enthusiasts. Interestingly, these two articles appeared not long before the subprime financial crisis broke out in summer 2007.

Can any item become a fashionable investment? Main Street merchandisers buy and sell material goods from diapers to dishwashers. Admittedly, Wall Street probably will never start dishwasher funds. However, are such Main Street goods an investment or inventory? Some say shopkeepers invest in a business, and that they invest in inventory in order to run that enterprise. These mundane retail products are a species of property from which someone intends to make money in the ordinary course of business. Are they too disposable to be an investment? Many Wall Street banks and investment banks hold stock and bond inventories. Like Main Street retailers, many Wall Street dealers (and some of their clients) turn over their securities holdings quite frequently. JP Morgan Chase's "Annual Report 2009" (p7) states: "We execute approximately 2 million trades and buy and sell close to $2.5 trillion of cash and securities each day. On an average day, we own, for our account, approximately $440 billion in securities- to us this is akin to the inventory of a store." Stocks and bonds usually last longer than most retail items. However, consumers use (derive benefit from) some durable goods for many years.

Anyway, let’s focus further on investment and speculation in relation to classic Wall Street type instruments such as securities. Disagreements as to how to define investment and speculation remain. Substantial ambiguity within particular definitions persists. How can investment theories or practices be truly scientific if people cannot agree on how to define investment? How can speculative doctrines and methods be even close to scientific if leaders cannot agree on the meaning of speculation?

“What goes into” a cultural definition is not a matter of science. In cultural fields, in the establishment of any definition of key words such as investment, speculation, economics, and politics, the definition’s creators “fill in the blanks” for the term via subjective selection of assorted variables. This “filling in the blanks” also occurs in the subjective formulations of relationships (associations) between cultural terms. Even if many cultural definitions include the same or similar variables (or entail similar considerations), the relationship and relative importance of these variables within any definition is subjective, a matter of faith rather than science. The various associations of variables within a cultural definition (and between definitions in culture) involve reasoning chains. However, think of what many religions call a “leap of faith”. These cultural reasoning chains (including the creation of cultural perspectives) involve filling in the blanks, stretches, jumps, and leaps that are not scientific (objective). More on this cultural reasoning follows in later chapters.

In contrast, real scientists like physicists, chemists, and biologists not only objectively define their terms, but also agree on what Natural phenomena objectively fall within the scope of a particular term. Having defined what a bird is, the biologist identifies creatures that satisfy the definition. Assuming this classification for birds, the reptiles, primates, insects, and so on belong elsewhere. Chemistry defines what an element is. Recall hydrogen, carbon, oxygen, and other members of the periodic table. Not only are there various individual elements, but also a basic element is not the same as a chemical compound.

Moreover, how can investment principles or strategies be genuinely objective if observers (including so called neutral or outside ones) do not agree in their application of the term to particular situations? We can ask the same question regarding speculation.

Since Wall Street phenomena- including economic risks- are cultural, since cultural words are subjectively defined, observers differ in their viewpoints in actual marketplace practice as to the appropriate application of the investment and speculative labels. Are all stocks- or all debt, or all currencies- investment arenas? Some on Wall Street would like them to be so considered. However, not everyone agrees with this viewpoint. Some wizards that promote US stocks as investment grade assert that those of emerging marketplaces are speculative. Though sovereign debt is government backed, players disagree whether that of an emerging marketplace is an investment. Many within the US stock investment community do not believe that all American equities are of investment grade. Some assert that many new issues or low priced ("penny") stocks are speculative or gambling instruments.

Such diverging opinions relate not only to different marketplaces, but even to the very same marketplace or financial instrument within it. Yes, two intelligent, rational, logical, experienced Wall Street gurus really can and do disagree as to whether a particular equity is an investment (or a speculation). In addition, opinions as to the so-called investment character of a marketplace or financial instrument change over time.

Some authorities classify Wall Street marketplaces according to their supposedly objective investment nature, character, or essence. Some gurus perceive combinations and compounds of investment and speculative traits, elements, or aspects in marketplaces. Other fairy tales create purportedly objective marketplace hierarchies and grades. Expert bond biologists and chemists attach tags such as AAA, AA, A, BBB, CCC, A+, A-, and A1 to trading vehicles. According to these classifications and ratings, some marketplaces and particular financial instruments within them are more of an investment (or more speculative) than others. There surely are various families and species of investments. One should note the various instruments along the investment spectrum.

Such complicated classification issues and schemes relating to investment and speculation enable Wall Street investment experts to offer their leadership to others. It seems sensible to trust in navigators who understand these complex and challenging waters.

Is there a scientific line indicating where investment ends and speculation begins? No. Is there an objectively clear division between speculation and gambling? No. What about between investment and gambling? No. Anyway, some high priests declare that investments vary in quality. Yet even experts quarrel regarding the investment quality of a given marketplace or instrument. According to what criteria should one determine quality hierarchies, whether between marketplaces or regarding financial instruments within a given playground? Are such criteria (and their application) scientific? Wall Street debates whether junk bonds (low grade corporate issues) are investments, as well as to where to rate them on the investment ladder. What about those lovely securities based on subprime mortgages? Do they have a Natural place in the investment ranks? Are blue chip stocks the only true equity investment, or are there other relatively worthy investments? What makes a particular entity a blue chip one? Is there anything

Natural that objectively makes a given equity a better investment or less of a speculation than another?

Suppose several Wall Street evangelists bless a number of equities as top grade investments and classify several other stocks as speculative. Assume a trader purchases not only many blue chip stocks, but also tosses one or more speculative stocks into its equity basket. Is its entire portfolio of longs less of an investment or tainted as speculative? Who determines this and according to what objective guidelines? Or, suppose someone gobbles up a diversified portfolio of United States penny stocks or junk bonds after they had fallen over fifty percent in price in a fire sale atmosphere. Would diversification overcome the gambling or speculation labels that many investment guides pin to such marketplaces and individual instruments?

Natural physical science type phenomena have an unchanging objective nature (essence). If an equity or interest rate marketplace or instrument has a scientific (Natural) investment character, why do Wall Street opinions about whether it is an investment change over time? Why does a given trader or other observer alter its view as to whether a particular financial instrument is a good (or bad) investment?

Armchair quarterback hindsight as to whether a marketplace position "really" was an investment, speculation, too risky, or a gamble merely reflects personal opinions. Hindsight does enable some nimble would-be scientists to amend a previous allegedly objective conclusion as to whether a particular marketplace was an investment (or speculation). As retrospective marketplace analysis and labeling always is subjective, these historical exercises never unearth scientific truth.

Marketplace phenomena, including subjective perspectives regarding marketplaces, change- sometimes significantly or rapidly. A wide variety of data, evidence, and factors influences opinions as to whether a marketplace, marketplace sector, or financial instrument is an investment, speculation, or gamble. Observers differ as to which facts and considerations are important and how to assess them. Even regarding the same financial instrument, a given player (observer) may change its outlook as to what information to select and how to interpret it.

Many Wall Street experts and their followers at a point in history may agree that most or all of the 30 stocks traded in the Dow Jones Industrial Average really are investments. A consensus of opinion, even of marketplace icons and respected rating agencies handing out grades of A's and B's, nevertheless does not create a natural physical science (or science-like) phenomena. Weren't most American mortgage securities worthy, good, reasonable investments (or at least some species of investment) prior to their price collapse during the subprime housing disaster of 2007 and subsequent years? Once upon a time many called the US equity marketplace, and even the New York Stock Exchange, dens of speculation. Corporate bankruptcies and defaults on securities obligations, both in the United States and overseas, litter financial history. Particularly during the infancy of new industries- whether petroleum, automobiles, or the internet- many firms die off, with their share owners- including those calling themselves investors- losing money.

Suppose a trader buys the same bond or stock, once near a so-called bottom, another time near a top. Was the position an investment at the valley but a speculation at the peak? Is the objective nature of the instrument changing all the time, or are opinions of one or more observers varying? As "Seeing, Saying, and Herding" underlines further, phenomena such as Wall Street price highs and lows are culturally- not scientifically- perceived and evaluated. Whether a price move is small or substantial, or important or unimportant, also is subjective.

At marketplace lows for United States equity benchmarks such as the S+P 500 in 1974, 1982, 1987, March 2003, and March 2009, was ownership of US common stocks investing or speculating? What about one month (or more) before the low, or six weeks (or some other period) after the trough? Was ownership of so-called investment grade American stocks during the first quarter of 1987 (several months before the crash) an investment, or at the plateaus of early 2000 or October 2007?

Not every beloved stock began its trading history as a sexy investment on most Wall Street recommended to the public lists. Many current darlings were once ignored or called speculations or gambles. At what point does a security magically become an investment, if it does not start out as one? An American stock, Cisco, traded for one dollar a share in 1990 (after adjustment for stock splits) and then rose to 80 dollars a share about a decade later (3/27/00 close; high that day 82). In 1990, not everyone- and probably not even a majority of soothsayers- heralded that stock as an investment. Did the magnificent rally make the 1990 purchase an investment rather than a speculation? After a substantial price increase, many Wall Street preachers tell themselves and their audiences that a financial instrument is an investment.

Many cheerleaders for various internet dot coms called these equities investments as their prices soared higher up to early 2000, but speculations as they subsequently were smashed and became financial “dot comas”. Suppose a player bought Cisco for the first time in 1999. The price fell under 10 in autumn 2002. Was its 1999 purchase a speculation rather than an investment? Did the stock miraculously change its objective "nature" as an investment and mutate into a speculation? No. Only opinions about the equity changed.

As prices for many banking and investment banking stocks rallied into early 2007, most gurus happily labeled them as investments. Then the subprime debacle and related phenomena crashed the party. Bear Stearns is an extreme yet instructive case. Its January 2007 pinnacle was over 170 dollars a share. By first quarter 2008, the stock had been hammered down to less than 10.

Was highly rated subprime mortgage debt an investment in early 2007, before the economic crisis arrived onstage? Most of Wall Street and its friends said it was. Is sovereign debt- including that of America, European nations, Japan, and China- objectively a good, rational investment? However, suppose interest rates in the given nation spike sharply. Also, what will foreign owners of US interest rate securities say if the US dollar depreciates rapidly and significantly?

Suppose a price reaches what some Wall Street natural physical scientist calls the natural price or fair value. Is it an investment if the price moves above this magic level? If so, how far does this worthy vehicle have to travel to become speculative or a gamble? Also, assume an instrument marches to what some wizard calls an unreasonably high price. Yet people presumably had reasons for paying the elevated price. Suppose that prior to a murderous price plunge, one bought what numerous prestigious and influential Wall Street firms deemed investment grade US stocks. Could this supposedly rational acquisition instead be irrational, unintelligent, or manic? Can observers objectively use the scientific method to demonstrate which marketplace reasons are better or more rational?

Does a price swoon objectively make a financial instrument a risky speculation or a gamble, whereas a price rise makes it a good investment? Surely one cannot reasonably declare that all profitable trades and open positions are investments, whereas all the losers are speculations or gambles.

Hindsight wisdom regarding the application of a subjective definition of investment sometimes enables a clever investment professional to trumpet that the instrument or marketplace "really was an investment" at a low price at some distant past time. This lyrical rhetoric permits the Wall Street guiding light to point out the terrific return on that investment since the dawning of that excellent opportunity. "Damn, look at the price now. What a great investment opportunity that was!" This propaganda helps to persuade the public of the goodness and rationality of investment. The reverse argument sometimes emerges after what the expert or its faithful follower views as a big price drop. The high priest then eloquently warns of the so-called speculative nature of that marketplace, or of the dangers or evils of speculation or excessive speculation or marketplace gambling (as opposed to investment).

This method of backward looking labeling does more than promote investment. From the given subjective perspective, it underlines past, current, and future opportunities and dangers facing investors (and speculators). Thus it underscores the benefits of relying on Wall Street expertise, not only to seize opportunities and make money, but also to prevent or minimize injury. Fidelity Investment's advertisement informs us: "Having Fidelity professionals manage your money could relieve you of the anxiety and time demands of monitoring the markets and your investments." Their "team takes a personal approach, matching your goals, financial situation, and risk tolerance to a diversified, actively managed portfolio of mutual funds….So do the smart thing and call today for a complimentary investment consultation. Then relax and let us do the work." (NYTimes, 3/13/08, pA10). Doesn't "smart" make readers also think of words like intelligent, reasonable, and rational? Recall the educational and entertaining metaphors imported from games, love, war, politics, religion, and natural physical science designed to encourage faith in Wall Street expertise and leadership.

Wall Street monarchs offer a variety of competing opinions as to the types of investor within Wall Street. This disagreement also indicates the inescapable subjectivity of the concept of investment and propositions, arguments, and theories related to it.

Personal prejudices that define "the" investor (and others such as "the" speculator and "the" hedger) or that identify and distinguish investment species vary. Though authorities quarrel as to the relevant variables (and the relationships between these variables) that define investor, some purists believe there is only one true (real, genuine) investor. Yet one also hears of various breeds or new breeds of investor. How many are there? Do any financial zoologists objectively brand them? Recall that the aspiring but nevertheless phony scientists of economics, Wall Street, and other cultural domains enjoy objectifying cultural phenomena so those phenomena seem objectively "out there" apart from the observer's perspective. Investors perhaps are long term or medium term or short term, fundamentalists or technicians, New Era or classic or value or traditional or growth, aggressive or defensive, and so forth. Some manufacture hierarchies of investor and investment derived from supposed marketplace risk or trader intelligence and rationality. Are there risky, unintelligent, less intelligent, or less prudent investors? Are these really just speculators or gamblers?

The diversity of subjective definitions of investment and investor spawns numerous breeds of friendly investment experts. Some specialize in servicing particular species of investors (imagine a long term investor). Though even securities marketplaces and instruments within them have no objective investment (or speculative) nature or grade, some wizards concentrate on particular marketplace corners of the so-called investment world. Picture the attention paid to the US stock battlefield and various sectors within it. Similarly, an assortment of professors of speculation (and hedging and risk management) promotes and peddles a range of wares.

Graham and other generals nobly battle to attach words like fundamental and long run to the investment banner. Like investment and speculation, marketplace terms such as fundamental and long run are incapable of objective definition or application.

Concepts of marketplace strategy do not generate an objective definition of investment or speculation. There are a variety of fundamental and technical sects, and these represent an array of perspectives regarding how to place price and other marketplace phenomena in context and how to take and manage risks. Are fundamental perspectives and methods regarding valuation or supply-demand intrinsically necessary for one to be an investor or to engage in investment practices? Neither fundamentalist partisans nor anyone else has ever proven this as true for all according to the scientific method, even for the US equity marketplace or what many proclaim as an investment grade instrument. Why disqualify technical methods such as chart reading or moving averages? Is the fundamentalist an investor, whereas the technician is not? Opinions vary. The OED definitions do not distinguish between strategies. Technical traders, like fundamental ones, expect profits. Some technicians maintain their stock and bond holdings for the long run, and some fundamentalists do not. "Technical Analysis of Stock Trends", by Edwards and Magee, explains "the technical approach to trading or investing" (p6). Like Graham and Dodd's "Security Analysis", which stresses the merit of fundamental decision making, "Technical Analysis" has sold several editions over many years.

Who defines or proves that a given fundamental, technical, or combined fundamental and technical strategy objectively has an investment (or speculative) character, nature, or essence? Whether given marketplace phenomena are fundamental (or technical) reflect opinions rather than genuine science. Apparent differences between fundamental and technical perspectives and methods are not black and white. They reflect cultural views. Fundamentalists, like technicians, stare at numbers- sometimes including the price- in the context of time. Think of a 10 year review of corporate earnings or price/earnings ratios. Technical titans do not necessarily restrict their numerical analysis to prices.

Technicians employ charts and graphs. Yet many fundamentalists are wedded to charts and graphs. Fundamentalists sometimes analyze numbers such as consumer prices and equity price/earnings ratios via technical methods such as moving averages and line drawing. One can chart so-called fundamental information such as price/earnings ratios as a series of separate data points, or as a moving average, or against a view of the price movement of the stock itself. Do such charting techniques transform the worthy fundamental investor into a speculator? Or, if fundamental traders embrace so-called technical methods, are they hybrid creatures such as speculating investors or investment speculators? Are they unintelligent or less rational investors?

It is a truism that all prices are mere numbers. Are all prices of equal importance? Most technicians are not outwardly devoted to concepts like true value or natural price, so beloved by many of the fundamental classrooms of Wall Street and economics. However, other technicians, often armed with faith that their approach is objectively scientific, choose a time horizon to establish an opinion as to a mean, normal, or typical price or price range. Therefore fundamentalists and technicians often speak a similar language in this context. Regardless of whether the key price is a natural price, fair value, statistical mean, target, support, or resistance, both camps speak of prices being too high or too low, of overshooting and undershooting, and so forth.

Significant and sustained differences in marketplace practice in the choice and application of strategies and the selection and use of variables underlines that viewpoints, arguments, and conclusions expressed regarding them and related definitions are not objective. Not only are there long lists of fundamental and technical strategies. Traders apply a given general approach in different ways, even for the same financial instrument.

Which fundamental or technical variables are relevant and why? Subjective diversity in marketplace definitions and strategy is reflected in the great variety of subjective viewpoints and choices regarding marketplace variables. According to what principles does a trader or other observer select and assess information? Does selection or omission of particular evidence objectively make someone an investor, or disqualify them from that honor? The would-be natural physical scientists of Wall Street and economics have not demonstrated objectively that choices between variables scientifically determine whether the trader is or is not an investor (or some type of investor). Does a particular trading method, or the picking of or emphasis on one or more facts, make someone an intelligent or rational (in the scientific sense) investor? There has been no hard science type proof of this. Is that player more rational, reasonable, and logical than other marketplace participants? The objective scientific method has not shown this either.

No Law of Nature mandates that someone must own a financial instrument for an extended period of time- or at least intend to do so- to qualify as an investor. Wall Street definitional doctors wedded to a concept of the long term as an investment dogma lack scientific proof of their enthusiastic contentions. Neither long term- nor any other duration- Naturally inheres in investment. Corporate equities may have a theoretically indefinite life. That still does not require that we must grasp a given stock for a long time in order to be an investor.

Even little kids know that ten years is longer than 10 days. Of course traders look at their watches. Nevertheless, the perspective of a real scientist or others regarding Natural time is not that of a cultural participant (observer). Within the trading territory as in other cultural battlefields, no natural law determines what the long, medium, or short term is. What is a long, intermediate, or short run economic period is a matter of opinion that depends on the observer's perspective.

Some scholars pronounce that two years is a short time to own stocks. In Wall Street, does five years or more equal a long run? Yet one year is an extended period for many participants. Many traders conclude that two months is a long time when prices of their stocks slump 20 percent in two months. Even two weeks is a long duration for some- picture a day trader.

Assume a trader initiates positions from the long side and diligently studies so-called fundamentals, yet maintains ownership for relatively brief periods such as a few days. Many such traders deem themselves speculators; yet some believe they are investors. Some observers call these traders speculators, but others honor them with the investment medal. Most entrepreneurs on Main Street and beyond say they invest money in their business. Yet do all such investors intend to engage in commerce for the long run? Not all do. Some want a fast buck.

Similarly, what is an ordinary course, rapid rise, rapid advantage, sudden price movement, considerable gain, or risky nature? Is there any last word, an objectively reasonable view, on such issues? Assume someone owns only one stock, a US equity rated investment grade by experts. Is he or she an investor? Must someone own a properly diversified portfolio to avoid the tag of speculation? Not all traders (or other marketplace observers) view diversification in the same fashion. Besides, what is proper diversification? Willie Gingrich, an attorney in the movie "The Fortune Cookie" (Billy Wilder, director), declares: "Well, when it comes to investing, the big trick is diversification. You put a little money into uranium stocks, a few oil wells in Montana, some real estate in downtown Phoenix." Whether or not one's risk or gain or loss from trading (or investing or speculating in) a single item (or marketplace sector) is not objectively (Naturally) more or less than trading several instruments.

Variables such as leverage (margin), marketplace liquidity (ease of entry and exit over a given time horizon), and trading frequency may be helpful guides in personal evaluations regarding marketplace definitions and risks. But note that many securities regulators and exchanges promote investment, yet permit persons to buy so-called investment grade stocks on margin. Not everyone declares such margin trading is speculation. How much leverage makes a position speculative? Does it matter if an all-star has 25 years of successful experience in the stock game and studies corporations and other marketplace phenomena "thoroughly"? Suppose several Wall Street rocket scientists declared the stock extraordinarily cheap or truly undervalued. Would some leverage automatically bar a buyer of that stock from membership in the investment club?

Everyone knows some marketplaces have more participants and trade greater volume than others. There's more money at the crude oil table than the orange juice one. However, liquidity definitions vary. In addition, what seems liquid or illiquid to one trader is not necessarily so to another. Liquidity perspectives vary according to considerations such as position size and the time horizon desired for marketplace entry and exit.

It is a truism that two trades a week is less than 20 deals a week. Also, if one pays commissions or other transaction fees, the more trades, the greater the cost of doing business. Such facts do not create objective definitions of investment or speculation. Marketplace observers (participants) disagree as to what is frequent, occasional, or rare trading. Extremely active traders are trading "demons". Risk taking perspective and strategy influence opinions as to what is a little or a lot of transactions. Compare a short term stock owner with a cheerleader for the buy and hold for the long run camp. Besides, if one is right much more often than one is wrong, frequent trading may hike profits. Alternatively, suppose someone owns a portfolio of stocks and elects to trade infrequently, if at all. Is this participant still an investor if prices suffer a 50 percent crash?

In theory, a trader that does not own an instrument it sells risks unlimited loss since it may be unable to offset its position. From this standpoint, the short seller's risk of infinite loss is greater than that of a buyer who fully paid (no leverage) for the instrument. The buyer obviously can lose only the amount spent. Some investment kings conclude via a leap of faith that therefore all short positions are speculative. Such pronouncements do not make their definitions and propositions genuinely scientific. Some opinions regarding speculation do not view theoretically unlimited loss as intrinsic to its definition. In actual Wall Street practice, players and observers disagree as to the degree of risk of being long or short a particular instrument at a given price, or of being long or short a designated portfolio of instruments. Does calling all shorts speculative make all long ones investments, or only some of them? Who determines this, and do they do so according to any objective application of the scientific method? Even if an investment luminary proclaims purchases that risk a small capital loss speculative, that does not make its definition objective.

The Assistant Secretary of the US Treasury, Anthony W. Ryan, states: "The Prudent Man Rule was established by a Massachusetts court decision in 1830 in which trustees were directed to 'observe how men of prudence, discretion, and intelligence manage their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income, as well as the probable safety of the capital to be invested.' The standard has evolved over time as prudent man became prudent expert, and income and safety expanded into return and risk, but after almost two centuries, the principle still resonates." ("Remarks before the National Association of State Treasurers", 3/10/08).

As they were devised by an American court over 275 years ago, the Prudent Man (Expert) Rule and its expositions reside within cultural history, not Nature. The Prudent Man definitions and principles and arguments related to it consequently are subjective, not objective. Keep this Prudent Man Rule (and the reasonable person ideology discussed in "The Seduction of Science and the Romance of Rationality") in mind when reading comments related to investment, speculation, and intelligence by Benjamin Graham and other aspiring scientific rationalists. Legal principles such as the Prudent Man Rule are helpful, but that does not make them objective (rational in the hard science sense). Graham's approach has aided many traders and analysts, but this assistance does not make his opinions or methods even partly objective.

Graham's "The Intelligent Investor" invents the margin of safety concept as part of his rhetorical campaign to clearly distinguish an investment operation from a speculative one. This famed oracle declares that speculative decisions rest on "subjective judgment, unsupported by any body of favorable evidence or any conclusive line of reasoning" for a supposed safety margin. "By contrast, the investor's concept of the margin of safety...rests upon simple and definite arithmetical reasoning from statistical data...Thus, in sum, we say that to have a true investment there must be present a true margin of safety. And a true margin of safety is one that can be demonstrated by figures, by persuasive reasoning, and by reference to a body of actual experience" (p283).

The Graham faith reveals its natural physical science pretensions in allusions to the scientific method. It loves bodies, numbers, and formulas. Note talk about the body of favorable evidence, body of actual experience, and especially the simple and definite arithmetical reasoning from statistical data, demonstrated by figures, and conclusive line of reasoning. Remark the implied conflict between subjective judgment and the good, objective judgment.

Despite his quest to create the aura of objectivity, Graham elsewhere states: "the future of security prices is never predictable" (p6); "only rarely can one make dependable predictions about price changes, absolute or relative" (p10). Consequently, what use is the margin of safety concept? Unpredictability implies not only that prices may remain the same or go up. They also may keep going lower and lower, even down to zero.

Anyway, no objective true margin of safety or true investment exists. When cultural players reason differently, they act differently. Doesn't this suggest that views on risk (safety;

probabilities) are subjective? What Wall Street engineer, mathematician, biologist, chemist, or physicist has ever identified once and for all the speculative and investment components allegedly inherent in the price of a given financial instrument? In marketplaces, people disagree as to how to define safety and on how much safety (what degree of risk) is present. At any particular point in time, even experienced marketplace observers do not universally agree that owning a given financial instrument is necessarily an investment (or a good, wise one). Ponderous incantation of the word "true" does not automatically make concepts of investment, speculation, or margin of safety objective in the hard science sense.

What is a true investment, or a less true or false one? There have been as many genuinely scientific demonstrations of the existence of true investment as there have been of true love and true religion. Zero.

"Investment is most intelligent when it is most <u>businesslike</u>" (Graham's emphasis, p286). Underlining words does not make a cultural viewpoint an objective one. What does businesslike mean? To what extent are the business approaches of a trader, a titan of finance, a Main Street shopkeeper, or a skilled poker player or pool hall hustler similar or different? Some criminals say they're in business or a line of work. In individual business fields outside Wall Street, aren't there various reasonable commercial methods? The phenomena of Nature remain objectively certain, probable, or random. Thus genuinely scientific experiments and their results are objectively- and perpetually- replicable. Yet even triumphant business players lack a method that results in scientifically replicable outcomes. Many so-called intelligent and businesslike people (including those that once made money) may lose money, and some sustain enough damage to go out of business.

What experiences and other information must be included in a body of actual experience? What high priest decides this? There is no uniform body of experience that enables the performance of an objective demonstration by which to distinguish an investor from a speculator, or a true investment from other trading positions. Why do prudent, intelligent, reasonable, and even expert “investors” disagree as to future price probabilities? Why do they talk and act differently in a given marketplace? The actual experience and perspectives of marketplace analysts, even regarding the same financial instrument at a given point in time, are not all the same. As not all marketplace perspectives and thought processes are alike, even so-called intelligent investors never escape from subjectivity. Reasoning within and regarding marketplaces reflects cultural perspectives and experience.

Graham and David Dodd’s classic 1934 edition of “Security Analysis” and its heirs also incarnate Graham’s ideology. The Fifth Edition of Graham and Dodd’s “Security Analysis” (written by Sidney Cottle, Roger F. Murray, and Frank E. Block) states: “investment is defined as paying only for the demonstrated record and speculation as any amount paid in excess thereof” (p544). What constitutes “the” record or a demonstration? Is this a hard science demonstration? Aren’t there many records and diverse ways to manufacture them? Wall Street rocket scientists and generals, including value investors and other members of fundamentalist coalitions, can and do disagree as to how to create and interpret a record.

Which information, facts, factors, data, evidence, and news are relevant for the building of a history (which is a telling of a story, not the only or the best story) depends on one’s subjective perspective. Economic information is not an objective body or point akin to a natural physical science object or entity. In any given cultural field- whether in economics, politics, religion, the fine arts, or elsewhere- players place phenomena in perspective in a variety of ways.

This generates numerous subjective records, a variety of personal viewpoints and probability assessments. Traders and other analysts devise new information- and new records- when they put facts in context and arrange and weigh (figuratively speaking) the evidence.

Within and regarding marketplaces, numbers, statistics, and formulas do not reduce subjectivity or create objectivity. Observers may select different numbers, statistics, and other variables. Also, even if they choose to review the same phenomena, different participants may place them in context and interpret them much differently.

Charming references to intelligence, rationality, reasonableness, logic, or businesslike do not make definitions of investment, speculation, or margin of safety and related propositions and theories any less subjective. In cultural fields, neither scientific aspirations nor scientific jargon ever creates objectivity or real science. In marketplaces, what seems reasonable, intelligent, or prudent to one player may not appear so to another.

A definition, proposition, or demonstration that is not objectively true for all according to the scientific method is a rhetorical one. Persuasion based upon cultural perspectives, definitions, and arguments creates conclusions and theories true for some but not for everyone. Of course persuasive reasoning regarding and within cultural fields such as marketplaces involves observation, analysis, and argument. However, cultural reasoning and its conclusions are not the same as- or even much like- the persuasive objective perspectives, logic, proof, and laws of science (natural physical science). Comprehensive rhetoric, including metaphors (subjective definitions), indicates that an arena is a cultural domain, not a scientific environment. “Seeing, Saying, and Herding” and following chapters explore issues related to marketplace perspectives, thought processes, information, and cultural reasoning in greater detail.

Thus the meaning of Wall Street terms like investment and speculation is neither Natural nor written in stone. Venerated economists and Wall Street missionaries marketing particular definitions are neither real scientists nor Moses. Supposedly true for all definitions as to what investment, speculation, gambling, hedging, or trading are never objective- or divinely revealed in economic Ten Commandments, even though Wall Street advertisers offer investment bibles and sacred speculative gospels.

The natural physical science clergy of Wall Street and economics do not merely believe the science fiction that one can define investment, speculation, economics, and related words objectively. Suppose a trader or analyst (including central bankers and other economic guardians) objectively can understand investment and other marketplace phenomena according to natural physical science perspectives, or via outlooks very similar to scientific ones. If one can reason objectively, one can act objectively. Importantly, many Wall Street investment missionaries have faith in the enticing fable that investors and those who advise them can think and behave objectively (according to scientific principles and methods). Or, in an alternative version of this scientific liturgy, investors and investment guides can reason and act in mostly objective fashion (or in close approximation to such objectivity), so that we should consider them to be essentially objective. In all these cases, the bewitching message is the same- one really can invest scientifically (rationally), or almost so!

In all allegedly objective labeling doctrines regarding investment and speculation (and hedging; risk management), the marketplace playground itself supposedly is an objective phenomenon capable of being understood in the true for all sense of a real science. Therefore objective certainties, probabilities, or randomness relating to economic phenomena such as price exist. Imagine an investment marketplace, or one that offers good avenues for investment. If investment can be objective (or mostly so), shouldn't expert investment rocket scientists and engineers (and many of their disciples) over time successfully make and keep money? Suppose congregations believe that prices in a marketplace such as United States equities move according to discoverable laws of objective certainty or probability. They will have faith that at least for the genuine experts, profitable trading outcomes will or probably will (or at least should) occur in this marketplace.

Significant success has crowned Wall Street's rhetorical enterprises (especially those of its would-be scientists) that battle to sell subjective definitions of investment and speculation as objective, rational, and intelligent ones. Natural physical sciences do more than fascinate cultural players. Hard science talk attracts, keeps the attention of, and persuades many listeners to act as the speaker wishes. But how does rationality relate to goodness? And how does this tie up with investment?

Recall the columns of rationality and irrationality in the preceding chapter. In science, where objective rationality is possible and necessary, it of course is good to be scientifically rational and bad not to be so. However, in objective (scientific) fields, goodness and badness have no moral (ethical) or religious dimension, only an "intellectual" one. Yet from the scientific standpoint, most individuals wish to be- and to be thought of and praised by others as- rational, intelligent, objective, logical, and so forth. Or, at least they want to manifest enough objective common sense to follow those such as physicists and engineers who are scientifically rational. So when rhetoric from Wall Street and economists associates scientific rationality and its breed of goodness with investment, that wordplay helps to make investment appear as rational and good according to the objective rationality standard.

But in marketplaces as in other cultural arenas, and regardless of whether a speaker is a would-be scientist, we all know that words such as good and bad often have an ethical (moral) or religious aspect. This inquiry later will explore in depth differences between scientific and cultural rationality as well as the very important role of rationality rhetoric in American Dream culture. Not all “rationality”, “reasoning”, “intelligence”, or “logic” is scientific. However, for now, keep in mind that cultural rationality and its practices have moral (religious) dimensions. In cultural fields, words relating to good and bad often entangle with rationality language.

Attaching a label such as investment or speculation to the money-hunting process does not enable observers (participants) to escape subjectivity. Not only investors, but also speculators, hedgers, and other Wall Street participants greatly desire money, a good and reasonable (rational) cultural goal. Knowledge is only a means to financial security, wealth, and prosperity. Since investors, speculators, hedgers, and others seek a beloved end (even if some players do not equate that valued end with moral virtue), their marketplace reasoning and methods are never objective. Emotions and character traits always permeate the perspectives, thought processes, and behavior of those seeking to define or win cultural prizes.

Cultural doctrines, including those of the American Dream and Wall Street, do not restrict their subjective concepts of good and bad to cultural goals and outcomes. Cultures may choose to praise or condemn people, locations, viewpoints, and practices- not just goals- as good or bad in a variety of ways. If cultural goals are good in the moral (ethical, religious) sense, at least some of the means to such ends are good in the moral sense. Thus if some methods of acquiring money are good (praiseworthy), then some means must be bad (or at least less good). Wall Street cleverly binds not only rationality wordplay, but also a related language of ethical goodness, to investors and investment. Though all Wall Street players seek the worthy American Dream goal of money (and wish to avoid poverty and losing money), investor and investment "in themselves" generally are labeled as good (virtuous, moral).

Suppose a scientist employs a word such as proton or bird or a mathematical formula in its objective discourse. The speaker attempts to convey information (a worthy goal), but these terms do not incorporate, imply, or reflect ethical values of good and bad.

Like many other key cultural words, within cultural theory and practice, the definitions of investment and speculation express, imply, or involve ethical concepts. Also, values of good and bad relating to cultural phenomena are only subjectively true for some, never objectively true for all. However, since the meaning of investment, speculation, and related words is a matter of opinion rather than science, cultural players (observers) choose to unite notions of good and bad, virtue and vice, and right and wrong with them in various ways. Also, definitions of and distinctions between ethics (morality, virtue) and religion are not scientific. Since they are matters of opinion, the link of investment definitions and propositions to goodness often has a religious tone and appeal, especially within the context of American Dream rhetoric.

So in economic viewpoints and practice, including those of Wall Street and the American Dream, words such as investment reflect subjectivity, including cultural desires and values. Moreover, the association of ethical notions with words like investor and speculator underscores that definitions of and propositions related to these terms belong entirely outside the hard science universe. Since someone who invests in Wall Street or elsewhere- or that strives to help investors- seeks to reason and behave in a good fashion (and to avoid being or doing bad), their so-called "rational" thinking or doing in pursuit of investment ends is never objective (scientific).

In this dedicated quest to place investment and its noble practitioners on a pedestal, Wall Street and its allies do more than concoct a variety of opinions relating to grades, shades, qualities, and levels of investor and investment. In moral spheres, goodness (virtue) shines more clearly when it has badness, vice, and evil (and sometimes even ethical neutrality) as noteworthy opponents. Speculation and gambling are rivals of investment. Wall Street almost universally asserts- and especially wants the public to believe- that investment is better than speculation and gambling. Even if there are various kinds or levels of investment, the investment road is morally superior to these other avenues. Though definitions of and distinctions between investment, speculation, and gambling are not objective, and though there are numerous competing definitions of these labels, Wall Street investment expertise can help people to think and act in good ways.

Though most of Wall Street views speculation as bad- or that it is at least less good than investment and work- Wall Street opinions on the reasoning quality and the goodness of speculators are nevertheless diverse. Speculation is called rational by some gurus. Other authorities view it as less rational, not entirely rational, or irrational. Some breeds of speculators may be more rational than others. Some claim that speculators can do good things for marketplaces, or perhaps for some kinds of marketplaces. Most agree that excessive speculation or manipulation is bad. In any event, speculation generally remains suspect.

The overwhelming popularity of the word investment within Wall Street, the large number of suitable investment marketplaces in which investment flourishes, and the tremendous growth and substantial profitability of Wall Street are witnesses to the persuasiveness and triumph of Wall Street's investment gospels. Including a goodness ingredient in the investment propaganda mix has greatly helped Wall Street- including its supposed natural physical scientists- to convince themselves and others that investing in Wall Street marketplaces is a good as well as intelligent thing to do. Regardless of how rhetoric defines and applies words such as goodness, morality, ethics, rightness, and virtue, these terms sell well in both Wall Street and Main Street.

Although investment experts disagree on investment definitions and debate the reasonableness of particular investment perspectives, strategies, and actions, suppose investment really is ethically good in principle. Aren't Wall Street investment titans and their followers being virtuous when they preach that it is reasonable, intelligent, logical, and common sense to invest? Aren't they doing good deeds when they help professionals and Main Street to invest? Isn't it praiseworthy to dig up a good investment and offer people an opportunity to have a piece of it? Friendly advisors helpfully point out the investment virtues of various instruments or portfolio strategies. Isn't it noble to keep investors away from the dangers of speculation and gambling?

Why do Wall Street evangelists, generals, and coaches invest massive amounts of time, effort, and money in persuading other Wall Street insiders and Main Street to buy into their rhetorical theories on how to define investment and distinguish it from other practices? Are education and altruism their only motives?

Since language creates, represents, and influences viewpoints and thought processes, persuasive rhetoric often inspires action. And Wall Street investment talk seriously seeks action. Wall Street institutions and professionals- and their entrepreneurial, political, media, and academic comrades- have a major financial stake in the investment game. They profit from convincing others to embrace perspectives (including definitions), strategies, and actions related to investment. Wall Street knows that in general, most people do not seek to be irrational and imprudent, or want to be an evildoer, rebel, or iconoclast. Peddling investment as rational and good makes money for investment vendors.

The major part of the quest by Wall Street and its partners to link investment and investors with goodness, virtue, and rightness has focused on stock and interest rate marketplaces. American equity and debt marketplaces, though integral to this rhetoric, are not the only ones tied to it.

Not only do Wall Street's investment evangelists want financial pilgrims seeking wealth and financial security to venture into stock and interest rate marketplaces on the ownership caravan. In general, investment guides- whether financial heroes, hard-working investment banks and banks, devoted money managers, or worthy financial advisors- long for owners to dwell in investment parishes as long as possible.

Though definitions of investment vary and battle for primacy, some have captured more adherents in Wall Street and Main Street than others. Why do many investment gurus, especially regarding securities marketplaces, insist that long run holding is an essential quality of investment? To what extent does American Dream rhetoric assist the remarkable spread and notable victories of the doctrine of the long run?

A corollary of the goodness and rationality of investment is the Wall Street ethics of marketplace price direction and level. Wall Street investment wordplay helps to create a morality of price level and direction, particularly in securities marketplaces. Though cultural observers disagree as to how to define high, average, and low in relation to price, investment advocates usually say high prices are excellent and low ones dreadful. It is a truism that the higher the asset price, the more wealth that asset represents. Obviously rising prices of stocks and homes generally make their owners money. Since it is good and reasonable to buy and own an investment, it is good if the value of the investment rises and bad if it falls. Therefore, as the word investment almost always is attached to ownership (buying; being long), binding investment to goodness associates rising or high prices with goodness. We hear- especially in equities- that bull is good and bear is bad, right? Since being short (bearish) means the investor loses (or wins less; "gives back money") if the marketplace price falls, so short and bearish often connote badness. Up is good, down is bad; love the bull, hate the bear! Enemies of investors are bad! Hostility to investment is bad!

Some pundits qualify these doctrines slightly. Many twitter that it is bad if the price has flown too high or collapsed too low (or traveled too fast). Also, some investors appreciate price drops so they can accumulate assets such as securities at a so-called good (better) price level, although this does not alter the proverbial truth. Even in the United States stock marketplace, securities prices do not necessarily all move in the same direction, the same distance, or at the same speed.

Because interest rate, currency, and commodity battlefields are not the same as stock ones, this propaganda of level and movement has nuances and qualifications. To further understand rhetorical wars of words involving investment, and particularly Wall Street's adoration of investment and the great significance of investment talk for Wall Street's institutions and fortunes, we should examine several intertwined topics. Some issues have been touched on, but need more fleshing out. Are stock, interest rate, currency, and commodity marketplaces equally fertile investment fields? In practice, most of Wall Street sees securities territory- and notably that of the key United States marketplaces- as the primary battleground for its investment ideologies and aspirations. Let's explore the role of investment language in the context of business building, capital formation, and the American Dream. Let's burrow into details of speculation, hedging, and other fashionable economic labels.

Entrepreneurs seek money to start, maintain, and expand their businesses. Both business building and the raising of capital to accomplish this are worthy goals, for they are steps toward money making and wealth creation. Capitalism (however defined) in this context is a good process with praiseworthy ends. Since entrepreneurs help to increase wealth, Wall Street and most Americans (and the majority of money lovers elsewhere) call entrepreneurs good.

Many entrepreneurs employ leverage and take substantial risks. Many individuals and corporations fail at business. Many- including family, friends, and colleagues- criticize or laugh at business dreams that seem far-fetched or too innovative. However, most people nevertheless have faith that in principle it is rational and good to be entrepreneurial; successful (good) entrepreneurs are honored as rational. Business in general and Wall Street idolize wealth-generating luminaries such as Ford in automobiles, the Morgans in banking, Vanderbilt in railroads, Turner in media, Gates in computer software, and Buffett in investing. Such victorious leaders inspire capitalists in Wall Street and around the globe.

Buyers of equities obviously have a real stake in the success of an enterprise. The typical share owner in a publicly traded corporation does not run that firm on a day-to-day basis, so it is an indirect entrepreneur. If a corporation earns money, and especially if its stock price rises, the public owner sees itself succeeding. The public usually will buy more stocks and bonds if it profits on what it already owns. The more entrepreneurial success stories, the easier it becomes to lure securities investors or other buyers to Wall Street to wager on new and existing ventures.

Alongside worldwide economic growth, and especially in recent decades, corporations have sold enormous numbers of stock and interest rate instruments. Sovereigns (nations, as well as other governmental bodies such as states and municipalities) have issued mountains of notes and bonds. United States securities marketplaces (and dollar denominated financial instruments) are especially substantial. This reflects America’s economic and political size and power.

Not all debt securities are from corporations or sovereigns. Ingenious Wall Street wizards and their associates packaged debts into securities, thus creating fascinating asset-backed interest rate marketplaces. Mortgage-backed securities played a major role in the development and expansion of America’s residential (and commercial) real estate boom over the past two decades or so. Subprime mortgage securities, spotlighted during the worldwide economic crisis that began in 2007, are not the only mortgage debt involving packaged loans. Other asset-backed securities sectors include credit card debt, auto loans, and student loans. Asset-backed marketplaces are not islands separated from and unrelated to other capital marketplaces.

For generations, investment banks- and in recent decades, the securities (investment banking) arm of commercial banks- have aided the capital hunting of corporations, other entrepreneurs, and sovereigns. Though entrepreneurs and institutions could take out bank loans, or solicit public buyers directly, they benefit from Wall Street’s role as an intermediary between them and public securities purchasers.

Wall Street has a big stake in and often gathers huge profits from large and growing securities marketplaces. Wall Street reaps fees from investment banking clients for guidance related to, as well as the actual sale of, stocks and debt. At what price should a firm sell stock in an initial public offering? For what maturity date (duration) and at what yield should a corporation try to sell its debt? Doesn't a clever Wall Street firm know the location and buying preferences of potential securities owners? The more investment banking business (including mergers and acquisitions), the greater the amount of securities issued and trading, the more money flows into Wall Street. The better the reputation of Wall Street as a good and reasonable place to raise capital, the greater will be the number of capital hungry institutions that venture there. The business and governmental need for stable, long run capital sources coincides with Wall Street's thirst to make profits via its securities businesses over the long run.

However, Wall Street banks and investment banks lack sufficient capital (even if they borrow money) to buy and hold all or most of the large amounts of issued and outstanding securities (now valued in the many trillions of dollars). So sectors of the public with extra cash must be enlisted to own securities. Picture a money-holding institution such as a pension fund or insurance company, a wealthy individual or family, and even many members of the so-called "average man (person) on the street" tribe. Imagine also a Wall Street professional money (asset; buy side) manager seeking to earn management fees (and in some cases, a percentage of trading profits) from funds entrusted to it by individuals or institutions.

In "I Want You to Want Me", the band Cheap Trick sings: "I want you to want me. I need you to need me. I'd love you to love me." Wall Street needs to be needed. And it needs the public, especially the Main Street part. If the public keeps buying and holding securities with Wall Street's friendly assistance, Wall Street firms probably will maintain and expand its relationships with corporations and other capital seekers. The magic formula: the more public capital available, the more investment banking business.

Suitors whisper sweet, endearing, and inflaming words in the ears of their beloved. To persuade the public to buy and hold securities, Wall Street needs the public to fall in love with securities ownership. An endearing and alluring word- investment- persuades many potential securities buyers. To further its investment courtship, Wall Street spends millions of dollars every year on its employees, advertising, client entertainment, and so forth. Why shouldn't Wall Street seek to increase public ownership of securities by underlining the virtues and intelligence of securities investment? Investors certainly should consider Wall Street's gracious professional offers of partnership and relationships, right? After all, Wall Street stands ready, willing, and able to assist investors with its investment (and wealth management) expertise. The more investment vehicles available (and the greater their complexity), the more likely it becomes that many public players will choose to rely on Wall Street expertise in choosing which ones to purchase and keep.

If someone loves- or at least likes- securities, won't they love, like, or appreciate a place (such as Wall Street) where they can find good securities? Won't many securities investors love, like, or at least appreciate the individuals and institutions who identify and bring them good securities?

Wall Street rhetoric greatly prefers investment holding of securities. Yet for Wall Street (and those who issue securities), even speculative ownership is better than no ownership at all. Don't Wall Street institutions and their salespersons harvest revenues from public customers regardless of the label the client wears?

Wall Street indeed battles to attract as much public buying and ownership as possible over all time horizons. However, to sustain its long term center stage role in the capital raising and securities trading processes, Wall Street still needs the public to buy and hold securities for the long run. And an indefinite long run is ideal. Wall Street's appealing investment broadcasts and catalogues offer strategies for all time horizons, but its favorite stories involve long run ownership. Though a given public participant may choose to sell its securities, Wall Street wants net public buying and holding to increase.

All else equal, the more stocks and interest rate instruments outstanding, the more securities trading (including buying and selling related to investment) there tends to be, and thus the greater opportunity for Wall Street to make profits from securities dealing. Trading is often a big source of profits for Wall Street. Trading desks at investment banks and banks seek to make money via transacting business with customers (and other dealers), regardless of whether these counterparties are investors, speculators, hedgers, gamblers, money managers, or some other tag. A Wall Street trading desk does not capture profits on every trade. Some firms have long or substantial losing streaks. Yet over time, many Wall Street houses benefit from trading with the public. Suppose a stock is bid at 50.00 and offered at 50.10. Market making often enables dealers to buy on or near the bid side of this price quotation and sell at or near the offer level.

Securities firms also may earn a good return from lending out stocks and bonds left for safekeeping with them by investors. Suppose they pay the securities owner interest when they lend its securities to someone that wishes to borrow them. They usually pay that investor a lower interest rate than what it charges the securities borrower. The more securities outstanding, the more instruments probably will sit on deposit with securities firms; the more on deposit, the greater the potential revenues from this operation.

The music from the securities investment bandwagon of Wall Street and its colleagues is insistent and persistent. Regardless of the investment time period, securities investment is good and rational. The loudest hymns stress that securities investment is good and rational over the long run. Several stanzas declare that long run investment is the better (more intelligent, rational, truer) form of investment as compared with the short run variety.

The rhetoric of the long run reflects Wall Street's financial interest in making money over an indefinite long run, especially from securities marketplaces. Natural physical science time of course is objective; an hour is longer than a minute. However, in cultural fields, definitions of the long, medium, and short run reflect personal opinions. What is a long game, war, or love affair? How many short runs constitute a long run? A long duration to one person is not necessarily a long time to another. Suppose a Wall Street player loses what it considers to be a bucketful of money over a few days or hours. To many such sufferers- including those who call themselves investors, that hellish time period may "feel like a lifetime". Anyway, for most Wall Street designers of the gospel that investment over the long run is good and rational, the long run is many (or many, many) years, or indefinite (and thus conceivably almost as long as forever). The rhetoric of the long run often fortifies investor faith that prices may or will edge or soar higher from current levels. Why not hope and wait?

Investment rhetoric is an amazing tool. Wall Street and its financial, political, and media allies tell themselves and Main Street that marketplaces such as the United States stock and debt marketplaces are (or, are in general) investment marketplaces. Their zealous claims are merely opinions, but that does not destroy their faith. The supposed scientists, who represent a very substantial share of this fraternity, believe in the objectivity, “rationality” and logic of their viewpoint.

Debates occur as to whether a particular marketplace is an investment arena. Investment experts quarrel as to whether an instrument is really an investment, or a good investment, or a better investment vehicle than others. Despite such feuds, Wall Street investment professionals pour out an unending stream of recommended securities (especially stocks) as investments or good and rational investments. Consequently Wall Street and many other audiences perceive virtue and common sense in owning investment grade securities- especially when rhetorical rope knots that investment process to the American Dream and its triumphs.

Citizens hope wise leaders will steer the political ship of state prudently. Economic players pray that central bankers and other economic guardians will help to keep the economic boat sailing in the proper direction. Wall Street investors hope expert and dedicated investment generals and their well-trained professional soldiers will guide them to the American Dream of financial security and wealth. Unfortunately for investors, and even with the assistance of brilliant leadership, neither definitions of investment nor their application determine marketplace price direction. A security does not magically (or scientifically) rise because investment wizards with uncommon capability (or rocket scientists) chant that it is an investment.

Why is Wall Street’s investment morality of price direction and level especially prevalent and robust in securities marketplaces in comparison to currencies and commodities? Why is it so praiseworthy for securities investors and their economic, political, academic, and media friends to encourage and support high (but of course still reasonable) prices and price rallies (and why especially in stocks)? This is partly because nowadays the universe of securities arenas contains thousands of instruments, represents an enormous monetary value, and is brimming with many millions of owners. In addition, securities arenas for a very long time have been of great importance to capital formation and business (and sovereign, from towns to countries) building. One should not forget Wall Street's longstanding oratorical efforts to carve out and preserve its place and profitability within capital formation processes.

In equity stockyards, one hears that "bull markets are good for everybody" (except the short sellers). Bear trends are bad (unhappy; depressing). "Wall Street Bids Farewell to a Bad Year...But a final sag in the Nasdaq composite index on Friday made it certain that the technology-laden index would finish the year with the worst annual performance in its 29-year history. A 39 percent slide followed a record 86 percent Nasdaq leap in 1999...The S&P's 10 percent loss for the year was its biggest since 1977. The Dow lost 6 percent, its worst since 1981." (NYTimes, Money&Business, Part 2, 12/31/00, p13).

Though Wall Street worships investment in both stocks and bonds, its ethical propaganda related to price level and direction is stronger and less ambiguous in equity playgrounds than in debt ones. Unlike almost all interest rate instruments, common stocks do not have a fixed life. Unlike bond prices, equity prices can keep motoring higher and higher, and for an indefinite period. Assume someone buys a bond maturing in 20 years at par for $1000. After 20 years, the holder redeems the bond and receives back from the issuer the $1000 principal amount loaned. As the typical note and bond are paid back at par when they mature, and since nominal interest rates cannot fall below zero, a debt instrument cannot increase forever in price.

Suppose a stock and a bond marketplace both move sideways for an extended period of time. Most debt owners tolerate sideways price movement because they earn (accrue) interest. Not all stocks pay dividends. Also, if interest earnings exceed price declines, many debt owners grudgingly will withstand injuries to the instrument's marketplace value and hold on. If a corporation remains solvent, those willing to wait receive the principal amount of the debt when it matures. Terrible or nightmarish outcomes are possible for both stocks and bonds. Everyone knows that stocks and bonds can be blown to bits, with prices falling way down- even to zero. Yet in general, when prices fall, the typical stock offers less protection to owners than the average bond. Again, some stocks pay dividends, but not all do. A corporation may slash or eliminate a dividend, yet still must meet its interest rate obligations. Suppose a firm goes bankrupt. Bondholders generally have preference over share owners in the distribution of corporate assets.

Suppose we focus on the United States. Higher US equity prices suggest actual or potential economic victories for corporations and the American Dream. However, high and rising prices for debt marketplaces are not always associated with successes for "everyone", "The Economy", and the American Dream. Sometimes falling or low interest rates manifest or are omens (figuratively speaking) of such evils as economic weakness, recession, or depression. At times, increasing interest rates subjectively may hint at economic health or strengthening. Therefore, debt investment advocates often moderate their ardor or qualify their opinions regarding the goodness of high and rising debt prices and the badness of the opposite.

Wall Street nevertheless expresses a bullish preference in its interest rate marketplace comments. Although nominal bond yields cannot fall beneath the floor of zero, higher bond prices still offer debt owners pleasing mark-to-market gains. Though these creditors earn interest, sharp and sustained upward rate moves can significantly diminish the value of their interest rate assets. Business and governmental borrowers- and Wall Street- benefit from armies of public purchasers of debt securities. How many debt owners (including investors) want to hear from such borrowers- or Wall Street- that the value of their interest rate securities will decline? Also, lower borrowing costs due to bond price rallies tend to boost entrepreneurial profits and reduce burdens on governments. Higher profits are good, whether on Main Street or Wall Street. Since governments (at least democratic ones) represent and do or should help us, it's good to lessen the load on them (and thereby on ourselves).

Some speakers, many of them aspiring natural physical scientists, warn that it is bad for stock or debt prices to be too high or too low, too far from true value, or at abnormal, unnatural, unreasonable, or irrational levels. Such opinions do not alter the general cultural principles that high and rising securities prices are good and low and falling ones bad.

Since this ethics of price direction and level has walked hand-in-hand with and encouraged massive growth of stock and interest rate marketplaces in the US and elsewhere, it usually conquers or shoves to the sidelines competing Wall Street viewpoints. In the Wall Street war of words that glorifies investment, the investment banks, banks, their corporate clients, and investors are bedfellows. In the World War II film, "12 O'Clock High" (Henry King, director), General Frank Savage gives his bomber crews the bottom line. "The one thing which is never expendable is your obligation to this group. This group…has to be your loyalty; your only reason for being."

Investment campaigns in securities marketplaces (especially in stocks) underline the intertwined rules that buying is good and that buying is better than selling. Some aphorisms murmur it is prudent to sell at the right time- usually before prices fall. However, the general commandment in securities battlefields is that selling language, even if it cannot be silenced, should be subdued.

In securities, and especially in stocks, bands of owners and beneficiaries of such buyers promote rhetoric that frowns on short selling (though short hedging is ok). The investment warriors in equity marketplaces implicitly repeat the refrain “all for one, and one for all”, yet they do not wish stock short sellers financial happiness.

Wall Street and others subjectively identify a variety of investment (and speculative and hedging) communities. As discussed above, people subjectively define investors, speculators, and other players according to a number of considerations. These variables may include the marketplaces and instruments traded within them (such as stocks in general, US equities, or a particular stock), strategies (fundamental or technical, with all their subdivisions), and risk taking time horizon (from day trade to versions of the long term). Consequently, some investment groups are broad, such as investors in equities. Some investment clans are relatively narrow, such as long run buy and hold fundamental Benjamin Graham style owners of so-called investment grade US equities. Communities compete for members. Should one employ technical analysis for investment purposes, or do such methods spoil the purity of true investment? Don’t short term investors miss the best opportunities?

Despite differences in investment definitions and community membership, investors in both broad and narrow securities marketplace communities- and especially within a stock marketplace- are all sailors in the same boat. In general, all desire the goods of rising and high prices. As debt investors insist on good returns, most do not want a bond marketplace price crash. Much Wall Street investment talk- sometimes loudly, sometimes subtly- advocates that owners should try to pull together and buy and hold securities. At all costs, please do your very best not be a net seller of investment grade securities.

Think of real estate for a moment. Investment wordplay persuades many audiences in residential and commercial environments. Don't most home builders and owners have faith that in principle, homes are good (and reasonable) investments? Home owners of course want the value of their home to go up.

A corporation that sold stock smiles when its shares fly higher. The more elevated the share price, the loftier the corporation's marketplace value. The rising price indicates favorable (optimistic, positive, happy, sunny) opinions about the firm and its future. Many price interpreters will conclude that corporate profits are adequate or will grow. Who loves a pessimist? Companies intending to issue stock applaud higher equity prices. The firms will collect more money for a given number of shares sold. In contrast, imagine stock sale recommendations, forecasts of weaker or poor business prospects, or adverse comments regarding corporate management. These may raise or increase concerns about the firm's money making abilities or damage the firm's reputation. They could slow or halt a stock price advance or even send shares tumbling downhill.

Picture a company seeking to raise cash by selling bonds. Debt issuers prefer high prices and falling yields. After all, the lower the interest rate, the lower its borrowing cost. Why praise high yields or plummeting debt prices?

Securities firms need their actual and potential company and sovereign clients to be friendly toward them. Wall Street firms heatedly compete for lucrative investment banking business. Institutions take pride both in making money and in winning a high ranking in investment banking performance ladders relating to stocks, debt, and mergers and acquisitions. Entrepreneurs, corporations, and debt-issuing governments consequently have substantial financial influence on Wall Street. Who could dare assert that cash incentives add intense and long-lasting wind to the sails of Wall Street's ethics of price direction and level?

Wall Street's heroic investment bankers- including their dealers, researchers, and salespersons- know how to put two and two together. They are of course especially reluctant to jeopardize existing relationships. They rarely utter strong (or even any) selling recommendations specifically regarding their client's stock or interest rate instruments. Investment banks and banks usually avoid giving negative (bearish) opinions on the client's financial prospects or management- or they minimize, qualify, cloud, or sugarcoat their gloomy viewpoints. A securities firm's stock dealing arm seldom if ever engages in substantial short selling of the shares of its investment banking clients. Also, think of an equity marketplace sector with several members, such as petroleum refining or computer hardware. Suppose an investment banking firm made a broad-based sell recommendation for the equities within that marketplace sector. Assume this advice did not specifically refer to any firm. Yet might the recommendation nevertheless anger one of its existing clients in that sector? Even if a prediction of lower share prices inflames potential clients less than existing ones, what's the financial benefit of irritating potential business?

Other basic math encourages Wall Street to favor upward price direction for securities. It is a truism that earnings must exceed expenses for firms to be profitable. Many Wall Street organizations have enormous business costs “before they even open their doors or ring the cash register”. These days, Wall Street firms spend many hundreds of millions dollars every year. They need office space and computer hardware and software. The investment festival has lots of jobs, many of them rather high-paying. The securities marketplace employs legions of dealers, salespersons, researchers, and investment bankers, as well as numerous administrative, financial, legal, compliance, and operational personnel. It hires academic, accounting, computer, political, and media consultants. Don’t forget advertising and business travel and entertainment expenses.

Since its revenue flows for the most part are not guaranteed in advance, Wall Street must battle to make money to cover these charges. The lower the public appetite for investment, the harder it becomes for Wall Street to make sufficient money from public investors to cover its expenses- and to make adequate profits. To keep its doors open and great numbers of people happily employed, Wall Street talk and action strive to keep the investment ball rolling- especially in securities marketplaces. Who wants shabby returns or actual losses? Winners are happy. A money making friend of mine pleasantly claims: “You’ll never see a more gracious winner than me.” In the movie “Caddyshack” (Harold Ramis, director), Judge Smails chirps: “It’s easy to grin When your ship comes in And you’ve got the stock market beat.” Suppose over some long run securities prices travel sideways. Or, suppose a stock investment benchmark such as the Dow Jones Industrial Average or the S+P 500 is smashed 20 percent or more. Investment probably will seem less attractive to many actual and potential players. Some may flee from their existing long positions. Suppose equities get killed over an extended time period. Then probably there will be fewer new stock issues, and Wall Street income from that stream will plummet.

Why else does Wall Street perceive goodness in upward price moves in securities marketplaces? To serve investors and other traders, most Wall Street securities dealers keep some inventory as part of their market making function. They would like the value of the overall inventory (net long) position to increase. As noted above, such merchants may make some money by tending to buy on the bid price and sell on the offer side for a given instrument. However, in a competitive securities (or foreign exchange or commodities) world, these margins are narrow. And a dealer in its market making role does not win money from every trade.

To cover significant expenses (not to mention earning satisfactory net profits), most Wall Street dealers need a lot of trading volume. The greater the number of investment deals (and the greater the transaction value), the greater the opportunity to make money via investors- and other traders who join the party- by market making. Investment generally tends to increase when investors make money, right? Of course investment (or trading in general) may be slow in a rally, or be substantial in a marketplace that strolls sideways. Sometimes in bear moves, trading is very active; many stock or bond investors (and other owners) may scramble to the exits and sell. Remember too that sideways trends will not bother all bond investors. Nevertheless, all else equal, if securities prices move sideways or decline for an extended time period, investment related flows to dealers will slow. This will tend to reduce Wall Street's earnings from market making. Thus upward moving securities prices, especially within equity marketplaces, possess a virtue: they help to boost Wall Street dealing revenues.

Recall Wall Street's rhetoric of expertise. Institutions and individuals entrust cash to professional investment managers for the express purpose of making money from owning stocks and interest rate instruments. As money (asset) managers want to hold (invest) money for others, they join the chorus praising the goodness and reasonableness of securities ownership. Such shepherds want to assist their clientele for a long time, and many of them preach a creed advising long term securities investment. In any case, these stock and bond managers are entirely or substantially net long (some have short hedge positions). They generally declare high and rising prices are good, with low and falling ones lamentable.

In physical securities marketplaces, to go short one must borrow the security. In practice, many security owners will not lend them. Also, usually lenders of securities charge the borrowers a fee. Moreover, numerous securities do not trade actively. Suppose a potential short seller of an illiquid stock can discover a willing lender. If a trader borrows the stock and goes short, it eventually must cover its position by buying (it must return the borrowed security). In a thinly traded marketplace, a relatively large short position may have to pay up quite a bit to fully escape from that short. Thus liquidity and cost concerns persuade many players to avoid short selling. Given the immense quantities of securities issued and outstanding, there is never an overall balance between longs and shorts. Owners- regardless of whether one calls them investors, speculators, gamblers, or traders- greatly exceed short sellers. Since in physical stock and debt battlefields the army of securities longs far outnumbers the short platoon, the widespread rhetoric of the goodness and rationality of investment drowns competing themes. All other factors equal, the less selling of securities (less selling power relative to buying power) there is, the more likely it is that securities prices will advance.

The greater the number of rising and high securities marketplaces, the more enchanted investors- especially equity players- become with investment doctrines and action. Even if debt prices rise and fall, and though nominal interest rates can never fall under zero, doesn’t investment grade debt over time usually offer a prudent investor a good investment return? As more corporations and sovereigns find securities buyers via Wall Street, the more such issuers will perceive and glorify Wall Street as a good and rational place for capital formation. To help perpetuate this virtuous circle of business and nation-building, profit seeking Wall Street’s investment evangelists ceaselessly sing hallelujahs on the merits of securities investment (especially long run investment).

Recall marketplace objectifications inspired by religion and (especially) by natural physical science such as The Market, The Stock Market, The Price, The Economy, The Fundamentals, and The Technicals. Don't forget other imaginative objectifications supposedly "out there" like Investors, Speculators, and Information (and particular pieces and bodies of information). Economists and Wall Street gurus often say news, data, facts, factors, statistics, or other information causes The Market or The Price to move or affects The Economy. A typical headline: "Bad news sent the stock market sharply lower yesterday." "Seeing, Saying, and Herding" underlines the error of natural physical science inspired perspectives regarding information and causation implicit in such remarks. In cultural arenas, participants (including so-called outside or neutral observers such as economists) are not objective. They perceive, place, and create information in subjective perspective in a variety of ways. Not all find the same information relevant or interpret it in the same fashion. In a cultural world, physical science inspired quests for objective (true for all) causes (reasons) for phenomena such as price level and movement will never succeed. Only in a poetic (metaphorical) sense does news move the price.

In marketplaces, information sometimes acquires an ethical dimension. Let's focus on wordplay of good (bullish) and bad (bearish) news in the securities investment context. Since price level and direction reflect a morality of good and bad (including relative goodness and badness), many Wall Street and other investment ringmasters and fans believe that news (information, data, evidence, facts, factors, statistics) which affects price (or the economy) has an ethical aspect. Imagine a statistical release such as the US real GDP (gross domestic product) or the consumer price index. Will the number be good (positive), bad (negative), or neutral?

Especially in equity marketplaces, good days are ones with price rallies. High prices for and rallies in the US stock marketplace reflect the success of the American Dream. Equity benchmarks such as the S+P 500 “soared heavenward due to a good number”. “It was a great day for stock investors (the market, the economy).” Suppose “the GDP statistic showed the recession is still in its early stages.” Such data “was bad news for corporate earnings. It forced stock prices lower and whacked investors hard.” Or, “that really bearish news sent the stock market all to hell.”

As in the case of price direction and level, the moral stance in interest rate marketplaces in regard to news is sometimes more ambiguous or qualified than in equity playgrounds. For example, a low inflation number “was good for the bond market so bonds flew higher”. Price rallies usually please debt investors. Yet some may associate a bond price rally with a weak economy. “That number is bad for the economy.”

Isn’t it better for Wall Street and its allies to have happy investors than discontented or angry ones? Given Wall Street’s need for securities investors (and other buyers), will Wall Street and its henchmen- especially in regard to equity marketplaces- generally identify and emphasize bearish factors to the extent they do the bullish ones? Do most investment guides rush to bring bad news to the attention of their clients as quickly as they do bullish news?

The morality of marketplace information and price level and direction, like ethical ideologies in domains other than marketplaces, is entirely subjective. Genuine scientists such as mathematicians and physicists know it is good to seek objective knowledge. Good (successful) ones discover that truth and objectively apply it. But these objective standards involving scientific goodness and badness, however, are not like those of cultural morality and its ends. A planet and its movements are neither good nor bad. They just are. Except for the knowledge itself and its application, does an astrophysicist care how distant relative to Earth a star is, or how far a comet travels?

There is a footnote to this ethics of price level, direction, and news. An individual trader may at times express the goodness or badness of marketplace level, movement, and information from a purely personal perspective without reference to a broader (cultural) morality. Picture a lonely participant in a financial marketplace, whether stocks, interest rates, currencies, or commodities. That trader could be long, short, or have a more complex position. A price level or trend that wins it money is good; one that loses it money is bad. From the narrow standpoint of this individual trader, news that "causes" it to make money is wonderful news. Dreadful news loses him money.

Not surprisingly, Wall Street harbors a fleet of investment banks. And banks have investment banking divisions. Where are Wall Street's speculative banks? Wall Street has armies of investment professionals- count up the workers in investment banks, securities firms, banks, mutual funds, buy side asset managers, and consulting enterprises. Especially within the securities arena, though there are plenty of buy-oriented professionals, how many selling professionals are there? How many gurus advise participants to sell short? In Wall Street, one hears far more about the risks faced by naked shorts than those facing naked longs.

How many corporations recommend to their shareholders that they should sell out their stock- or avoid stocks in general? Don't many courses in business schools, finance programs, and economics focus on investment?

Wall Street and its allies in the securities game generally promote buying, even though some only tout so-called high grade investments. In general, it's good to have an appetite for (investment) securities, to have some securities on your plate, and to be prepared to stomach relatively modest short term losses, right? Once in a while, some Wall Street houses or advisors tell audiences to go on a diet and slim down their holdings of interest rate instruments or equities. Yet how many Wall Street investment high priests and disciples recommend selling out most (or even a lot) or all of one's securities? Picture the US stock marketplace and other worthy realms that investment evangelists usually underline as fine long run investment opportunities.

To keep treasure hunters on the Wall Street securities investment bandwagon, seldom do Wall Street securities maestros promote the goodness or wisdom of moving all or even most holdings into cash or cash equivalents. Even when a helpful Wall Street wizard or rocket scientist advises reducing ownership in a particular marketplace or financial instrument, it almost always advises taking the proceeds and moving into another attractive Wall Street investment. "Well, maybe most of the blue chips are done rallying for now. If you don't want to own those stocks anymore, why not buy some good emerging market ones?" "You're right. Yields on US government bonds these days are low. A lot of the big players are investing in subprime mortgage securities. They really like the return. It makes sense for you to grab some of these for your portfolio. Our experts have identified some good ones."

What other rhetorical ropes assist investment cowboys desirous of keeping securities investors in Wall Street and catching new ones? How else do Wall Street talkers strive to convince other professionals and Main Street that good times will roll on (or that profits eventually will appear) in securities marketplaces, and especially in monumental ones such as those of the United States? Many speakers bind investment language and values to the rhetoric of the American Dream. Securities investment missionaries devote particular attention to US arenas (and those of nations allegedly resembling or following America's), and especially to its stock marketplace.

The greater the money making success of a Wall Street perspective or strategy, the more the viewpoint appears to be reasonable and true. Marketplace participants (observers) enamored of supposedly scientific principles and methods in particular will view the triumph as evidence or proof that their trading theories and strategies are genuinely objective and rational. A winning ("proven") Wall Street perspective inspired by natural physical science will enlist new adherents. Many will praise and try to mimic (or at least follow) a heroic rocket scientist.

Genuine sciences such as physics, chemistry, biology, mathematics, and mechanical engineering do not have a monopoly on words such as rational, objective, reasonable, intelligent, logical, and natural. Although these words generally are viewed as scientific ones and as indicating scientific reasoning, many cultural arenas employ them. In addition, the principles of religious and other cultural doctrines, though subjective, seem objective ("really true") to those that believe in them. Even many who do not believe that traders and other marketplace observers objectively can apply hard science principles and methods to economic phenomena develop substantial faith in trustworthy (good, sensible, prudent) viewpoints and rules. Any given cultural faith (belief)- regardless of whether one labels it scientific, partly scientific, rational, objective, common sense, or religious- will result in actions consistent with it.

The more people that capture money investing- whether via buy and hold for the long run or some other scheme, the more prestigious, desirable, and wiser (as well as good, rational, and objective) investment seems. The greater the amount of money made investing (especially in securities marketplaces), the more talk about and cheerleading on behalf of investing. The longer the time over which many marketplace investors earn money, the louder and more persistent the investment chorus becomes.

By their example and their rhetoric, winners in the investment game act as apostles, witnesses to the good tidings and virtues of investment. Especially in securities marketplaces, why not convert friends to the investment faith? People really should love investment. Why not join the festivities or thrill to the action on the battlefield? Securities marketplaces offer lots of good investment candidates (and vehicles)! If you don't have time, training, or energy to invest entirely on your own, Wall Street offers you helpful investment advisors, coaches, generals, wizards, rocket scientists, and financial engineers.

Wall Street missionaries chain investment, rationality, and goodness to the praiseworthy American Dream and the money, wealth, and financial security that people not only reason about, but also for which they compete, lust, fight, and pray. Given the economic importance and influence of the United States and its stock and debt marketplaces, much of Wall Street's investment words are about the US equity and interest rate arenas. "Selling the American Dream: Money, Politics, Nature, and God" describes in detail the structure of American Dream rhetoric and its interrelations with Wall Street's language game. An initial survey of securities investment in the context of America and its American Dream indicates that Wall Street's investment doctrines derive much of their persuasive power by their association with the successes of America and its Dream.

Many spectators believe various other securities marketplaces sufficiently resemble those of the United States. A prudent investor consequently can invest in them as well. Sometimes this association with American marketplaces is explicit. Think of correlation talk. Sometimes reference to American stocks or bonds is implicit or indirect. For example, an overseas marketplace or instrument supposedly satisfies “widely-recognized investment criteria”.

Wall Street’s aims to generate securities buying (ownership), regardless of whether that acquisition is branded as investment. However, the right talk often inspires the desired action. Since investor and investment labels usually imply goodness and reasonableness, skillfully affixing these tags to players and marketplaces improves the odds of inspiring securities buying activity by Wall Street insiders as well as outsiders. Though many investment principles and commandments involve natural physical science wordplay, some investment orators add or prefer entertaining metaphors from games, love, politics, war, religion, fine art, and other fields. Much of the rhetorical romance that attempts to create and sustain love of securities investment, and especially of stocks, emphasizes the long run.

The US stock marketplace is the poster child for propaganda about the virtues and rationality of equity investment, especially over the long run. However, investment rhetoric, even if it often focuses on the prudence of owning investment grade equities, also encourages buying of debt instruments. Stocks and bonds are not divorced from each other in either financial practice or investment jargon.

America, its good and reasonable American Dream faith, and the achievement of Dream values such as wealth, financial security, and prosperity have no fixed time horizon other than the indefinite future. Similarly, long run investment in securities has no definite duration. Also, most corporations in a legal sense have a theoretically indefinite life.

Investment in American securities, whether by Americans or others, represents a stake in America and participation in the American Dream. Businesses often generate profits and wealth for individuals and communities and thus for the nation in general. Investors (and other owners) of stock in successful American corporations share in, or at least assist, the overall economic success of the United States. Holders of a corporation's debt do not own those corporations, but they share in corporate success since they receive benefits (interest income streams) from the firm. Government debt holders do not own governmental entities. However, by lending money to them, the creditor has a stake in a nation (state, town; international official institution). To manifest faith in America and its American Dream (or at least its economic values), to think and act good and reasonably, one should invest in US securities, right?

"Selling the American Dream" outlines how a subjective version of scientific rationality permeates American Dream rhetoric. We all know that real sciences such as physics and mechanical engineering have achieved great theoretical and practical success over the long run. Wall Street and most of the rest of the United States believes that America (particularly in economic arenas) has succeeded quite well over the long run, despite occasional headwinds and bumps in the road. The long run economic victories of the United States and other developed (and developing) countries, the money making triumphs of capitalism and many entrepreneurs and corporations, ease Wall Street's efforts to persuade itself and nonprofessionals that joining the US securities investment church is rational (logical, common sense, and so on). Since scientific rationality has had- and will continue to have- long run practical victories in the Natural world, and as America generally thus far has succeeded over its long run history, won't investors in American equities generally (at least in investment grade stocks) at some future time inevitably or very probably reap rewards from rising and high stock prices? Won't investors in US debt get at least a reasonable return over the long run?

In the United States stock battlefield, those who question whether continuous stock ownership is always a good idea often hear a grumble or moan. “But where do we put our money then?” Short term debt instruments or cash, perhaps? In any event, the apparent long run triumphant track record of US equity marketplaces persuades even many of those not wedded to or partly influenced by subjective natural physical science principles to join the securities investment party, especially in American stocks.

Some may wonder how many- or how often- devotees of long term securities investment ever quit singing investment hymns. To persuade treasure seekers, the proclamations of Wall Street investment kings (and speculative sultans) and their courts create an array of historical perspectives. Take an index such as the Dow Jones Industrial Average as a benchmark. Certainly US stock prices in general are higher in nominal terms now than in 1900, 1929, 1950, 1975, 1982, 1987, 1996, or March 2009. In all cultural playgrounds, the long run time horizon offers a vista for hope and waiting. Perhaps US stock prices will exceed the pinnacles of first quarter 2000 or October 2007.

Not only Wall Street all-stars, leaders, and experts, but also flocks of teachers in economics departments and business schools, seek loyal followers of investment principles and methods. The great majority believe it is smart to join and keep marching in an appropriate securities investment parade, particularly a really good one like the United States stock marketplace.

Investment scriptures such as those of Burton Malkiel are widespread. His book, “A Random Walk Down Wall Street”, points out that he is a member of the economics department and holds the Chemical Bank Chairman's Professorship at Princeton University. Malkiel says common stocks (clearly referring to American ones) are an "investment medium that not only has provided generous long-run returns in the past but also appears to represent good possibilities for the years ahead" (p24). Malkiel's investment slogans venture beyond good possibilities. He adds: "It is not hard, really, to make money in the market" (p53). If many so-called experts believe it is not hard, what should others believe?

Most securities investment gurus- particularly those fond of long run investment in US stocks- want almost all funds allocated to investment instruments ("put to work in the market") so that cash levels are kept rather low. Seldom does one hear this heretical selling tune from the long run investment denomination: "Get the hell out of stocks and bonds and move entirely (or almost completely) to cash." Suppose the investor sells one or more securities (assume there are no special personal, family, or tax issues motivating the sale). That player should then (or soon) buy other securities of about the value of those liquidated to replace them. Many securities investment guides are enamored with diversification and portfolio perspectives and strategies. "You should recognize the merits of a diversified stock portfolio." Just like a stock investor, a debt investor often decides to own a variety of marketplace instruments. Some securities investors elect to own both stocks and debt. Experts proclaim that someone investing in both stocks and bonds reasonably can vary the percentage allocation to each sector. Rather than being 55 percent in stocks, with 40 percent in bonds and five percent in cash, raise the equity share to 58 percent.

Most churches promoting long run stock investment admit that over the long run some equities will not rise in price. However, most investment sects allege or implicitly suggest that prices for so-called investment grade stocks (in general) will increase. Malkiel the bull states:

“Because there is a long-term uptrend in the [United States] stock market, it can be very risky to be in cash” (p163). He snorts: “the odds of being successful when you are in cash rather than stocks are almost three to one against you” (p190).

“Some days the [United States] stock market does well, other days not. But for the long term, it’s the place to be”, says a Fidelity mutual fund advertisement (NYTimes, 12/10/00, pp34-35). Note the “we”, “our side”, and “Let’s” (let us) in the full-page advertisement by Charles Schwab (NYTimes, Money&Business, 6/10/01, Section 3, p5). The Schwab ad speaks of both stocks and bonds, but focuses on the United States stock marketplace. “Yes, obviously we have been experiencing a market correction. But no, I don’t believe it will go on forever. Why do I think this? In my years as an investor I’ve seen twelve such drops, including this one...end they all did as will this one. Now, can I or the Schwab analysts with all their facts and figures tell you when that will happen? Absolutely not. We’re not magicians. All I can promise is that, yes, so long as history repeats itself, there will be an end to this downturn. Twelve previous times, when all was said and done, stocks have typically outperformed most other types of investments. It’s a pretty solid chance this time around will be the same. After all, history is on our side.” The firm’s speech concludes: “Let’s eliminate one of the biggest investment risks of all: the risk of doing absolutely nothing.”

Investment pilgrims should hearken to the sacred words from “On Course”, a newsletter of SalomonSmithBarney (then part of Citigroup; fourth quarter 2000, p1, author’s emphasis). “Amid such uncertainty, it is all the more important for investors to keep their eyes on the true stock market prize: superior <u>long-term</u> performance. Over the past 70 years, investors in U.S. stocks typically have been richly rewarded for the risks they have taken- despite the occasional bear market.... But successful investors know that they need to keep a long-term perspective, and avoid the temptation to adjust their portfolios in response to every short-term fluctuation in the market".

Peer inside the famed and influential textbook, "Economics", written by Paul Samuelson, the Nobel Prize winning economist (1976, 10th edition). In a section headed "Science of Stocks", this sage says: "Buying common stocks is an art, not a science. No one can draw the line between risky speculation and safe investment." He seductively declares: "But an art or a craft, being science in a still-primitive state, has its general rules of behavior." Samuelson offers several rules "gleaned from scientific study of this unscientific field." (p77). He recognizes, of course, that equity prices fluctuate. Yet even if "buying common stocks is an art" (or a primitive or emerging science), Samuelson views economics as a science.

A would-be scientist such as Samuelson clearly does not want to admit that definitions of and propositions related to investment (and other economic words) are inescapably subjective (cultural). Of course scientific (objective) knowledge may increase, and of course an assortment of scientific truths can become objectively more organized (systematic) in a variety of ways. And there are many subjective ways to define "art". However, scientific fields (phenomena) and their reasoning are entirely objective; cultural arenas (phenomena) and perspectives and thought processes regarding (within) them are entirely subjective. Thus notions of Samuelson and others in relation to cultural fields such as economics and marketplaces that suggest the theories and practices of such subjective fields can move from subjectivity to objectivity are erroneous. Objective (genuine, real, natural physical) science does not develop, emerge, or evolve from a primitive (subjective) state. Objective science is always entirely objective. In addition, genuine theoretical science and real science in practice (applied science) imply and require each other. Culture displays a similar relationship. Suppose the practice of an arena is subjective (cultural);

then so are theories regarding that arena. “Seeing, Saying, and Herding” and “Cashing In: Words, Thoughts, and Poetry” address these issues more extensively.

Anyway, the would-be scientist Samuelson, the Institute Professor at the Massachusetts Institute of Technology, is an implicit partisan of long run ownership of United States equities. On the one hand, he states (p75): “How to invest…There are no simply stated, foolproof rules for making money out of the stock market….” However, he swiftly adds his opinion regarding “The group [investors] who simply <u>buy and hold</u>” [author’s emphasis]. His psalm declares: “Because the national [United States] economy has a long-term upward trend, they fare reasonably well over the long run.” In the section “Favorable Odds” (p75), he warbles: “Actual historical experience has shown that, even in the face of the great crash, over a lifetime one would have done better in risky common stocks than in safe gilt-edge bonds or savings accounts.”

Review investment appeals from 2008 after the crashing and burning of many investments. Fidelity Investments asks: “Uncertain of what to do with your investments? In markets like these, put Fidelity’s 60 years of experience to work for you….At Fidelity, we’ve seen up, down, and sideways markets. And we put that perspective to use in helping you get invested and stay on track through all kinds of market conditions. Together we can…Choose investments….At Fidelity, guidance means helping you invest for a lifetime.” The firm retains its association with “Smart move”. (Financial Times, 9/16/08, p9). Fidelity bangs the investment drum again. Note the implicit reference to the United States equity marketplace. “What we believe. The extraordinary events of the past week are testing the portfolios and the confidence of investors worldwide….we remain steadfast in our core investment principles….Volatility is to be expected. As we’ve seen before, with dot-com stocks in the ‘90s, technology stocks in the ‘80s, and ‘go-go’ growth stocks in the ‘60s, volatility can be extreme at times, too. Times like these reinforce the need to plan and diversify….Consider spreading your investments across different assets and market segments. Once you've done that, you owe it to yourself to keep your plan on track through the market's peaks and valleys. Staying invested can help you participate fully in the market's long-term upward trend. The stock market had a positive return in nearly 3 out of every 4 years since 1926. And some of the sharpest declines have been followed by the sharpest rebounds. Missing out on just a handful of the best-performing days in the market can mean missing out on much of its subsequent gains….As always, we're here for you." (NYTimes, Sunday Business, 9/21/08, p3).

Everyone knows the adage that a picture is worth a thousand words. In a full-page ad (NYTimes, 10/12/08, p37), Merrill Lynch sends out its famed bull. A photo of the determined-looking creature takes up about a third of the page, leaving room for encouraging words. "In America, when we get knocked down, we don't stay down. In the last 80 years, America has experienced 13 economic recessions. And fought back with 13 economic expansions. It was never easy, but it was always possible. If you're bullish on America, and we are, then you're bullish on getting up and coming back. That's not a belief. That's history." Next to a small bull insignia stands the Merrill Lynch name and "Global Wealth Management". Citibank ("Citi never sleeps") joins the show: "Navigating the present. Securing the future. Strength, security, and confidence. They're the hallmarks of a bank you can trust. Citibank is uniquely positioned to navigate the market today and to understand where it's going tomorrow….We believe in diversifying risk and maximizing reward…Because Citibank is more than a bank, we're a partner you can rely on." (NYTimes, 10/12/08, p31).

The revered face of stock investment, Warren Buffett, boldly enters the ring via the NYTimes "Op-Ed" page (10/17/08, pA33) with the notice "Buy American. I Am." He confesses:

"I can't predict the short-term movements of the stock market." However, "fears regarding the long-term prosperity of the nation's many sound companies make no sense." This expert has "been buying American stocks" for his personal account. "What is likely…is that the market will move higher, perhaps substantially so, well before either sentiment or the economy turns up. So if you wait for the robins, spring will be over." He offers examples from the Depression, World War II, and the early 1980s. "In short, bad news is an investor's best friend. It lets you buy a slice of America's future at a marked-down price. Over the long run, the stock market news will be good." Moreover, "Equities will almost certainly outperform cash over the next decade, probably by a substantial degree."

Financial historians entertain listeners with exciting stories of booms and crashes in stock, debt, commodities, and currencies. Economists, central bankers, finance ministers, and Wall Street engineers occasionally utter warnings that marketplace prices have ventured too far from rational, fair, or true value.

Yet regardless of any given current level for the US stock marketplace in general, the investment clans of Wall Street and their economic, political, and media allies almost always broadcast that the long run trend for the United States stock marketplace is up. Some say the move is certain, most claim the direction is highly probable. Such long run faith in equities helps underpin similar confidence that American government and corporate debt securities in general will or probably will over the long run offer a good (reasonable) return. Healthy enterprises and governments pay their debts. Widespread belief in the American Dream and the sacred investment proverb of the long run US stock rally thus assists Wall Street, entrepreneurs, and sovereigns in their effort to interest, catch, keep, and expand a stable of securities owners residing on both Wall Street and Main Street.

The buying congregation of US stock marketplace investors, corporations, entrepreneurs, and Wall Street firms that profit from investment argue, battle, hope, and pray for high and rising equity prices. Their academic, political, and media allies wave investment flags. When US stocks are severely bloodied, one hears yelling from many securities investment boats- even from the faithful buy and hold for the long run stock US investment ships. At such evil times, many investors in American equities and their comrades plead for public officials and regulators to cure the problem and rescue them by helping to engineer a stock marketplace rally. Stocks and bonds (recall "The Stock Market" and "The Bond Market") do not exist in outer space as separate planets apart from objectifications like the so-called "Real Economy" (or "The Economy"). Anyway, the NYTimes notes (3/19/01, pA14): "many are urging the Fed [US Federal Reserve Board] to recognize that the economy now dances to the stock market, not the other way around. One important difference, they say, is that nearly 50 percent of American households now own stock, up from less than 10 percent in the early 1960's. And equities, at least until the recent plunge in the market, have become the most important single source of wealth in the country."

Why should Wall Street restrict its various securities investment theories to the United States? After all, marketplaces, corporations, sovereigns, and Main Streets exist beyond American borders. Promoters of long run investment in the securities of such regions generate a variety of subjective reasons to justify buying. Many sales pitches implicitly or explicitly identify securities marketplaces similar to- or which probably eventually will resemble- those of America. This association inspires many players both inside and outside the United States to buy and hold those stocks and bonds. This linkage is not restricted to developed nations in Europe and elsewhere. In recent decades, so-called emerging marketplaces have become fashionable.

Regardless of the geographic location, isn't it really smart to get in on the ground floor when a good investment opportunity arises? Why stay on the sidelines?

Over several centuries, the United States and its American Dream culture have won numerous economic, political, and other triumphs. However, though a cultural outcome may be desirable, desirability is not the same as objective inevitability or probability. There is no objective (genuinely scientific) proof that prices in stock, debt, currency, and commodity marketplaces have a religious destiny. Marketplaces are entirely cultural phenomena. There consequently is no natural physical science (objective) certainty or probability that marketplace prices- even for so-called investment arenas- will be higher (or lower or sideways) over any time horizon. Thus regardless of the subjective definition of the long run (or the short or medium run), all viewpoints that the United States stock marketplace will rise (or fall) over the long run (or any other time period) are merely opinions.

The interrelated goodness and (subjective) rationality of the American Dream's economic, political, social, and religious (moral) goals assists Wall Street's quest to attract, sustain, and increase securities investment, particularly in US marketplaces. Rationality rhetoric permeates the entire formulation of the American Dream. Most Wall Street (and Main Street) viewpoints relating to investment, especially in securities, praise it as a good and rational means to make money. Investment morality and rationality wordplay thus parallels and consequently receives rhetorical support from a vocabulary of goodness and reasonableness in fields outside economic arenas. As "Selling the American Dream: Money. Politics, Nature, and God" discusses in detail, a given worthy and rational goal of the American Dream can be a means to other Dream objectives. This strengthens the appeal of Wall Street's investment ideology. In the culture of the American Dream, money is not simply a good and reasonable end. Financial security, wealth, and prosperity also are potential roads to other good and rational goals such as liberty, freedom, happiness, a "better life", the "good life", and social respectability. Political power may lead to wealth (or other Dream ends). Investment (like other money-hunting activities) of course helps to achieve the excellent ends of financial security and wealth. Successful investment in United States (and related) securities, especially alongside rising prices in the US equity marketplace, does more than harvest financial security and wealth for investors. It tends to further other good and rational American Dream ends. Wall Street and its allies ceaselessly take steps to ensure that audiences develop and retain faith that investment (especially in securities) is a good and rational means. Moreover, as investment in homes is a good and rational thing to do within the American Dream, so is investment in American securities, right?

In currency and commodity arenas, price level and direction and marketplace information often get tied to the vocabulary of good and bad. However, investment tags and related ethical connotations are less frequent, and more ambiguous or qualified, than in stock and interest rate marketplaces. Usually Wall Street speaks of trading or speculating in currencies and commodities rather than investing in them.

Unlike physical stock marketplaces, the financial interests of participants in and those affected by currency (foreign exchange) and commodity realms do not clearly favor prices moving up and up for ever and ever. In general, this relative balance of interests reduces cultural willingness to label currency and commodity marketplaces as investments.

Let's view money from the vantage point of foreign exchange. Currencies in the foreign exchange marketplace context trade as crosses. For example, currency traders exchange US dollars for the Euro or Japanese Yen in spot and forward marketplaces. Picture the US dollar versus Euro cross rate, and imagine a one percent increase in the value of the dollar versus the Euro. Even if good is up and bad down, combining them in equal amounts is indifference or neutrality. The stronger dollar and weaker Euro cancel each other out in formal ethical terms. Pretend the US dollar and the Euro are the only two currencies in the world. Then from the foreign exchange perspective, what is good news (bullish) for the US dollar is equally bad (bearish) news for the Euro. If one views the two currencies together in this fashion, this simultaneous and inescapable balance of goodness and badness (or net indifference) makes it difficult to argue that owning foreign exchange is an investment.

However, as one can invest money, and as currency represents money, some on Wall Street say one can invest in currencies. An expert may declare that only some currencies are good and reasonable investments. Others allegedly are speculative in nature. Think of a third world nation's currency. Or, suppose a Wall Street currency manager (perhaps also called an asset or money manager) is given cash in order to trade in foreign exchange marketplaces. They could be long the US dollar and be short (versus) the Japanese Yen, and call this position an investment. Of course, as investment definitions and their application are subjective, some Wall Street gurus would label this foreign exchange trading activity as speculative. A different statement is also possible. As investment generally means buying, some traders may say they have (are) invested in dollars, not explicitly referring to the short Yen position (side).

Now assume a nation in which its importing and exporting businesses are equally important (valuable). Suppose the relative commercial competitive positions and abilities of the importers are the same as the exporters. Finally, assume the country's exporters and importers all face significant international competition. Opinions will differ between importers and exporters as to what is a satisfactory, reasonable, good, bad, high, or low level or range for their home currency. In practice, as importers are not all alike, the importing camp will have its internal squabbles. Members of the exporting camp will feud to some extent. In any event, the talk and financial interests of the importers and exporters nevertheless will tend to balance each other. If the nation’s currency becomes too expensive, exporters may find it relatively challenging to sell their wares. What if that currency is feeble? Importers may grumble that foreign goods are too expensive.

American economic and political leaders often proclaim they want a strong dollar. Yet sometimes they confess a weaker one has advantages. “Because the dollar is too strong right now, our current account deficit problem is not being solved. US exports will not grow fast enough to help economic growth much.”

In comparison to Wall Street’s securities culture, given the relative equality of financial interest between commodity bulls and bears, what’s good or bad in regard to a commodity is not too clear. Traders declare: “bullish petroleum news is good for gasoline”- and crude oil producers such as OPEC. Yet they admit: “sky-high gasoline prices are bad for automobile drivers”- and the American economy. However, stratospheric gasoline prices can encourage energy efficiency and conservation, and that is good.

Assume a country with wheat consumers and wheat farmers. Consumers enjoy low wheat prices. Producers adore high ones. Both sides and members within them debate as to what an appropriate, reasonable, or good price range is. However, wheat-loving consumers do not want the price to get destroyed, falling so low that most farmers elect not to plant wheat. All else equal, if wheat prices soar and stay stratospheric, consumers probably will reduce their wheat purchases, including wheat-containing products in which wheat significantly influences the ultimate price. Wheat producers do not want consumer demand murdered.

Everlast in “Money (dollar bill)” sings of “Dollar dollar bills Deutch, marks, franks, yens, and pounds” and his desires. Though the artist does not burden himself with words of investment, he intertwines cash with stocks and bonds (and much else). “I want cash and checks I want diamond rings I want jewels on my neck And mad fly things I want a stack of fat chips So I can take long trips I want to sail the Bahamas On my own cruise ships I want acres of land I want papers in hand I want stocks and bonds”.

Consider money (including currency, but without viewing currency from the foreign exchange perspective) in another way. Some economic participants take money (cash) “in itself” almost for granted in the investment labeling process. However, people that place money in a bank agree to leave it there for a given time horizon, whether overnight or for much longer. Such time deposits, like notes and bonds, offer a return, and so may be labeled investments. In addition, suppose some stocks and debt securities are investments. Since these vehicles of course convert to (equal) money when liquidated, one can call cash an investment. In Wall Street as in other commercial venues, we nevertheless hear more about how someone invests money in something (or that a player speculates with its cash) than about how money is an investment (or speculation).

Many Wall Street firms (including several in the securities business) in recent years have offered currency (or commodity, including futures) trading programs as candidates for investment, or as alternative investments. These managed money vehicles in currencies and commodities, even if labeled by their promoters as investments, differ from traditional investment ones. In practice, this breed does not restrict position initiation to the buy side (the same is true of some hedge funds in the securities playground). For any given instrument, these traders- using trader in the neutral sense of the word- may establish positions from either the buy side or the sell side. The money manager may own Euro FX against the US dollar, and at the same time also be short British Pounds and the Mexican Peso versus the Japanese Yen. A commodity money manager seeking investment clients may point to profits from bullish crude oil futures positions, bearish live cattle ones, or spread trades (long heating oil and short crude oil at the same time). However, since investment generally means buying, most Wall Street investment icons do not consider these programs to be investments.

Times change, and so does economic rhetoric. These rhetorical developments interrelate with and affect viewpoints and behavior. Imagine the art world. What is art or fine art, like investment and speculation and similar marketplace labels, is a matter of subjective perspective. Many creations initially were not anointed as art or fine art by experts or others. However, art sophisticates as well as amateurs may alter their opinions. For example, “painting”, “sculpture”, “music” and “dance” may encompass new themes, styles, methods, and materials. In Western art galleries, compare art from the eighteenth and nineteenth centuries with so-called modern art and its successors. Some productions that once were “not art”, “primitive”, “crafts”, “design”, “decoration”, or “commercial” are enshrined as art or one of its subdivisions. Think of avant-garde art, primitive art, and outsider art. Leading art galleries hang canvases painted only in one or a few colors and devoid of “realistic” representation. Elite museums and galleries display a few wires, assemblages of objects (compare what people leave by their curb as trash), and slabs of concrete or metal. Indeed, a philosophy or artistic theory lurks behind (is associated with) these creations. Perhaps the newly minted genius belongs within or insightfully responds to some artistic tradition.

Anyway, blessing an object as art, especially if respected art connoisseurs and critics (perhaps with refined or exquisite taste) are the labelers, encourages some art collectors and museums to praise and acquire the object or those similar to it. Deeming various sounds as music, or physical movement as theater (or dance or performance art), inspires many to attend their display.

Many traditionalists in cultural fields condemn what they view as promiscuous extension of cultural labels. Nevertheless, since the investment banner helps to create and encourage buying activity, and thus opportunity for Wall Street profits, many Wall Street players and their pals find it tempting to stretch its application. All know that for many years Wall Street has developed, applied, and promoted subjective investment rating hierarchies for stocks and interest rate instruments. Though grades of securities investment climb from low grade up to blue chip (AAA, top-notch, first class), anything better than a speculation is still some species of investment. So many securities professionals plead that a stock or bond marketplace or instrument is at least a low grade investment. Think of junk bonds and many subprime mortgage securities. But until relatively recently, most of Wall Street- especially champions of securities investment- seldom referred to commodity marketplaces other than gold as investment arenas.

Over the past ten years or so, a growing number of Wall Street institutions and individuals- including respected investment banks, banks, and portfolio managers- have preached sermons that one should view commodities as an investment or alternative investment asset class. It is good and rational to own commodities such as crude oil, wheat, and sugar. Their doctrine has achieved modest success. In this ideology, investors initiate commodity positions only from the buy side. This investment approach thus is not the same trading method as the managed money commodity programs discussed above. Wall Street generously guides audiences as to which commodities are good to purchase. Most commodity coaches recommend that investors own a basket of several commodities.

Some people choose to invest via a physical holding of such commodities. Yet everyone knows that unlike a stock or bond, it is difficult and tiresome- for Wall Street pros not directly involved in the physical commodities business and for Main Street noncommercial players- to store crude oil, natural gas, copper, or soybeans. Consequently, helpful Wall Street rocket scientists have designed a variety of attractive commodity indices (many of which include petroleum) and subindices that investors can buy in forward (whether exchange-traded or over-the-counter) marketplaces. Like the S+P 500 stock index does for US equities, a widely watched commodity index can act as a benchmark for the assessment of investment performance. The investor in forward commodity marketplaces need not worry about delivery. It can roll its long position to a later period as the delivery month approaches. Peddling commodities as a worthy investment vehicle frequently relies on diversification theories. Prudent stock and interest rate investors should diversify at least a small percentage of their securities portfolio into the long side of commodities. As in equity and debt marketplaces, much of the commodities investment propaganda trumpets that one should buy and hold for the long run.

The would-be natural physical scientists of politics have not created an objective, true for all definition (or application) of words such as liberty, freedom, equality, justice, or democracy. However, a political observer or player often wants to do more than persuade itself or confirm the wisdom of its opinions. In the game of politics, political rhetoric attempts to influence the perspectives, thought processes, and actions of others. In both political theories and political warfare, experts, leaders, factions, partisans, and voters strive to define and apply many important words in ways that incorporate values of good, less good, and bad. As in Wall Street and in much other economics discourse, political guides and followers often express their faith using rationality and irrationality vocabulary. Ethical and rationality discourse regarding and within American economic arenas encourages the use of that language of goodness and rationality regarding and within United States political playgrounds.

The political culture of the American Dream has concepts of good and bad. In general, liberty, freedom, equality, justice, and democracy are good (and reasonable). Slavery, servitude, tyranny, and injustice are bad. Many forms of inequality are bad. Some orators praise a political party or leader as rational, intelligent, logical, and prudent. They have (represent) good, common sense theories, platforms, policies, plans, and actions. Many condemn opposing or alternative political rivals or viewpoints as bad, second-rate, inferior, unwise, imprudent, illogical, unintelligent, or irrational. The NYTimes (4/27/01, pA20) states: “In 2 Parties’ War of Words, Shibboleths Emerge as Clear Winner”...”On Capitol Hill, even language is partisan.” Democrats speak of the estate tax, Republicans of the death tax. Democrats mention tax cuts, Republicans cry for tax relief. Democrats discuss affirmative action, whereas Republicans term the issue one of quotas and preferences.

Similar sermons and debates involving political definitions and intertwining views regarding reasonableness and goodness occur not only in America, but also on the international stage. Is that person or organization a good freedom fighter, a noble revolutionary, or a bad rebel, terrorist, criminal, or bandit?

Traders and other Wall Street observers know that scientific and cultural fields have numerous experts who advise others. It is reasonable and good to follow worthy Wall Street rocket scientists, financial engineers, superstars, coaches, generals, heroes, kings, preachers, idols, wizards, and gurus. Not only does Wall Street in general possess such guides. As an "investment" domain exists within Wall Street, the Wall Street investment world has a variety of investment experts and trained disciples. Sometimes Wall Street rhetoric attaches words of expertise imported from cultural arenas and natural physical science to investment. There are investment rocket scientists, investment coaches, investment generals, investment high priests, investment wizards, and so on. Wall Street's speculative and hedging realms and communities likewise have champions ready and eager to assist other professionals as well as amateurs.

In principle and practice, since views regarding the definition of investment (including "true investment") and what marketplaces are an investment or a good (true; reasonable) investment are always subjective, Wall Street readily and constantly gives birth to a large number of investment experts and apostles wedded to a great variety of subjective principles, methods, and tactics. Remember that the investment camp has fundamentalist sects and various denominations of technicians. Some investment strategies are long term (however defined), others short term. Wall Street therefore has experts in long term investment and guides for short term investors.

When one scans the global panorama of stocks and bonds, there are thousands of instruments. Are all stocks and bonds investments, or only blue chips? Fans of investment hierarchies and grades perceive and shop between all sorts of investments. Wall Street offers a huge number of investment instruments ("what's good to buy") and stacks of investment strategies as to how to make profits in them. To many people, the investment horizon and choices may seem limitless and feel overwhelming. Which securities should an investor choose to buy and why? Some securities may appear complex or opaque, even to experienced professionals. Picture some mortgage or structured product securities. What is an appropriate (or the best) investment (or investment portfolio) for a particular institution or individual?

Doesn't it take expertise to sort through and assess this great variety of securities (and other) marketplaces and instruments? In the US stock and interest rate marketplaces alone, there are numerous diverse instruments. Some Wall Street pilgrims invest on their own, spotting their own targets and pulling the trading trigger with little or no help from others. However, many prefer to imitate or otherwise follow the viewpoints, strategies, and actions of investment leaders and advisors.

Many helpful Wall Street investment advisors identify and select good investments for "investors in general", "the typical investor", "most investors", and "this particular kind of investor". But sometimes the financial service focuses more on each actual investor. Fancy Main Street department stores provide personal shoppers who choose fine clothing for the individual client; many create a special wardrobe for that buyer. Stylish fashion houses design and their tailors sew custom-made suits and dresses. An abundance of Wall Street professionals likewise offer friendly, personalized service to a given institution or individual regarding the appropriate investments for it. Many Wall Street houses graciously design and create suitable individualized investment portfolios for the particular client.

Merrill Lynch's full-page notice in the Financial Times (1/22/08, p5) reveals a stellar lineup of "five experts" that includes its chief North American economist, its chief investment strategist, and the global chief investment officer for equities at Blackrock. Note the emphasis on investment as well as its link to work: "Take advantage of investment insights from Merrill Lynch." "What do some of the top minds of Wall Street see for 2008?" The investment bank graciously offers “an insightful online video presentation”, a “candid roundtable discussion of the micro and macro trends for the coming year”. “Take advantage of market opportunities with insights from these top thinkers…Then call a Financial Advisor and put them to work for you.” In other words, don’t just sit there, follow Merrill Lynch’s advice and have them do something for you. You’re still the boss.

All of Wall Street’s investment ideologists agree that it is a prudent decision for treasure hunters to belong to a good investment team, to pay close attention to smart investment coaches, and to follow routes mapped out by the best and the brightest. Some money-loving investors decide to join more than one investment club, to follow several brainy leaders, and invest according to several shrewd strategies. In the investment context, supposedly scientific investment definitions, propositions, and perspectives are especially persuasive to many audiences looking for guidance. Who could serve other Wall Street professionals and Main Street fortune seekers better than a Wall Street expert that purports to be objective, rational, intelligent, and logical?

In games, war, politics, religion, and other fields, the leader or its perspectives may lose appeal, perhaps from suffering an actual defeat. Suppose the investment expert, viewpoint, strategy appears unsatisfactory. An investor may have lost cash. Or, it may seek to win more money than before. Or, the once-loyal investor’s tastes (risk appetite) may change. The investor can replace the former investment king and enthrone a new one.

Most investment definitions permit the man or woman on the street to be quite dependent on others. Although definitions of investment explicitly or implicitly require the investor to have some ability, most Wall Street (and other) definitions do not require that financial or other economic ability to rise to the level of talent, skill (in the sense of superior ability), or expertise. Also, marketplace trading experience (whether hands-on or indirectly) also is not required of the actual person or firm with funds to invest. Such omissions from definitions enhance the persuasive allure of Wall Street investment pleas, especially to Main Street audiences. So it's not hard to belong to an investment community, to receive the respected title of investor and to thereby see yourself as being rational and doing good. You don't even need to do or know very much to wear investment attire. In marketplaces, let the investment pros do the heavy lifting. Why not leave the driving to the experts and their trained acolytes? Just hand over your money to an investment manager and delegate most or all the marketplace decision making to them. The ease by which both Wall Street insiders as well as the general public can become an investor helps to sell and spread the gospel of Wall Street expertise and guidance.

Besides, definitions of investment and related terms and their application are entirely subjective. Therefore it is not that challenging to find a definition of investment that fits your outlook and desires.

Investment propaganda may target a very broad group, such as the overall American public. Investment can be a very popular activity. Some wide-ranging solicitations are a bit narrower. Think of American institutional investors in high grade corporate bonds. Other glamorous eloquence aims at a rather small (exclusive) band of buyers. Compare an elite country club. "Not everyone is being offered this investment opportunity." Some appeals relate to a large marketplace, such as US equities. Others relate to a marketplace sector. "You should invest in bank stocks." Investment oratory can address the merit of only one financial instrument- think of an initial public stock offering. Does a small number of desirable investment vehicles offered to a small but select group of well-heeled, carefully screened investors sound a bit like high fashion? In any event, all these rhetorical bombardments and rifle shots do not expect to get everyone to invest. The objective of every investment entreaty, however, is to get (and keep) enough buyers.

Suppose the hymns of a majority of investment experts, or some highly respected ones, say it is reasonable to join a particular investment temple. The experts may recommend one instrument (perhaps a large, well-capitalized equity), a marketplace sector (stocks of integrated oil companies; US government bonds), or a broad arena (US equity marketplace). Many people will follow such leadership and invest, at least for a while. Suppose quite a few owners in a given investment community win quite a bit of money at this table. Won't the experts appear to be especially sharp? Perhaps- and partly due to Wall Street's help- others may hear about this money making gold mine. Then won't more players seek to enter the marketplace on the buy side? Are they all investors, or are some speculators or gamblers?

For those with faith in the American Dream as a whole, making money by investing in American securities (especially stocks) is more than a good personal result, more than an event that simply makes them happy. Since such an investor (even if its primary concern is themselves) strives to build American wealth and thereby assist the accomplishment of political, social, and other Dream goals, its investment appears virtuous (ethical, moral; pious) from this perspective as well.

Not only do Wall Street professionals and Main Street residents believe that investment is good (and that investment can occur on Wall Street or Main Street). Not only do Wall Street insiders and Main Street inhabitants (especially in America) believe in the virtuous goals that investment furthers. This faith partly explains Wall Street's sustained choice and successful use of ethical (and religious) language seeking to attract, educate, and persuade audiences to invest.

In any event, and regardless of marketplace, Wall Street experts, generals, and devoted troops should and do fight fiercely on the barricades on behalf of investment principles and alongside investors. In moral terms- and perhaps in a religious sense as well- Wall Street shows substantial rhetorical skill in its investment rhetoric. By associating investment (especially in securities) with goodness, rationality (especially via natural physical science rhetoric), and the good and reasonable American Dream goal of money, most Wall Street firms and their employees convince themselves that they are doing good (and perhaps being virtuous, too) and being rational. Wall Street also thereby presents itself to others- whether to entrepreneurs, to Main Street residents, or to politicians or others- as good, not merely economically self-interested.

Altruists seek to assist others, especially the less fortunate. Helping others to achieve good ends is a praiseworthy occupation. Wall Street helps others to achieve good goals such as wealth and financial security. Especially in comparison to many Main Street players looking for investment wisdom and guidance, don't many Wall Street investment professionals seem qualified, perhaps even expert? To what extent is Wall Street altruistic?

By leading the way into good and reasonable investment paths, Wall Street seeks to save itself and others from the risks, perils, and evils of speculation and gambling. Or, by rhetoric glorifying investment, it tries to promote a viewpoint and practice better than speculation and gambling.

Much Wall Street talk, especially from the securities investment business, aims to carve out a separate sphere for investment relative to other marketplace perspectives and methods. Yet not only are definitions of investment subjective, but also many Wall Street and other speakers say investors bet, wager, speculate, or gamble on marketplace phenomena such as future price direction. These associations of investors with speculation, wagering, and so forth underlines that both definitions of as well as borders between investment, speculation, and gambling are matters of opinion. Besides, definitions of "bet" or "wager" are cultural. According to some definitions, there could be investment bets, speculative bets, gambling bets, and hedging bets. Also, don't risk taking speculators and gamblers sometimes achieve big American Dream successes, and aren't these achievers usually praised? Don't many view successful speculators and gamblers as rational?

Battles waged regarding marketplace definitions, viewpoints, and values ultimately aim to guide reasoning, strategies, and actions. Further review of language related to speculators and gamblers helps to illuminate the rhetorical motives, methods, and results of Wall Street's ceaseless labors to fabricate and sustain a respected (even honored) realm for investment, especially in securities marketplaces.

In Wall Street and economics, as in other cultural arenas, for perspectives on goodness as to players, practices, and goals to be meaningful and persuasive, there must be implicit or explicit concepts of badness. Expressions related to less good, less bad, mixtures of good and bad, neutral, or indifferent often supplement opinions on good and bad. In Wall Street, defining "true (pure) investment" or differentiating types or levels of investment develop the concept of less good. However, this exercise by itself is insufficient, for all species, families, breeds, levels, or grades of investment are still good.

Similarly, to understand rationality (and reasonableness, intelligence, logic, and other verbal cousins) and to use notions regarding it as a weapon to persuade others, one needs a vocabulary of opposites to duel with.

Most definitions of speculation enable Wall Street evangelists and their accomplices to preach sermons of investment orthodoxy behind masks of goodness, reasonableness and objectivity. Most opinions on speculation seek not merely to guide traders away from inferior or dangerous perspectives, thought processes, practices, and marketplaces. Scaring traders away from the dreadful swamp of speculation helps to steer many of them into well-grounded investments. Some associate speculation with supposedly harmful or too risky practices. Many Wall Street definitions of speculation tie it to irrational, illogical, disordered, unclear, or overly excited thought. In any event, Wall Street almost never states that speculation is as good, rational, logical, or businesslike as investment.

Wall Street definitions of speculation permit the trader to initiate positions from either the long or the short side of the marketplace. Investors almost always are owners and so want rising prices. The hypothetical speculator does not care which direction the marketplace price moves. The long speculators want rising prices, the short speculators adore falling ones. Speculators do not necessarily hold an open position for a short time period. Some are long term players.

The typical speculator does not care if it grabs money from its fellow speculators or from good Wall Street communities such as investors, dealers, or hedgers. To some observers, this willingness to profit from all others seems predatory. The willingness to profit from investors, since investors are good, seems bad to many Wall Street mentors, particularly those that advocate securities investment. Shouldn't investors be rewarded and speculators punished? "An Evil Virus Is Upon Us. The real problem is an old scourge: speculation", laments a Newsweek headline (3/13/95, p49). Are some speculators like unsavory, slick-talking horse traders of early America and the Wild West?

Focus on the securities context. The short seller of a financial instrument slows- if typically only very slightly- the upward price rise of that instrument. Rising prices of securities investments generally are good- especially for investment quality stocks. Thus short sales generally are bad. Like other marketplace players, speculators value the American Dream goal of money. However, short sales of securities (especially of equities), when viewed as an action, suggest resistance to rising prices and thereby opposition (figurative hostility) to the virtues of investment, corporate success and capital formation, and the American Dream.

In contrast to the short speculator, picture an investor that sells out its securities holdings. Such liquidation, like short selling, resists price rallies. However, the investor initially displayed faith in both investment and the American Dream. Disinvestment (though at times it may be prudent) is less good than investment, but most of Wall Street (at least in securities battlegrounds) believes it is better than short selling. However, how frequently does Wall Street say that substantial net selling of investment grade securities is sound common sense?

Since investment is associated with goodness (and virtue) and rationality (reasonableness and so forth), to the extent speculation is opposed to investment, words of badness and irrationality often blacken speculation. Though speculation can involve either buying or selling, the selling species is especially worrisome. Suppose securities speculators can act rationally by short selling. This arguably questions the rationality and probably challenges the faith of that noble buyer, the good investor. Picture the speculator selling to a so-called investor. Is each rational, or are they equally rational? Much of Wall Street therefore prefers to deem speculation in general and short selling in particular as intrinsically (objectively) unwise, imprudent, or irrational. At a minimum, most of Wall Street does not want either its professionals or Main Street to believe, particularly regarding securities marketplaces of leading nations like the United States, that short selling is as rational as investment.

After all, some distinguished authorities and their adherents have very expansive definitions of investment. For many of these players, ownership of all sorts of securities is good and rational. Under a rating system, very low grade investment securities still have some lovely attractions. Or, can financial rocket scientists deftly package together an assortment of low grade investment securities, thus creating a high grade investment portfolio (pool)? Can they place various speculative securities into a basket, whereby the basket becomes an investment quality instrument?

Anyway, although Wall Street greatly prefers investment to speculation, its viewpoints on speculation are inconsistent. In some opinions, a speculator can be reasonable and intelligent. Speculative buyers and sellers seek to make money- as do investors. Many speculators think hard and work hard to make money. Don’t speculators invest their time and effort to win cash? Wall Street has respected speculative experts in stock, debt, currency, and commodity marketplaces that advise traders.

Not everyone curses speculation as bad or almost always bad. Even for some perspectives that stress the goodness and rationality of investment, speculators at least sometimes perform helpful services. Because speculators risk capital, they often thereby make marketplaces more liquid. This aids investors, dealers, and hedgers.

Suppose definitional doctors diagnose speculative perspectives and thought processes as intrinsically insufficiently rational or otherwise inferior. Perhaps the speculator's trading methods are questionable; maybe it employs technical strategies, trades for the short term, or uses leverage. Yet so long as the speculator initiates positions from the buy side (at least in investment grade securities), it still assists the good and rational capital formation process, entrepreneurs, and the American Dream. But what if a corporation lacks an extensive track record but wants to issue stock and debt to expand its business? Maybe investors should shy away from these securities. Nevertheless, since many of these budding firms eventually will succeed, isn't it at least okay (and maybe even good) that speculators acquire their securities?

Or, assume an investment baron espouses the natural price doctrine. Suppose The Market or The Price has fallen beneath some alleged fair value or natural equilibrium. If so, investors as well as speculators should buy the so-called too cheap instrument.

Suppose instead that the Wall Street natural physical scientist believes marketplace prices have overreacted on the upside, perhaps due to an irrationally exuberant party atmosphere. If the financial instrument's price is way too high, what will restore it to its true value or central tendency? At what point does an investment grade instrument cease to be such? Some superstars will label it a speculation at the supposedly too expensive price. If a security is a speculation at this stratospheric height, have investors in it transformed into speculators? Even if such investors have not mutated, many experts say it is wise to sell if the price is irrationally high. But there may not be enough liquidation by investors or selling by dealers and hedgers to make the gravity-defying price logical. What if a ravenous band of speculators or a posse of excited gamblers keeps buying? Is the marketplace becoming a casino?

In a real jungle, are not some predators necessary to keep the population of herbivores within reasonable (healthy, desirable) limits? If in a marketplace ecosystem there are too many bulls, or if quite a few bulls are engaged in thoughts and behavior that set a bad example, isn't it reasonable and good for tigers, wolves, and bears to slaughter some bulls? Wall Street sometimes praises the killer instinct, even when possessed by a short seller. So speculative short selling sometimes achieves worthwhile and reasonable goals for the marketplace. If a corporation issues stock at a price way above what it believes is fair value of those shares, is that sale unfair or irrational, or a smart business play?

Wall Street not only invents varieties and grades of investment, but also subjectively defines various types of speculation. Almost all marketplace players (especially investors and those who need them), politicians, and Main Street are hostile to bad versions of speculation. For example, some scoundrels scheme to make money by controlling marketplace supply and demand via inappropriate (unfair, illegal) methods. Such manipulations, corners, and squeezes can distort the price, injure other participants (who are playing fair), and wound the reputation or health of the marketplace.

Also, don't forget excessive speculation. A financial engineer might complain that too much speculation upsets the smooth workings or integrity (structure) of the marketplace. Excessive speculation may move a price too high, too low, or up and down too much.

Even a single participant may speculate too much ("an unreasonable amount") for the good of the financial playground. US Senator Carl Levin griped: "In 2006, excessive speculation by a single large hedge fund, Amaranth Advisors, altered natural gas prices, caused wild price swings, and socked consumers with high prices" (Press Release, Senate Committee on Homeland Security and Governmental Affairs, 6/25/07).

Or, individual speculators may not be acting inappropriately, but when viewed as a body, their collective activity is dangerous. Some kissing and caressing is one thing, an orgy quite another. US Senator Byron Dorgan complained: "The oil futures market has become an orgy of speculation, driving up the price of oil beyond where the fundamentals of supply and demand would put it…Congress has a responsibility to intervene and shut down what I believe is excessive speculation in order to allow those markets to work the way they should work" (News Release, 4/3/08).

If there can be excessive speculation (or excessive gambling), surely there can be excessive investment. After all, many gurus place speculation in opposition to investment. Investment, like speculation, subjectively labels marketplace perspectives and practices. Don't investors love and worship money and have hunger and thirst for financial security and wealth? A passage from Herman Melville's novel, "Moby-Dick", is revealing (author's spelling and punctuation; p251). The ship's cook gives a "sermon" to a "congregation" of sharks eating whale meat.

> "Dough you is all sharks, and by natur wery woracious, yet I zay to you, fellow-Critters, dat dat woraciousness…
>
> Your woraciousness, fellow-critters, I don't blame ye so much for; dat is natur, and can't be helped; but to gobern dat wicked natur, dat is de pint. You is sharks,

> sartin; but if you gobern de shark in you, why den you be angel; for all angel is not'ing more dan de shark well goberned."

Spread (cross, pair) traders in securities, currency, and commodity marketplaces are long one instrument and short another (or long several instruments and short a basket of others against these). Suppose a trader buys 100 shares of the stock ABC; at or around the time it establishes this long position, it borrows from a dealer 100 shares of DEF and sells those DEF shares to someone else. Or, someone may buy NYMEX crude oil futures and sell NYMEX heating oil futures against it. The spreader is indifferent regarding the price level or trend of an individual spread side (by itself). It hunts profits from a change in the price relationship between the two instruments. Thus someone long ABC at 50 and short DEF at 55, a spread of five dollars, makes five dollars a share (before commissions and borrowing costs) if it unwinds the position when ABC and DEF trade the same price.

Because the spreader is not only a buyer, some investment definitions include spreaders in the speculative class. However, in a marketplace ethics of price level and direction, the spreader on balance is neutral. In contrast to the short seller of securities, the spreader is not fighting the good buyers. In equities, the buying half of the spread helps a price to rise (good), though the short side can slow down or help to reverse rallies (bad). Thus many investment oracles and others elect to call the spreader a trader (in the neutral sense of that term) rather than a speculator. This maintains the distinction between investment and other practices.

Wall Street dealers often need to establish spreads to make markets for customers. Many merchants have an inventory (book) of spread positions which changes over time. Wall Street participants who are not dealers may establish spread positions similar to those of a dealer. Since

Wall Street generally views dealers as rational (and values them as good), Wall Street almost never criticizes the practice of spreading- even by non-dealers- as unintelligent, unreasonable, or irrational.

An oil business anecdote reveals that some Wall Street opinions equate speculation with gambling, even associating both with irrationality and badness. Definitions of and propositions regarding gambling- like those of investment and speculation- are never scientific. The story highlights a battle showing how players use and apply these labels to claim rhetorical high ground.

In 1973, Marc Rich, a famed commodities trader, and his colleague Pincus Green worked for Philipp Brothers, a prestigious dealer. Rich and Green contracted with Iran to buy crude oil. Rich and Green did not have parallel sales concluded at the same time. Such sales arrangements would minimize the financial risk to Philipp Brothers if crude oil prices declined substantially. "Rich and Green had...developed close contacts in Iran with officials of the Iranian National Oil Company, and through them to higher political powers that ran the country." Their boss, Ludwig Jesselson, a very experienced and highly respected Wall Street leader, was "shocked" and "furious". Rich was forced to resell the oil "at a minute profit". "Two philosophies had clashed and prudence, conservatism and orderly procedures had prevailed over daring, imaginative marketing, and speculation. Rich disagrees that this was speculation...He and Green felt they knew what they were doing, and that Jesselson and the other people in New York did not. Rich and Green were after all in contact with the market, and the forces shaping it, hour by hour, sixteen to twenty hours a day, seven days a week. They also had inside information; they knew they were right. But major corporations do not work that way. Jesselson knew they were wrong, that they were crazy, that they were gambling, and that they were irresponsible." Helmut Waszkis, "Philipp Brothers: History of a Trading Giant 1901/1985" (pp211-13).

Wall Street creates game, gambling, and sports metaphors to educate and inspire individuals aspiring to be trading superstars as well as those yearning to be team players and eager to enjoy camaraderie. Picture the thrills, joys, and friendships of marketplace fans and cheerleaders. Entertaining gambling language often is very successful in persuading both Wall Street professionals and Main Street dwellers to leave the sidelines to play and stay in Wall Street arenas.

Wall Street, like Main Street, has two basic schools of gambling rhetoric. One camp praises gambling, the other condemns it. Wall Street marvels at the poker face and cool calculations of a skilled trading gambler, wagering and winning big stakes under pressure. Gambling and trading are fun, right? Yet don't most gamblers- at least those who venture outside of casual recreational play at home or similar locations- lose money over time? Who wants the marketplace to become a lottery or casino? Yet both doctrines (and their sects) work hard to inspire Wall Street professionals and amateurs, as well as to entice new players to the table.

Most coaches that censure Wall Street gambling (or speculation) do so to praise and promote investment. Investing is better as well as more sensible than betting. Though this motive is less prevalent, some also criticize gambling in order to elevate hedging and risk management (especially by commercial participants).

Wall Street wants investors to have faith that they will (or probably will) win (at least eventually). Though gambling arenas such as poker involve skill, everyone knows that not all poker players make money over the long run. How can the so-called average trader (especially a part-time one on Main Street) keep up with the admirable professionals? Don’t many pros have an edge? Aren’t some pros skilled (possess capacity beyond so-called sufficient, basic, or average ability)? Suppose investment domains are casinos. Casinos must win money from players in general over the long run to stay in business. In games of chance such as roulette, intrinsic odds favor the house.

Since Wall Street and its corporate and sovereign allies need people to buy and hold securities on a net basis, anti-gambling language is particularly widespread and enthusiastic in securities marketplaces. Buy and sell, buy and sell, buy and sell… over and over and over; this trading wheel does not create or sustain the capital formation process very well (though net selling and short selling are even worse).

Religious (ethical, moral) viewpoints inspire the marketplace perspectives and values of some Wall Street devotees that love investment and hate gambling (and who usually are hostile to or ambivalent regarding speculation). In addition, subjective natural physical perspectives guide many marketplace observers. American Dream culture subjectively intertwines religious and natural physical science words and viewpoints; many investment theorists and evangelists likewise subjectively mix natural physical science and religious perspectives. In this process, investment guardians and apostles usually associate words of or related to goodness and rationality with investment. They often bind gambling with the less desirable (or bad) or less rational (or irrational). Marketplace gamblers (or at least most of them) are irrational, too excited and emotional, or lacking in common sense and good judgment. Such rhetoric steers many lovers of wealth and financial security toward some version of investment perspectives, thought processes, strategies, and action. Once- and as long as- someone embraces an investment faith, they generally think and behave in accordance with it.

Shouldn't we work for money in a rational fashion? Investment gospels emphasize the wisdom of seeking and valuing money in a reasonable way. Real (true, genuine) investors take risks with a sober attitude. Reason, logic, and calculation are an investor's weapons. Put your money to work prudently on Wall Street. Remember that reasonable investment experts, leaders, and their disciples are ready to work for you. The investor (or the intelligent investor) should not like Wall Street action too much, though it should adore investment and practice investment rituals- especially in worthy Wall Street marketplaces. Investors should not act like the proverbial typical gambler. Don't trade on the basis of so-called emotional whims or random hunches! Don't let get rich quick trading schemes inflame or mislead you!

Is it better to work for or otherwise earn (as via investing) money than to play or gamble for it? In American and many other capitalist forums, cultural faith declares that working generally is a good and rational practice. Are gamblers lazy or idle? Yet many skilled gamblers think long and hard about how to make and keep money; some of those who wager are very patient and persevering. Some gamblers call gambling a profession or business. Is wanting to make money (whether quickly or slowly) by gambling in a game of skill such as poker or on sports less good or less rational than trying to make it by working or (perhaps slowly and patiently) by buying and holding stocks? There is no objective (scientific) proof of this. Besides, in cultural fields, people have different opinions as to how to define fast and slow. In any event, many Wall Street investment viewpoints distinguish gambling in order to praise investing, working for, and earning money over the long run. These theories romance many listeners to participate in Wall Street for the long run, laboring and waiting with patient enthusiasm for profits to arrive.

It is bad and foolish to waste, squander, or throw money away. According to many opinions inside and outside Wall Street, gamblers do not respect money enough. Sometimes gamblers lose their entire stake quickly and thus cannot stay in the game for the long run. Some gamblers slip into debt to recapture money. This is imprudent to Wall Street sages that shun leverage. We know that some gamblers become gambling addicts. Their infatuation may ruin their finances and their lives. It also may injure others dependent upon or otherwise involved with them.

The allegedly excited, emotional, erratic, or otherwise imprudent buying and selling behavior of marketplace gamblers may generate other unfortunate consequences. Keep in mind the concept of excessive speculation in this context. Investment princes and tycoons do not want gamblers or speculators to corrupt marketplaces, especially the large securities ones. Many investment divines claim that these gamblers (or speculators) may affect supply and demand adversely, thereby moving the price in inappropriate ways or to unnatural heights or depths. What if short selling becomes as respectable and reasonable as investing? As more and more investors act like or become gamblers (or speculators), the greater the danger to the so-called investment quality of the marketplace, and participants within it. Investors may elect to avoid or leave these arenas.

Many investment luminaries believe such gamblers teach- by both words and behavior- unhealthy or inferior perspectives and strategies. Investment doctors do not want the minds, strategies, and actions of the worthy investors (buyers) poisoned (degraded, warped). Gamblers, perhaps more than speculators, may lead investors astray from appropriate money making principles and methods. A marketplace gambler might overlook excellent investment opportunities, right? Suppose an investor chooses to imitate gamblers. Will this transform the participant into a gambler?

Some investment leaders praise the team orientation of buyers, who all own something and pray for rising prices. Gamblers and speculators do not unite in a single directional bias. Isn't it better for the American Dream if there's not too much gambling or speculation?

Grave problems for Wall Street as an investment shrine may develop if investment there becomes less respectable or too dangerous, or if many investors become gamblers or speculators. Suppose lots of Wall Street investors (perhaps some became gamblers or speculators) vote with their feet and exit from their long securities positions. What if the walk becomes a stampede? Suppose Wall Street investment rhetoric finds it difficult to entice these former owners to return, or to replace them with new fortune hunters? If prices fall precipitously, that could harm even the remaining good (rational, true) investors.

Wall Street gamblers and gambling rhetoric could damage faith in the goodness, intelligence, and rationality of Wall Street investment as well as in the praiseworthy capital formation process that occurs with Wall Street assistance. If gambling principles and practices become very widespread and sustained in securities marketplaces, then many corporations, sovereigns, and entrepreneurs will see Wall Street as too unstable a capital source. Some may choose to raise capital with little or no assistance from Wall Street intermediaries. Why not seek money from others directly? The bottom line from the Wall Street investment perspective: Wall

Street gamblers can endanger Wall Street's opportunities to make profits via the investment process, especially over the long run.

Think of references in Main Street and elsewhere to objectifications such as the general public, average person, or man on the street. Some on Wall Street employ the word trader in a neutral sense to describe a generic Wall Street risk taker engaged in the buying and selling of marketplace instruments. According to this usage, this player is neither good nor bad, nor more or less rational than other participants. All definitions of trader are subjective, including this construct. As noted earlier, this inquiry uses the term in this neutral fashion unless otherwise indicated. However, many speakers equate traders with speculators, others call traders gamblers, and some use these three words interchangeably. Also, some speak of trader in the sense of a dealer or merchant. And hedgers are said to engage in trading.

Wall Street's commercial dealers (market makers, merchants, or merchandisers) in stocks, debt, currencies, and commodities engage in a trade or business of buying from and selling to other Wall Street professionals or Main Street. Most of these commercial middlemen act as a principal for their own account. A dealer also may be an agent on behalf of a customer. The ability of dealers to hold and trade equity and debt inventory helps to sell new securities issues and buy and sell existing ones. They aid investors (and speculators), entrepreneurs, corporations, and sovereigns (nations, states, cities; international organizations). Consumers and producers as well as importers and exporters benefit from them. Especially in securities marketplaces, dealers promote the virtuous and rational capitalist enterprise of business and nation building. They thus help to accomplish American Dream goals such as wealth, financial security, and prosperity. In general, Wall Street therefore usually grants commercial dealers and their appropriate practices the titles of goodness and rationality.

However, definitions of dealing and its relationship to other marketplace practices are matters of opinion, not science. Some dealers trade very actively and frequently, perhaps holding a position for only a few minutes. Yet to many dealers, a few days are a long time. Some investors and speculators say they deal on their own behalf or for their own account. However, even if they claim not to wear the dealing hat, many investors and speculators buy and sell actively. Dealers are not the only players with an array of outstanding positions. Think of the equity galaxy. Many Wall Street stock investors and speculators possess diversified portfolios of instruments. Like dealers, a speculator may have a book of long and short positions. Some dealers (trading desks) employ leverage. Many merchants are short sellers. Some even dare to use technical trading methods. There is no objective proof that dealers objectively are as, more, or less logical and rational than speculators or investors- or the famed so-called intelligent investor.

In addition, in all marketplaces, many dealers acting as a middleman assert their business involves speculation (or investment). Also, some merchants do not always want to settle for a small profit via dealing on the bid/offer spread or from a markup or commission. Some intermediaries remark they use the dealing process as an avenue for investment or speculation on their own account. Thus investment and speculative positions supplement their normal, everyday dealing ones. In any event, many dealing positions (trades on their books) are the same as those held by non-dealing investors or speculators.

Despite being acclaimed as good and rational, are merchants much different from many speculators? All answers to this question are subjective. In the Wall Street jungle, most say that in general it is better that dealers reap profits than speculators. But does the vigorous quest by dealers to make money from (or by means of) Wall Street and Main Street clients (and from other dealers) nevertheless make them resemble predatory speculators?

Dealers and other marketplace participants sometimes trade derivatives. These include futures, options, forwards, and swaps. A derivative is based on an underlying financial instrument or collection of them. Some derivatives such as futures trade on regulated exchanges; other vehicles are over-the-counter contracts between two counterparties. A gold futures contract can trade for delivery in December several months from the present. Stocks such as IBM have call and put options at assorted strike prices for various months in the future. The S+P 500 cash index is the basis for the stock index futures contract with that name.

Many dealers employ derivatives marketplaces to enhance their market making capability and to hedge price risks associated with their merchandising. Wall Street usually praises these risk management practices.

However, some ministers shout that all derivative arenas are entirely or substantially speculative. Other pundits claim that since speculation occurs within derivative marketplaces, the marketplaces are at least somewhat speculative in character. A third tribe tosses some marketplaces within the speculative or partly speculative categories but exempts others. For example, a guru with faith that a stock is of investment quality may not throw derivatives based upon it into the speculative box.

What other factors prompt many to label or criticize derivatives as speculative? One is the infrequency of physical (spot) delivery of derivatives. Some derivatives trade only on a cash settlement basis; no underlying instruments are transferred in exchange for money. Most traders in derivative marketplaces which permit physical delivery of underlying instruments do not intend to make or take physical delivery. They will offset their derivative positions. Also, as potential delivery or cash settlement is at a future time relative to now, the derivative vehicle seems remote from the physical instrument (or a basket of them) and thus the "real world". In addition, transactions in physical marketplaces generally involve full payment for the value of the instruments (even if money is borrowed to do so). Compare a derivative traded on an exchange; think of margin and leverage issues. To establish a position in these instruments, typically only a small percentage of the contract value is required.

Physical marketplaces differ in another key respect from derivative marketplaces. Think of a derivatives marketplace without reference to the underlying physical instruments. Some- especially those courting investors in physical securities marketplaces- are wary of or hostile to the balance of interests between long and short positions within a derivative marketplace. This consideration inspires many to deem derivative playgrounds as speculative (or even gambling) arenas.

For example, futures marketplaces, when viewed in isolation from physical marketplaces, are "zero sum games". For every long contract that exists, there is a short contract. "For every winner, there's a loser." Within a futures arena, money lost via outstanding long positions is won by shorts, and victories for owners are defeats for short sellers. A downward price move in a stock index futures contract harvests cash for the shorts at the expense of the buyers. Also, suppose for the sake of argument that all owners in a derivatives playground are investors and all shorts are speculators. Since speculators equal investors, it becomes a challenge to show why the battlefield has an investment nature (or is primarily an investment field).

Think of voters in an election campaign. Compare physical securities marketplaces with exchange-traded or over-the-counter ones. Assume a physical equity with a number of shares outstanding (owned). There is not a corresponding equal amount of shorts in the physical marketplace. A trader must borrow the equity in order to physically short it, and not all owners will lend it. In most securities marketplaces, the physical long positions therefore usually far exceed the total of physical short sales. So the interest of the long citizenry in rising prices exceeds the desires of short partisans for falling ones. In a futures marketplace, the stakes of longs and shorts are exactly equal.

Rhetoric that labels derivatives as partly or entirely speculative usually aims to preserve the blessed place of investment in physical marketplaces, particularly good securities ones. Yet even Wall Street generals and soldiers that do not brand securities derivative marketplaces as entirely or partly speculative seldom if ever praise them as highly as the good physical investment vehicles to which they relate. Placing derivatives on a lower rung on the investment ladder assists the war designed to promote and preserve the goodness (superior merit) of physical securities marketplaces. This helps to steer Wall Street professionals as well as Main Street to buy physical securities. Lovely investment opportunities abound in real (physical) stocks and bonds. Why stray too far from home by taking financial risks elsewhere?

Imagine a trader with substantial experience in both physical (cash) US equities as well as stock index futures. Suppose that person has built a very profitable long run track record in these marketplaces, and that it enters and exits stock positions on the basis of fundamental analysis. Finally, assume this player establishes a long futures position in the S+P 500 and that it neither has and nor intends to have other trades open on its books, whether in physical stock marketplaces or elsewhere. Is this derivatives deal a speculation or gamble according to an objective definition? No What if the owner intended to sell out the futures and simultaneously buy physical, investment grade stocks? Scientific (Natural) principles do not make this an investment, speculation, or any related term. Are some or all options strategies related to a so-called investment grade stock or bond so risky as to be intrinsically speculative? No. Since all definitions of investment and speculation (and gambling) are subjective, derivatives marketplaces and positions within them are neither objectively speculative nor objectively any more speculative than physical ones.

The viewpoint that investment in derivatives (or in some derivatives) is possible nevertheless has become increasingly chic in recent years. The cover leaf of Lawrence McMillan's "Options as a Strategic Investment" calls the text "The standard resource for options traders and serious investors". Some asset managers have diversified investment portfolios in physical stocks and interest rate vehicles by venturing into exotic securities derivatives. Other securities investors have embraced the sales pitch that it is sensible to invest in commodities such as crude oil and corn via futures or over-the-counter marketplaces. However, especially in comparison with physical securities marketplaces- notably those that have been awarded the Good Housekeeping Seal as investments- the opinion that one can invest in derivatives has won only modest acceptance within Wall Street, Main Street, and political corridors. In any event, Wall Street does not want investment in derivatives to supplant investment in physicals.

That a futures or forward playing field, when viewed apart from a related spot marketplace, is a zero sum game between longs and shorts does not transform the physical arena into a zero sum game. Since long positions outnumber short ones in a cash forum, for any given price change in a physical marketplace, longs within it win or lose more money than shorts. Suppose one views the various zero sum derivatives alongside the underlying physical marketplace. The combination is net long, for the physical securities fields are net long. The existence of derivative securities therefore does not change Wall Street securities gospels (especially in stock marketplaces) that preach upward and high prices are good and falling and low ones are bad. Rhetoric from the physical securities domain related to price level, direction, and information migrates into the securities derivatives realm. Regarding these derivatives, Wall Street eloquence typically proclaims that rising prices are good, falling ones bad. Good news for stock index futures generally is happy news for stocks that appear correlated to those indexes.

Players in Wall Street, politics, high society, the criminal world, and other cultural dens develop perspectives on and try to control or manage various risks. In Wall Street and Main Street businesses, people speak of price risk, credit and counterparty risk, legal and regulatory risk, and so forth. Most Wall Street risk talk relating to trading concentrates on price risk. Price risk discussion and analysis of course can involve or interrelate with those other risks.

Wall Street and its compatriots generally state that hedging and risk management are good (or at least morally neutral and often necessary) and rational practices. Traders hedge positions via physical as well as derivative marketplaces. Many experts praise derivatives- and not only derivatives in securities- because hedgers use these avenues to manage risks. However, like words such as investment and speculation, hedging has no scientific (objective) definition. Moreover, hedging language often becomes tangled with that of speculation, gambling, and investment.

A noteworthy definition in the Oxford English Dictionary regarding hedging (Volume I, p1281): "To secure oneself against loss on (a bet or other speculation) by making transactions on the other side so as to compensate more or less for possible loss on the first." Note the overlap between a bet, which also suggests gambling to many on Wall Street and elsewhere, and speculation. The OED extends the hedge definition to the commercial field (see Volume III, p348).

Wall Street usually is relatively indifferent as to whether speculators hedge their price risks. After all, Wall Street generally tends to view speculation less favorably than investment and dealing.

Some Wall Street bulls snort that hedging an investment can have the unfortunate consequence of limiting excellent upside opportunities. Yet some investment guides declare that it sometimes is sound common sense for an investor to hedge (insure) against price risk. To protect itself, an "investor may hedge its bets". Picture a stock owner that fears that the price of these assets will tumble soon. Maybe tax considerations or regulatory concerns argue against selling out some or all of a position now. In other situations, a worried investor perhaps will not admit to itself- or does not want to confess to others- that it has second thoughts about being long (or about being too long). Perhaps an investor will write stock call options or sell stock index futures.

Since hedging can assist valued players to realize the virtuous and reasonable American Dream goals of wealth and economic security, many experts salute hedging in general. Hedging can benefit marketplace participants such as debt issuers, oil producers, and merchants. An oil producer may want to "lock in" prices around current levels via a short hedge. An American firm with overseas earnings in British Pounds may fear depreciation of that income relative to the US dollar. That international enterprise may hedge its foreign currency exposure by selling British Pounds in a forward marketplace.

A commercial dealer of course may lose money over a given time horizon. But for the Wall Street dealing community as a whole to stay in business (and thus to serve buyers and sellers), it needs to make money over the long run from its combined, overall participation in the physical and forward time period arenas. Hedging can assist a dealer in managing its inventory. Many commercial dealers in stocks, bonds, foreign exchange, and commodities will hedge in order to serve their customers. These risk management strategies can help them to make profits and stay in business for the long run.

Picture a market making Wall Street dealer with numerous big clients. Won't sometimes this wheeler-dealer need to scramble to acquire or dispose of a substantial amount of inventory "without undue or unnecessary risk to itself (without getting killed)"? Assume American interest rates start to spike. As debt prices fall, suppose an enormous asset manager calls the dealer. The investor (let's honor the player with this illustrious badge) quickly describes its portfolio of several hundred million dollars of various US government and corporate notes and bonds. The money manager then insists: "Give me a bid on all of this right away. I want to sell it fast." If the client accepts the dealer's bid, then the dealer owns those securities, so the dealer may sell US government note and bond futures to hedge itself. Picture the market maker's face if it did not hedge via the futures sale and if prices kept getting murdered. Or, sometimes a dealer may not easily locate a large quantity of a particular security that an investor wants to buy. It may nevertheless offer the investor a price on that security. If the investor accepts the offer, the merchant may as a hedge buy a security it views as similar to the one it just sold the client. Later, when the market maker unearths the particular security it must deliver to the client, it will purchase it and liquidate the long hedge position.

Scholarly economists, learned philosophers, and others present competing opinions as to how to define "economics" and relate it to other fields. Which players should be considered economic- or "economically rational"- ones? Investors, speculators, and hedgers are not the only people concerned with money or material goods. Definitions and applications of labels such as miser, hoarder, and collector are just as cultural as those relating to investment, speculation, gambling, and hedging. This subjectivity further shows that definitions of investment and speculation and propositions related to them are always matters of opinion, never objectively true for all. However, propaganda from Wall Street and beyond carves out a privileged and esteemed empire for the investment by explicitly or implicitly distinguishing investors from such players. The more meritorious the investor appears in relation to others in this cultural rating system, the more likely it is that people will yearn to join and stay within the investment domain.

Look how an American economic luminary, David H. McCormick (Under Secretary for International Affairs) tangles investment with speculation, gambling, and hoarding. McCormick's comments at the Peterson Institute for International Economics ("Oil Markets: Principles, Perceptions, and Prices"; 7/29/08) primarily relate to oil futures marketplaces. However, ask if he would apply his definitional perspectives much differently in regard to securities and other marketplaces. He states that in addition to commercial participants such as hedgers, oil futures marketplaces also have "Pension and index funds- these are typically funds that seek to diversify their assets with investments in commodities and who buy and hold for the long term. And, short-term investors often referred to as speculators- these are market participants with no commercial interest in oil who bet [for many audiences, bet is a gambling word] on future changes in the price." Both long term and short term investors accomplish good things, for they "play a crucial role by supporting a large and liquid oil market that makes it easier and cheaper for hedgers to minimize their business risks." However, "there are welldocumented examples of how small groups of investors have cornered markets in the past by hoarding physical commodities. This behavior is better known as 'manipulation', and is rightly illegal."

As in investment wordplay, various opinions as to goodness (virtue) and rationality reside within many definitions of words such as hoarder, miser, collector, and thief. Thus depending on its label, an economic participant compared with others is good, less good, neutral or indifferent (equal), less bad, or bad. The worker, investor, miser, or other player is rational, less rational, somewhat rational, not very rational, or irrational relative to others. Some propagandists glue the tag of irrationality (or a relative such as unreasonable, illogical, or emotional) to their subjective definition in order to declare that class of participant uneconomic or less economic.

Everyone knows that misers, hoarders, collectors, and thieves think about making and having money or possessions. They have strategies for acquiring and keeping them. So do investors. These people, as do investors, believe it is reasonable to seek what they desire in the fashion they do so. Otherwise, why would they act that way? However, Wall Street and its allies in economics and the media- like Main Street- emphasizes that players such as misers, hoarders, collectors, and thieves (and speculators and gamblers) are not more rational, intelligent, logical, or prudent than investors (and often are less so). Also, relative to investors, Wall Street and most other orators rank misers, hoarders, thieves, and many collectors as bad (or less good or inferior).

A miser struggles to grasp money and accumulate more of it. Don't investors also fight to have and make more (and more and more) money? Don't investors yearn for great returns from stocks, bonds, and bank deposits? The object of desire is the same; misers and investors both love money. Many investors place no limit on how much wealth they want to possess. Hoarders and collectors hunger for things. Many investors in Wall Street and elsewhere want money in order to own material goods such as houses and cars; some lust for several big houses, numerous expensive cars, fancy jewelry, and so on. Where there is desire for money or material goods (or the "good life" or a "better life"), there are emotions. Emotions and character traits always permeate the perspectives and thought processes of these various cultural players; the investor is no less or more emotional than others.

Investors are not running charities, are they? Yet many investors, even if they think first of themselves, arguably also at least occasionally think regarding the benefit of others. Especially ponder the praised securities investor. It willingly hands over money to entrepreneurs, corporations, and sovereigns. Think of American Dream rhetoric in relation to securities. Via securities buying and holding, investors help to build businesses and strengthen nations. Investment benefits more than the investor! Investing in securities helps to achieve the good and rational American Dream in general, not just for the individual. Though the investor wants money for itself, the excellent result of thereby helping to create more wealth, financial security, and prosperity for others also can please it. In contrast to investors, misers and hoarders lack sufficient altruism. They do not care enough for or share enough with others. Though there is no objective definition of miser, greed, or excessive greed, many criticize the miser as antisocial or pathological. Like Ebenezer Scrooge in Charles Dickens' "A Christmas Carol", misers are too avid in their greed for gold, excessively grasping in their money holding in comparison to the investor.

Are hoarders of money, gold, jewels, and other treasures too covetous? Some hoarders (and some collectors) accumulate things that most others consider unnecessary (unintelligent) to have, either at all or in "such large quantities". Think of old newspapers or buttons. However, imagine hoarding food during a famine while one's neighbors or others are starving. Of course it is sensible and good for the individual to want to survive. Yet isn't it even more reasonable and virtuous when more people survive? And shouldn't society punish hoarders that deliberately profit from the distress of others? Yet who determines the line between so-called reasonable having and (bad, unreasonable, excessive) hoarding?

Opinions, not science, decide what makes something a collectible or an investment. Though there are all sorts of collectors, Wall Street believes that one should not view them as more worthy than investors. Collecting makes many collectors happy, and happiness is an American Dream goal. However, compared to investors in securities marketplaces, collectors add less to overall economic wealth and financial security. Exploration of collecting highlights the presence of values and emotions, as well as the rhetoric of rationality and expertise, in both collecting and Wall Street trading arenas.

In "Swann's Way", Marcel Proust says someone may contemplate a precious artwork- or a desired person akin to such artwork- with "the pride, the selfishness, the sensual thrill of a collector" (p318). Although some collectibles like salt shakers are commonplace items used every day, some collected items are iconic. Picture the relics owned by Jacqueline Kennedy Onassis (Sotheby's sale, NYTimes, 4/24-27/96; "Frenzy to Buy Camelot", "Souvenirs of Camelot") or letters written by President Abraham Lincoln.

Many collectors express pride in heirlooms not only to other family members, but also to friends, colleagues, and casual acquaintances. Some avow their love for such items. Remember that some investors, speculators, hedgers, and other traders say they love trading (investing in) stocks, or are in love with a particular stock. Burton Malkiel, in "A Random Walk Down Wall

Street", notes some stock owners view holdings as "family heirlooms" that will never be sold (p74). Wall Street stock owners often proudly tell others of their winning stock picks or their portfolio's profits. Some collectors- and these may be a collector of fine art or someone with old baseball cards or stamps- view themselves as part of a fraternity. Many of those who buy and hold United States investment grade stocks for the long run also view themselves as belonging to a community. It's desirable and a source of happiness to belong to a good group, right?

Some on Wall Street say they collect stocks. Conversely, though some viewpoints regarding collecting point to a supposedly noneconomic or irrational element in it, numerous collectors nevertheless call their items investments. Some art advisors and collectors claim say art is or can be a good (valuable) investment. When does a collector become a business person? What distinguishes a hobbyist from other collectors (or business players)? Some collectors swap items without transferring money; think of trading baseball cards. However, many people buy and sell collectibles, with some making or losing substantial money in the process. Even art can sell like a commodity ("Art & Auction", May 1991, p136). Unlike collectors of physical items such as art or rare coins, securities investors care very little about the physical condition of the financial instrument. However, both investors and collectors care about quality. A good stock or bond should possess investment quality.

The world of collecting, like that of investment, has experts who establish standards and assist others. Many experts assert that collecting doorknobs is silly, a waste of time (energy, money), crazy, or irrational, whereas collecting art (or fine art) is sensible and good. Just as some investment experts invent investment hierarchies (grades), art mavens manufacture artistic ones. Artistic high priests honor oil paintings by Leonardo da Vinci, Claude Monet, and other recognized masters as art, yet reject oil paintings by many others as not art or inferior art. Some oracles believe works from Dada circles, abstract expressionist painting, or slabs of metal (non-representational sculptures) belong in the artistic canon. Other refined all-stars with different artistic criteria (standards of taste) disagree. To some people, even if famed creations from Dada, abstract expressionists, and so forth inhabit prestigious museums and galleries, supposedly none of these productions is art (or true, real, or good art).

Fine art belongs in collections of museums and connoisseurs (patrons of the arts). Blue chip stocks belong in the portfolios of intelligent investors. Devoted artistic guides seek to uncover talented yet still undiscovered artists. Compare friendly investment advisors hunting for an excellent yet generally overlooked or unappreciated investment opportunity.

Suppose several prestigious and wealthy banks, investment banks, and investment heroes designate a marketplace (or marketplace sector) as being of investment grade. This investment badge convinces many audiences that instruments within it are investment vehicles. Similarly, rhetoric from an influential social group- and especially from its experts- can provide widespread validation regarding the merit and rationality of owning a category of collectibles or a particular item within it. Isn't it rational to listen to and think and act according to the advice of good experts?

Opinions as to whether a particular financial instrument is an investment, a good or less good or risky investment, or a speculation differ and change. Viewpoints regarding collectibles show similar diversity, and attitudes toward these things are not written in stone. Widespread opinions as to whether a creative work is art, fine art, good or bad art, or a craft can shift. Van Gogh's skill was not widely appreciated at the time of his death. When and why does a work made for everyday use such as a quilt get tagged as art (think of folk art) and thus acquire prestige as an art object? The scientific method can never define or determine whether a collectible is an art object- or an investment or speculation.

Criminals sometimes embrace investment language. Don't they invest money, time, effort, and energy? The famed 1950 film noir, "The Asphalt Jungle" (John Huston, director) involves an alluring investment opportunity. Doc Riedenschneider tells Cobby he has heard that Emmerich (an outwardly respectable attorney) "has money to invest". Cobby confirms this. Doc has "a proposition, a big one…a plan for a caper, and it's a good one. I could sell it for a hundred thousand dollars on the open market, but that would be toy money…I prefer to execute it myself." The enterprise- a jewel robbery- could make the criminals half a million dollars. In 1950, that is very serious money. Doc has a fine professional "reputation". He underlines: "I've engineered some very big things". However, he only recently was released from prison. So Doc needs financial backing- "roughly 50 thousand dollars"- to hire a crew and operate. Cobby introduces Doc to Emmerich. Doc explains his plan to Emmerich and stresses: "Take my word for it, Mr. Emmerich, this is a ripe plum ready to fall." Emmerich agrees to support the venture. However, he happens to be broke; neither Doc nor Cobby know this. Emmerich persuades Cobby to bankroll the venture. The thieves seize the loot, but they fail to keep it for long since not everything goes according to plan. All the conspirators end up dead or under arrest.

Anyway, thieves and beggars want to acquire money or material goods. The methods of robbers and beggars require reasoning and effort. Yet American culture generally does not praise their activities as work (gainful, honest employment) or investment.

Most people condemn and scorn thieves since criminal thoughts and actions reflect vice, not virtue. Robbers are predators, usually out only for themselves. Most people do not criticize beggars as evil or parasites. However, as the American Dream approves of wealth, financial security, and prosperity as good, in comparison poverty is at least unfortunate. Poverty of course does not necessarily reflect an absence of morals or a lack of ability or enterprise. Everyone knows that some people must beg or otherwise accept charity to survive or live decently. However, society in general believes work is better (more virtuous and reasonable) than begging. Work and investment involve “doing something creative” (making money; building wealth) with potential economic benefit for “both sides”, whereas begging is “merely taking something”.

Unlike honest workers as well as investors, entrepreneurs, and corporations, most thieves and beggars are not part of a process of monetary or other financial exchange that benefits the society. Robin Hood represents the exception of the rational and virtuous thief. A corporation rewards someone from whom it borrows money with interest (and returns the principal). Via dividends or higher stock prices, it profits the person or institution who gives it money in exchange for an ownership interest (stock). Successful corporations often help others in addition to their investors- such as employees and other businesses- to accomplish the American Dream money goal. In contrast, burglars and swindlers are selfish and give nothing in return to those from whom they steal. Generosity is a virtue, and many donors feel happy when they make gifts of money or goods. Yet in the charitable interaction, the beneficiary itself gives only thanks in return for the generosity.

Jobs usually pay money, and investors of course want compensation from (to earn a decent return via) their investments. Some cultural critics attack speculation and gambling for their excessive risk. Some believe that many speculators and gamblers have unwise get rich quick schemes. Does crime pay? Some robbers are criminal masterminds, adept at planning. Don’t some financial frauds and confidence games (con artists) display impressive skill (and sometimes succeed, even over the long run)? Assume a strong police and judicial system. Then given the cultural condemnation and legal risk of thievery, isn't it usually more reasonable to work or invest? Given the social stigma often associated with begging, and as work usually offers a greater return than alms taking, isn't it more sensible and logical to work if one is physically and mentally able? But suppose there is little or no work around. Don't beggars and their families first have to survive somehow in order to pursue happiness and achieve financial security?

Investment always involves reasoning and can involve hard work. Some investors declare they "work hard on their investments". Yet do all Wall Street (and Main Street) investors display the amount of effort of most workers, or all thieves and beggars? Some investors in securities and other fields appear from some vantage points to be relatively passive, especially when one compares their activity to someone working on an assembly line or toiling long hours at a computer. How much "ongoing, daily effort" is engaged in by those who have embraced a faith of buy and hold investment grade securities for the long run? Or, think of investors who put their money to work by handing funds to Wall Street money managers who labor on their behalf and make trading decisions for them. Investors relaxing comfortably in their living room who have delegated marketplace decision making to others supposedly are working indirectly, and thereby behaving in a culturally approved and reasonable fashion.

Do gamblers sufficiently or properly appreciate the American Dream goal of money as well as the reasonableness and goodness (virtue) of earning it via work or investment? Wall Street and Main Street also distinguishes the good investor from the bad, imprudent spendthrift who supposedly spends money too freely and often indiscriminately. Like many gamblers, spendthrifts "throw their money away", thus showing disregard, disdain, or lack of esteem or respect for money. Although some spendthrifts eagerly acquire money, most do so in order to spend it or give it away. The investor, however, loves and worships money. It never wants to lose or waste a dollar.

A typical spendthrift and many gamblers allegedly are too excited, too emotional, and perhaps even irrational. But spendthrifts and gamblers still have reasons for their economic decisions, don't they? They choose the process in which they engage. Investors (and other traders) of course are happy when they make (win) money. The spendthrift gets pleasure from its substantial spending, or otherwise it would not act in that fashion. Rhetoric, not science, declares such enjoyment to be less rational than the joy of accumulating money via investment in Wall Street securities. Several major religions that claim to be rational either criticize or do not highly value the pursuit or possession of money and material goods beyond what is necessary for subsistence.

Some simulated scientists assert that spendthrifts and gamblers are objectively different from an investor. Yet no objective, true for all definition of any of these players exists. How much different from a spendthrift or gambler is an investor in so-called investment grade equities that says it will buy and hold for the long run? What if that stock investment position, even if properly diversified according to widely accepted guidelines of legendary Wall Street wizards (smart money), loses 20 percent? Alternatively, suppose a Wall Street investor owns a substantial amount of United States subprime mortgage securities of allegedly investment grade quality. What if the stock or subprime debt investor were smashed hard ("had its head handed to them"), suffering a bloody loss of 50 percent or more of its invested capital? Is an investor transformed into a spendthrift or gambler as it incurs greater and greater losses? Or, was the investor a spendthrift or gambler (or speculator) at the outset, and in whose opinion?

The various so-called and would-be scientists of economics, politics, philosophy, and all other cultural fields will never objectively define or determine which cultural goals, pleasures (joys, happiness), perspectives, thought processes, and actions are good and rational ones.

In Lewis Carroll's story, "Through the Looking-Glass" (p169, italics in original), Alice and Humpty Dumpty converse.

> "'When I use a word,' Humpty Dumpty said, in rather a scornful tone, 'it means just what I choose it to mean- neither more nor less.' 'The question is,' said Alice, 'whether you *can* make words mean so many different things.' 'The question is,' said Humpty Dumpty, 'which is to be master- that's all.'"

As there are no objective definitions of investment, there are no scientific type propositions, theories, or strategies regarding investment. Wall Street rhetoric, aided by that of the American Dream, nevertheless manufactures a majestic cultural structure in which investment- regardless of its definition- is a victorious master word, and notably in relation to speculation and gambling.

In the following schematic and semantic division, the two columns figuratively engage in war.

<u>The War of the Words and the Triumph of Investment</u>

Investment

[Grades of Investment]

Speculation

Gambling

American Dream: **money** (wealth, financial security); material goods,	Viewpoints competitive with the American Dream (communism; primitive or less advanced ones)

home; happiness; the “good life”;
a “better life”; religion (piety, morality);
democracy, freedom, liberty, justice;
other AD goals

Undesirable outcomes according to the Dream:
poverty, insufficient money or goods; unhappiness;
less religious or ethical; servitude, injustice

Good
Rational (intelligent and related terms)

Bad (or less good, inferior)
Irrational or Less Rational (associated terms)

For an overview of American Dream goals, see “Money as Means and End: Rhetorical Wheel of the American Dream” in “Selling the American Dream”. The American Dream is not confined to economics and money. Thus associating investment to the Dream enhances the investment appeal to those with faith in the entire Dream. Investment for such players often has a political, social, or religious (ethical) aura. Recall the Rational and Irrational columns in “The Seduction of Science” for other words associated with “rationality”. Remember that “good” and “bad” involve rationality (reasonableness, intelligence, smartness, prudence) considerations- and related rhetoric- as well as ethical (morality, virtue) dimensions. “Selling the American Dream” describes the religious/scientific rhetoric of goodness and rationality permeating the American Dream.

Though Wall Street investment idols disagree on their definitions of investment and how to apply them, all share the faith and preach the gospel that investment is a good and reasonable practice. Opinions on goodness and rationality related to investment reflect subjective viewpoints on marketplace probabilities and risk. Some people believe in the existence of various types, levels, and grades of investment. However, even where Wall Street creates investment hierarchies, from the standpoint of this formal rhetorical structure, all investment categories are in the column of the American Dream, goodness, and rationality. Some formulations nevertheless shift the lower quality investment a bit out to the right in this schema relative to a so-called true, pure, or high grade investment.

As a matter of principle, Wall Street insists that everyone should recognize that speculation and gambling are never better or more rational than investment. Speculators and gamblers of course seek money. Wall Street occasionally admits that many speculators and at least some gamblers reason. Speculators sometimes provide marketplace benefits such as liquidity. Some classifiers invent various types of speculators. However, based on the variables of goodness, rationality, and contribution to the overall success of the American Dream, the Wall Street theater places speculation and gambling on a lower pedestal than investment. Thus the table presents speculation and investment at a lower height relative to investment, and toward the right hand column. Some opinions would place speculation and gambling even further to the right.

One can supplement this layout with other terms. For example, Wall Street has managed to achieve significant success in its epic battle to place the broad concept of “Wall Street” and especially “Wall Street investments” (and most especially those in securities) somewhere in the investment/American Dream/good/rational column.

In addition, for Wall Street wordplay, hedging (especially by merchants), risk management, and insurance are anchored in the same column as investment. Wall Street sings less, especially to Main Street, regarding hedging than it does about investment. Don’t securities playgrounds need buyers even more than they need hedgers?

Many equate trading (in the non-neutral sense of the word) with speculation, especially when engaged in by someone who is not a professional market maker. However, dealing and trading, if by a commercial in a trade or business, belong in the same ladder as investment.

Like investment, work belongs in the American Dream, good, and rational column. Play offers entertainment and thus the American Dream goal of happiness. Most people cannot and do not work constantly. At times it is good and sensible to relax, enjoy leisure, or play. However, the American Dream generally values work more highly than play (or inactivity).

Most observers would not assert that all entrepreneurs are virtuous or rational. However, Wall Street and Main Street believe that according to the American Dream, it is good and rational to be an entrepreneur.

In this cultural perspective, practices of collectors, misers, hoarders, thieves, beggars, and spendthrifts belong to the right side in the region of speculation and gambling.

Capitalism, like other economic words, has various subjective definitions. However, Wall Street and others enamored of money and free market ideologies attach the capitalism tag to the American Dream, good, and rational lineup.

What about disinvestment? Wall Street speaks far less about this than investment. Wall Street investment propaganda trains people to ask: “what’s good to buy?” How often do friendly Wall Street securities investment advisors volunteer advice as to what’s good to sell? Though some players wonder when or if they should sell, most prefer to hear talk about buying, not selling. However, many investment engineers admit (usually quietly) that there sometimes are good reasons for someone to sell out of some or all of an investment. Wall Street certainly prefers that someone voyages from one investment into another. Anyway, picture someone that lost their job. Or, imagine an individual now much older than when it bought only stocks as part of its retirement planning.

Many Wall Street orators fight to create a more favored sphere for the securities universe by not associating currency and commodity playgrounds with investment. They may call them speculative, gambling, or trading arenas, perhaps emphasizing they are suitable for commercial hedgers. This helps to cement the relationship between securities and investment. To show that securities in general- or at least top notch (top drawer) ones- are investments, it helps to point at financial instruments that supposedly intrinsically are not.

It cannot be emphasized enough that according to the culture of Wall Street and the American Dream, investment almost always means buying. Corporations and sovereigns need buyers for their securities. Creators of mortgage and other asset-backed securities need buyers. Wall Street profits from the securities business. So Wall Street securities marketplaces are full of bulls and tend to be full of bullish talk. The concerted Wall Street racket promoting and celebrating investment in stocks and debt obligations is loud, fierce, and sustained. Where are the good and rational selling opportunities? In securities realms, both over the long run and at any given time, there usually are far more words spent regarding which securities to buy and reasons to purchase them than regarding which securities to sell and reasons to sell them. Particularly in equities, especially regarding the United States stock marketplace and those that seem to move with it, many bullish evangelists “talk the market up”. Sometimes short term price skies- even in the eyes of many long run investing bulls- on the Wall Street trading range appear dark, cloudy, or less sunny than usual. Yet regarding the long run prospects for the American Dream and the US stock marketplace, bullish rhetoric abounds. There, seldom is heard many discouraging words regarding the long run.

Though definitions of and propositions regarding investment, speculation, gambling, hedging, and other economic words are entirely subjective (cultural), most of Wall Street and its economic and media playmates believe that marketplace definitions and related talk is or can be scientific. In scientific realms, scientific rationality (objective perspectives, thought processes, methods, language) is sufficient to persuade. In genuine science (natural physical science), metaphors are not necessary. Metaphors may sometimes help to persuade listeners regarding scientific (Natural) phenomena, but they are not part of actual (objective) scientific argument and proof. Wall Street metaphors often are entertaining. Nevertheless, if the scientific method could be objectively applied to a cultural field (such as economics or Wall Street), that method would be sufficient to educate and persuade others regarding the phenomena of that arena. However, Wall Street and economics educate and persuade only via rhetoric (cultural rationality). That rhetoric involves metaphors and subjective definitions (and often uses language imported from natural physical science). Later chapters in this inquiry discuss these points in greater detail.

In any event, and regardless of whether a speaker has explicit or implicit faith that it is reasoning objectively and talking science (whether entirely, approximately, or mostly), Wall Street and its allies surround investment and related terms with metaphors (subjective definitions) and similes. Cultural traditions influence metaphorical choices. Yet individual speakers on Wall Street, as in Main Street, differ in their metaphorical preferences and choices. So do professional poets. One orator may prefer game lingo while another enjoys scientific jargon; a third speaker could be inclined to religious language. Also, a given marketplace poet may alter its metaphors according to its perspectives on a marketplace or the particular target audience it aims to persuade.

Recall earlier chapter titles in this inquiry; games, love, war, and other fields act as metaphorical sources for Wall Street. Now picture a Wheel of Fortune. Place investment at the center of the Wheel. Surround that hub with spokes attached to these various chapter titles and related metaphors (similes; subjective definitions). The spokes at the end of the Investment Wheel below list only one word, but the complete chapter heading is implied. Thus add sports, gambling, and play to games in the Wheel. Cultural playgrounds such as politics and fine art did not receive direct reference in chapter titles. However, like the other fields, this inquiry discusses them in relation to marketplaces and metaphors. Metaphorical language within Wall Street and economics based upon these various territories of course involves nouns, verbs, adjectives, and adverbs. Speakers apply metaphors in Wall Street and elsewhere to people, places, practices, outcomes, and so on.

The bottom line is that creative and often colorful rhetoric often helps to educate and entertain listeners and thus makes investment more interesting and often more appealing. For example: “The investment game is fun, so why not play the market?” “Here are sexy investment opportunities for you.” “The price of that stock is irrationally low, way below fair value for an investment of that quality.” Metaphors of course may suggest investment risk or injury: “Take a look at the carnage on the investment battlefield.” “Stock investors are praying for a rally.” Why not mix some metaphors? “On the investment stage, don’t forget good candidates for stock investment or the menu of investment products.” Metaphorical language of expertise, leadership, and belonging promote trading in general and investment in particular. “Investors should follow this rocket scientist (or wizard).” There also are investment coaches, generals, kings, high priests, oracles, engineers, and so on. Surely many of these guides can help us to avoid or minimize investment risks, right? What investment team, army, or church should a securities investor join?

<u>The Investment Wheel of Fortune</u>

Games

Fine Art | Love

Investment | War

Religion | Politics

Science

Like investment and related terms, these assorted arenas at the end of the spokes in this subjective structure are themselves always subjectively defined. What "is" a game, love, war, politics, religion, or art? Are there various types or levels of love or art? Is love a game? Is love ever a battle or war? Depending on subjective definitions, the center of the Wheel (investment) may merge with the domain at the end of the spoke. For example, is investment a game or a variety of game? Is investment gambling or a form of gambling? "Science" has objective (scientific) meaning only when that definition belongs to an objective application of the scientific method. Any objective definition of science belongs only to a Natural (scientific) environment, never to a cultural one.

Wall Street's enterprises which surround the words investment and investors with language from one or more of these familiar fields aim to persuade people to think and act as the particular speaker wants. The great majority of investment propaganda battles to persuade audiences to invest or to keep holding on to their investments (or to switch into different investments from existing ones). Of course some investment rhetoric seeks to persuade an investor to sell out of an existing position (or to avoid buying). Thus Wall Street finds it quite beneficial to engage in spirited campaigns to identify, equate, or associate Wall Street ("itself") with investment (and the American Dream). Although the Investment Wheel of Fortune does not guarantee investment fortunes- or even profits- for investors, the rhetoric and metaphors of that Wheel help to make Wall Street's fortune.

Subjective marketplace definitions are reflected not only in the comprehensive embrace of metaphors, but also in the subjectivity of marketplace perspectives, thought processes, arguments, and behavior. The widespread and sustained application of metaphors and similes around words such as investment indicates that all theories and methods related to investment are cultural.

Wall Street devises similar persuasive wheels in relation to other marketplace practices. Just replace the word investment in the wheel above with another subjectively defined term such as speculation, trading, or hedging. Don't promoters of speculation in commodities or other financial battlegrounds have an arsenal of metaphors? These metaphors (subjective definitions) thereby influence perspectives and thought processes and thereby encourage or discourage particular marketplace strategies and actions. "Our financial engineers can structure hedges for your complex portfolio." "Why not play the Wall Street trading game?" "Clever speculators in the Wall Street jungle can make a killing." Yet suppose an investment icon has faith that investment is good (and rational) and that speculation is bad (and imprudent). This leader will create metaphors aimed not merely at distinguishing investment from speculation, but also to guide listeners toward the investment altar and away from the dangers of speculation.

Let's glance again at the rationality variable. Many investment shepherds in Wall Street and economics, especially would-be natural physical scientists, preach that objective hierarchies of marketplace risk exist. Suppose for a moment that an investment is objectively more or less risky. Then to what extent should one equate rationality with a given investment? Is all investment equally rational? Is buying a low grade investment security (or even a diversified portfolio of them) as reasonable, prudent, logical, and intelligent as purchasing a high grade one? Or, does investment in low quality instruments instead objectively indicate that the buyer is thinking and acting with lower levels of prudence and rationality, or even with some degree of imprudence and irrationality? Despite this widespread faith that objective marketplace risk exists, there has been no scientific proof of it. In any event, no investment or other marketplace trade is objectively more or less risky (rational) than another. All views and standards on marketplace risks (probabilities), including investment risk and the reasonableness (rationality) of an investment, are subjective.

We all know that objective definitions are crucial to real science (natural physical science) and the scientific method. All cultural arenas need definitions in order to communicate. However, there are and always will be numerous reasonable subjective viewpoints as to how to define a shared cultural term. The subjectivity of definitions indicates that a field is a cultural one, and that the scientific method cannot be objectively (scientifically) applied to that domain. Since definitions of investment, speculation, trading, hedging, risk management and related terms are not objective at all, all propositions, arguments, theories, laws, and perspectives involving them are subjective, mere expressions of opinion. Marketplaces- and marketplace participants, perspectives, strategies, and actions- do not possess an objective (scientific; intrinsic) investment, speculative, or gambling “nature”, character, essence, or quality. Even partisans of a given definition reach different intelligent conclusions regarding whether a particular player is an investor, speculator, or gambler, or whether a given viewpoint, strategy, or action is an investment, speculative, or gambling one.

A cultural observer of course can change how it defines or applies tags such as investment and speculation. Similarly, within cultural communities, definitions and their scope may alter, perhaps significantly. To define ("fill in the blanks" regarding) investment, one need not remain wedded to the same variables, or assemble any given criteria together in the same fashion. So within cultural history, a definition of investment or its application may expand or contract. These subjective developments usually but not always happen gradually rather than abruptly. When new financial marketplaces and instruments emerge and develop, marketplace generals and warriors often introduce new words as well as new meanings or applications for familiar words. In recent years, think of terms like derivatives and subprime mortgages. Are derivatives investment vehicles? Are subprime mortgage-backed securities investments?

Everyone knows that real sciences such as biology, chemistry, and physics study "the" human being (or any individual person) as a Natural phenomenon. However, people in culture (whether labeled as an investor or otherwise) are not the same as people in Nature- or any other objective (Natural) phenomenon such as planets, particles, chemical compounds, or insects about which scientists discover objective (true for all) laws. The world of marketplaces and their participants- and opinions regarding them- exist in culture (including cultural history), not in Nature (and Natural history).

Investors and investment are not scientific phenomena definable as something objectively out there apart from the observer like a natural physical science body, entity, power, or force. The make-believe scientists of economics (and other social sciences) and Wall Street enthusiastically engage in objectification as part of their quest to be scientists. Recall "The Price", "The Market", "The Stock Market", "The Fundamentals" and other objectifications. Many within a particular Wall Street or economic community may share an opinion regarding what an investor or investment is. Yet there is no scientific proof that phenomena such as an "Investor", "Intelligent Investor", or "Investment" objectively exist. Investors and speculators do not exist outside of (apart from) a subjective (cultural) perspective. The numerous and competing perceptions and viewpoints regarding investment, speculation, hedging, risk, and so forth are derived within culture, not objectively discovered.

Wall Street evangelists, Ph.D holders, and Nobel Prize winners cannot transform a cultural field, or viewpoints regarding it, into a scientific or science-like world by claiming their definitions and related propositions are objective, scientific, and rational (or mostly or approximately so). The devout struggles by Wall Street, economists, and others to coin genuinely true for all definitions and arguments is part of (and reflects) their fevered dreams of creating an objective science like (or very much like) that of the natural physical sciences. However, such allegedly objective definitions by would-be scientists only help to manufacture counterfeit science.

Since cultural phenomena are not something Natural such as oxygen, rocks, particles, or stars, cultural goodness and rationality (and even so-called value) are not as or like qualities in Natural objects. Goodness and rationality do not objectively inhere in cultural phenomena. Cultural phenomena- including a marketplace, financial instrument, or marketplace practice such as investment- are not objectively good (or bad) or reasonable (or unreasonable). In marketplaces and other cultural arenas, goodness and rationality- and levels, degrees, or grades of them- belong to subjective perspectives and thought processes. A stock or bond "in itself" is never objectively good (neutral, bad) or rational (or irrational) to own, even if an eager Wall Street rocket scientist or financial engineer explicitly or implicitly says it is. No investment or portfolio of investments is objectively good or bad, rational or irrational. Scholarly assertions that long run investing is better or wiser than short run investing (or speculation) are opinions, not science.

Many speakers declare that words like investment are "economic" terms. As "Seeing, Saying, and Herding" discusses, the magic word "economics" as well as economic tags such as inflation, recession, unemployment, supply, and demand are subjective. The subjectivity of an economic label such as investment finds parallels in the absence of objectivity in other economic words.

The subjectivity of important definitions indicates that the rationality (reasoning, logic, intelligence) involving it is cultural, not genuinely scientific as in the hard sciences. In cultural arenas, subjectivity of perspectives and thought processes ("reasoning") parallels and reflects the subjectivity of definitions and propositions. Some use of formal logic, mathematics, or statistics does not transform a cultural field into a natural physical science-like one; neither does the cultural realm thereby become partly scientific.

"Seeing, Saying, and Herding" and following chapters further show that perspectives and thought processes (including theories and methods) regarding and within marketplaces and other cultural fields always are subjective. It does not matter if one is a learned economist (or other so-called neutral observer), investor, speculator, trader, hedger, risk manager, politician, central banker, distinguished philosopher, revered theologian, or inspired poet. This great diversity of cultural viewpoints and thought processes reflects and parallels the definitional wars and ambiguity related to investment and other key marketplace terms. In culture, diversity in reasoning is reflected by diversity in action. Alongside such definitional battles and uncertainty, this variety of subjective perspectives and thought processes (theories and strategies) proves that

Wall Street and other economic arenas belong to culture, not Nature. Because the entire parade of competing economic (including investment) viewpoints is subjective, that ideological pageant is not at all like an assortment of different objective subject matters studying a common Natural phenomenon. Imagine sciences such as biology, medicine, chemistry, and physics looking at the human body in different ways; each scientific perspective remains entirely objective. Likewise, the various branches of a given science such as physics view the Natural phenomena of the given field in various but always objective ways. In contrast, the subdivisions of a cultural field remain subjective.

In a real science, objectivity in theory is reflected in objectivity in practice. There are various disciplines within physics, including numerous applied sciences. Theoretical physicists in ivory tower laboratories as well as applied scientists such as engineers out in the mountains, valleys, and rivers of the real world are both objective. In contrast, the subjectivity of investment and other marketplace theory is paralleled by the subjectivity of investment, speculation, trading, hedging, and so forth in practice.

Compare Wall Street warnings on trading performance with statements regarding the experimental outcomes (track records) of authentic sciences such as physics, chemistry, or biology. Regarding investment and other trading practices, Wall Street confesses that past trading performance is no guarantee of the same or even similar future results. Since Wall Street investment and other trading outcomes are not objectively replicable, the trading practices (strategies) do not objectively satisfy the scientific method. Neither do the regulatory practices of central bankers, finance ministers, and other economic guardians in regard to “The Economy”.

Remember that marketplace observers (participants), whether investors or any other category, see knowledge as a means to the desired, good end of making money (and avoiding losing it) or achieving other economic goals. Emotion always substantially permeates the viewpoints and thought processes of marketplace watchers and warriors. Also, character traits influence financial success. Reasoning drenched with emotion and character traits, even if it at times involves formal argument or mathematics, is never the same as hard science reasoning. Natural physical scientists of course have emotions and character traits. However, in science, these are not part of the objective reasoning chains.

"Cashing In: Words, Thoughts, and Poetry" discusses cultural rationality in detail. That chapter underlines that Wall Street is not the only forum with fierce definitional debates related to important cultural values. Cultural battlefields throughout history have had definitional disputes. Since sophisticated speakers disagree on the meaning of words like investment, game, love, politics, war, and religion, they argue over the subjective truth of propositions and conclusions that incorporate such definitions. These wars intertwine with opinions as to good, bad, reasonable, and unreasonable participants, thoughts, and practices. Such ongoing language quarrels are evidence that a field is a cultural environment, not a Natural universe. Subjective definitions (and the inescapable reliance on metaphors) is reflected in (results from) the workings of cultural reasoning itself. Subjectivity of perspectives and thought processes are reflected via rhetoric (subjectivity of expression).

No investment science exists, either theoretical or applied. None ever will exist. Investment and other marketplace research from Wall Street, economists, and elsewhere is not the least bit objective (scientific). Similarly, there is not and never will be a science of trading, speculation, hedging, risk management, and so on. As there is no investment science, there is no economic science. As the following chapters underline further, economics and other social sciences are not sciences at all. Investment and other trading perspectives, theories, and practices fall within the scope (subject matter) of economics; so since economics is subjective, so must be investment and other applications of economic dogmas.

The fairy tale that hard science rationality is possible regarding and within cultural realms such as Wall Street seduces many (including numerous storytellers themselves) into believing the science fiction that investment can be scientific or much like science. Beautiful and enchanting scientific metaphors- including rationality rhetoric- help to sell investment, hedging, and other practices within Wall Street and to Main Street. However, these metaphors only build cultural structures, never genuinely scientific ones. Since rhetoric is not science (or even science-like), wordplay declaring that an investment perspective is scientific (or mostly or approximately so) creates an enormous metaphor.

Of course many marketplace observers (including economists) sincerely believe that their investment (and other marketplace) definitions, propositions, arguments, strategies, perspectives, and thought processes really are scientific, or very much like those of science. This marketplace outlook is a religious faith, or very similar to one.

Scientific rhetoric and pretensions indeed often help Wall Street and its friends to sell investment, speculation, hedging, and risk management. Keep in mind the great number and widespread use of scientific metaphors by Wall Street and economics. Don't many experienced marketplace rocket scientists and financial engineers claim to have scientific (objective) models to understand economic phenomena and guide themselves, investors, and other risk takers? Yet faith- whether by investors, speculators, hedgers, risk managers, economists, or central bankers-in so-called (supposed; phony) science still involves risks. In cultural playgrounds, can someone's love of and faith in make-believe (fake) science inspire complacency? Lehman Brothers' chief financial officer, Erin Callan, held a meeting with several investors during 2008. According to two investors participating in this discussion, another investor asked her why Lehman, in contrast to firms such as Citigroup and Merrill Lynch, was not raising capital. She replied "that Lehman didn't need more money at the time- after all, it had yet to post a loss during the credit crisis. The company had industry veterans in the executive suite who had perfected the science of risk management…. According to both investors, she said Lehman's real estate investments were top-notch. 'This company's leadership has been here so long that they know the strengths and weaknesses…We know when we need to be worried, and when we don't.'" Though Ms. Callan conceded "that she may have said those things, she thinks that investors who met with her took her comments out of context" (NYTimes, Sunday Business, 9/21/08, pp1, 10-11).

Competing subjective definitions and arguments regarding important words such as investor and the array of subjective perspectives regarding marketplace phenomena have another consequence. Despite the shared use of key words such as investment, Wall Street residents often "talk past" each other. Wars of words reflect a "lack of meeting of the minds". This is not a reflection of different capacities for objectively rational comprehension. Two experienced intelligent investors sitting side-by-side engaged in a dialogue about a stock marketplace may not understand each other completely or well (or much at all). Observers of Wall Street, including distinguished academics, likewise suffer this fate. Enough agreement exists to build and sustain a culture, yet not enough to create a universal outlook (which still would be a subjective one).

Relative to their early history, Wall Street and its securities marketplaces are less frequently labeled a speculative field or gambling establishment. The great majority of investment preachers believe their investment rhetoric. Like all rhetorical edifices in which people have faith, the investment ideologies of dedicated Wall Street investment leaders and their adherents always are exercises in self-persuasion. Investment evangelists must first- and then continuously- convince themselves of the truth of their subjective creed.

The growing faith over recent decades associating Wall Street in general (and particularly its securities dominions) with investment and the American Dream displays the brilliance, determination, and successful march of Wall Street's diverse investment propaganda. Wall Street investment missionaries back up their sermons and scriptures on investment- and its goodness, rationality, and links to the American Dream- with an extensive, constant, and expensive media barrage. Wall Street for many years has spent (invested) mountains of money around the world advertising investment. There now is widespread belief in both Wall Street and beyond that Wall Street is "a good (reasonable) place to invest", a "smart place to put your money".

Stellar investment rhetoric has successfully popularized investment way beyond the 50 United States. Around the globe, people step right up and put their money down. Especially in securities marketplaces, not only do buy-side armies of Wall Street professionals but also millions on Main Street view themselves as investors. These congregations own trillions of dollars in stocks and debt instruments. As investment becomes more and more popular, fewer people want to stand on the sidelines or be left out in the cold. If one sees friends, neighbors, and colleagues making money as investors, doesn't it make sense to join the parade before it's too late?

In Wall Street parishes in general as well as in any given marketplace, as more and more so-called investors make more and more money, investment creeds and pleas to invest usually become more and more persuasive. Of course, as investors lose money, investment generally tends to become somewhat less attractive.

Over the long run, Wall Street's advances in size, profits, and employment have substantially derived from its persuasive glorification of investment. The long run increase in Wall Street's overall rhetorical influence (despite occasional bumps in the road and setbacks) likewise significantly results from its successful investment wordplay. This influence extends beyond so-called economic domains into politics and other cultural avenues.

Wall Street is filled with investment banks and investment banking divisions, yet it contains no speculative banks. However, the triumph of investment has not been the total defeat of speculation and gambling. After all, speculation in particular is not always branded as bad. Wall Street has worthy speculative guides. Although many Wall Street oracles are hostile to gambling and shun gambling metaphors, some investment partisans subtly embrace gambling language to encourage investment.

Though investment advocates inevitably fail in their efforts to be real scientists and objectively rational, that does not necessarily stop investment's victory in and beyond Wall Street. Since the word investment has no scientific (true for all) meaning, Wall Street and other speakers are at liberty not merely to define it in a variety of subjective ways, but also to extend or narrow its application. Significantly, this absence of objectivity readily permits the creation of diverse investment doctrines, which has helped "investment in general" to extend its reach and triumph in Wall Street and Main Street. Historical tradition of course influences wordplay and its development and chances for success. Yet in cultural fields words can spark action. Sometimes the right word is (almost) everything. Isn't it more prudent, smarter, and better to invest rather than to speculate or gamble?

In various marketplaces, especially equity and debt ones, a variety of Wall Street investment generals and heroes battle fiercely to make their investment appeals sufficiently persuasive to attract enough buying. But in order to be successful, investment evangelists never- and need not- convince the whole world. Many investment champions do not persuade even a majority of their intended or actual audiences. Not everyone needs to agree that a marketplace is an investment (or a high grade investment), or on a particular definition of investment, or that a particular strategy is an investment one, for a marketplace to be packed with those calling themselves investors.

Calling a trading strategy an investment approach boosts the odds that some players will adopt it. However, since people are different, what attracts and enchants one fan may not captivate another. So all else equal, the broader the spectrum of investment principles and methods, the wider will be the range of marketplace participants.

Astute Wall Street speakers wager that persuasive labeling of a financial instrument as an investment increases the probability that someone will purchase and hang on to it. The investment badge is like the Good Housekeeping Seal. It attracts buyers. Wall Street and its friends face a powerful temptation to promiscuously extend the word investment to more and more marketplaces and instruments within them.

The successful application of the sacred investment label to more and more financial marketplaces and practices manifests the extension and triumph of investment rhetoric. Wall Street investment pioneers often have extended the investment frontier. Don't securities issuers and Wall Street crave buyers? Many on Wall Street have declared new industries- sometimes with little if any net profits- as investment opportunities. In the late 1990s, recall the Nasdaq stock marketplace and the internet/dot com enthusiasm. In the corporate debt sector, don't forget junk bonds. Emerging stock and debt marketplaces offer chances to make good returns on investment, right? Growing faith that the securities marketplaces of many lesser developed nations are fertile investment soil testifies to the victorious advance of investment doctrines and the American Dream's economic creed. And let's not forget that commodities are a fine alternative investment for some people!

Wall Street innovators and their comrades also strive to create new investment marketplaces (vehicles) and thereby new investment opportunities. Talented financial architects devised the mortgage securities and other asset-backed marketplaces. Shouldn't these territories offer investment pilgrims a good (reasonable) return? Especially within the United States, such clever securities fabrications related to mortgage obligations have helped many on Main Street to buy homes. Securitization also has assisted the growth of the commercial real estate industry. The blossoming of the mortgage securities marketplace in general and especially that of the subprime mortgage-backed securities arena offers dramatic evidence of the spectacular success and expansion of the investment label.

In the eyes of many observers, perhaps the price declines in mortgage securities during the worldwide economic crisis that emerged in 2007 tarnished or removed the investment label affixed to many of these securities. However, given the economic (and political and social) importance of real estate, let's focus a bit more on real estate in the context of creative Wall Street investment rhetoric.

Within American Dream culture, and long before the advent of mortgage securities, the home (house) has been a prized material asset. Of course this treasured material good is convertible to the American Dream goal of money. But for most Americans and many others, the home represents even more. Americans view homes as a part of the American Dream goal of happiness, a sign of the "good life" and a "better life". The home is a sign of social respectability. To a substantial extent, the larger and more expensive the home, the greater is the social success. In the United States, the concept of home also evokes ethical (some would say religious or spiritual) values and goals. Think of concepts of personal responsibility and family values. Many associate the home with political (patriotic) goals of the American Dream such as liberty, freedom, democracy, and individual rights.

Many consider real estate in general to be an investment. However, American culture almost always labels homes (and especially one's primary home) as an investment or a good (and reasonable) investment, not as a speculation or gamble. Everyone knows that many homeowners need a mortgage in order to buy their house. In any event, the development and expansion of the mortgage securities marketplace, as it brought more money to the lending table, helped to create more mortgages and homeowners. Given the cultural ties between homes and the investment label (and the American Dream), Wall Street and others found it rather easy to bless the securities that assist home investment with the investment label. Besides, securities owners should receive income from them. Mortgage securities can help some investors to diversify their assets or improve yields from their portfolio, right? Many observers compare mortgage and other asset-backed securities to government bonds and other debt instruments.

Since many other debt instruments and equities within Wall Street's capital marketplaces are investments, or some grade of investment, why not call mortgage securities in general an investment? Didn't mortgage securities in general trade actively before the global economic disaster that began in 2007?

In the mortgage pasture, the subprime designation indicates the subjective viewpoint that such mortgages are of lower quality (at greater risk of delinquency or foreclosure) than prime ones. Few mortgage (and other) gurus feared a sharp and sustained housing price downturn, or its intertwining with an economic decline (and factors such as leverage). Did many Wall Street mortgage securities investment apostles study real estate downturns in the distant past, whether inside or outside of America? Did many bother to extend their subjective historical reviews to economic (financial, credit) crises outside of real estate?

Why shouldn't one democratically extend the investment label? Anyway, respected Wall Street firms and their friends at mortgage firms and credit rating agencies and elsewhere (including politics and the media) convinced themselves and others that securities based upon collections (pools) of subprime mortgages were investments. Many mortgage securities investment guides placed great faith in supposedly objective (scientific) analytical models. The existence of and widespread faith in ratings hierarchies offered a means and opportunity for persuasively declaring subprime mortgage-backed securities (and their components; tranches) investments of some sort. Many subprime mortgage securities received the coveted honor of investment. Wall Street sold several hundred billion dollars of nonprime (subprime and "Alt-A") mortgage-backed securities to investors. See the Remarks of Delora Jee, Office of the Comptroller of the Currency (US), to the International Association of Insurance Supervisors (10/16/08). Also note the US Securities and Exchange Commission's "Summary Report of

Issues Identified in the Commission Staff's Examination of Select Credit Rating Agencies" (July 2008).

When prices for subprime mortgage securities fell off the cliff, so-called investors in subprime and many other mortgage securities were massacred, losing many billions of dollars. Investors and other traders in various other debt and equity marketplaces suffered grievous wounds. The devastating price collapses in the subprime mortgage and stock battlefields unveiled that many banks and investment banks themselves owned subprime mortgage securities and their derivatives. Guardians (watchdogs, sentinels, sheriffs) at the Federal Reserve Board, the US Treasury, the European Central Bank, and elsewhere repeatedly consulted their playbooks and used their toolkits to protect and rescue the world economy, the international financial system (especially the banking sector), and key financial institutions. Politicians likewise scurried into action.

Nevertheless, by October 2008, the five largest American investment banks- Bear Stearns, Goldman Sachs, Lehman Brothers, Merrill Lynch, and Morgan Stanley- were either bankrupt, sold off to banks, or transformed into bank holding companies. Many banks in the US and overseas suffered major financial damage. Think of Bank of America, Citigroup, Royal Bank of Scotland, and UBS. The United States government offered lifelines to Fannie Mae and Freddie Mac (huge mortgage enterprises) and to American International Group (a titanic insurance firm). "As investors run to safety" (headlines the NYTimes), "in helping ailing financial firms, the Fed becomes investor of last resort" (9/18/08, pp1, 32). As part of a several hundred billion dollar financial bailout, the United States and British governments bought shares in several banks and thus became investors. A NYTimes headline proclaims "U.S. Investing $250 Billion to Bolster Bank Industry" (10/14/08, p1). Treasury Secretary Henry M. Paulson, Jr.

asserts the cash injection is “’an investment, not an expenditure’” (NYTimes, Business Day, 10/21/08, pB2). Since democratic governments represent their citizens, via such government action “We the People of the United States” (recall the US Constitution) and elsewhere became investors in many firms.

Labeling a stock, mortgage security, or anything else an investment does not make its owner money. In cultural playgrounds, desirability of result does not make an outcome- whether over a short run or a long run- objectively inevitable or probable. Assume investment is good. Yet in cultural fields, do good guys always win in the end? Do Wall Street investors always make money, even over the subjectively defined long run? Suppose it is smart to invest. In cultural arenas, the so-called intelligent, reasonable, logical, prudent, and rational participants do not always- or even necessarily- win. Suppose someone says that in the long run, equity prices in the United States will (or probably will) fall. As a matter of semantics, this statement merely reverses the statement that such prices will (or probably will) rise over the long term. Is one assertion truer than the other? In cultural fields, such statements represent opinions, not scientific probabilities or certainties. Wall Street players can capture- or lose- money by initiating positions by buying, by selling, or spreading. In cultural fields, skill rather than labels or mythical objective probabilities or certainties determines outcomes.

The American Dream is an inclusive cultural vision. This has been part of its rhetorical attraction and success. Dr. Martin Luther King, Jr., the great civil rights leader, delivered his famous speech, “I Have a Dream”, at the Lincoln Memorial in Washington, D.C. (8/28/1963). His dream is a “dream deeply rooted in the American Dream”. Dr. King’s democratic vision is that all Americans- black as well as white, “all of God’s children”- will possess the rights of life, liberty, the pursuit of happiness, freedom, and justice.

Investment's triumph likewise partly derives from an inclusive viewpoint. Wall Street and its allies emphasize that (in general) Wall Street investment is open to everyone (with money to invest, and not just Americans). You don't have to work on Wall Street. You also do not have to be an expert in order to invest, though it can help to listen to them. Jim Cramer, a well-known investment star, spoke to a live Main Street type audience at a NASCAR racetrack in Charlotte, North Carolina ("The American Dream with Jim Cramer", NBC, 7/13/08). "I'm here in defense of the American Dream"; "the American Dream, a dream of lasting prosperity for you and your family, is alive and is well." Cramer is there "to coach you, to educate you, and yes, to entertain you….into bettering your situation and trying to make you some more money." He "tries to make people some mad money in stocks." This expert tells the public: "when it comes to stocks, you know more than you think….Whenever anyone asks me how to get in the game, meaning how to become an investor, I always tell them- 'just look around'. I see investment ideas everywhere, and so should you."

Circuses offer a great variety of acts designed to appeal to the tastes of a diverse public. Some hunger to see the elephants, bears, and tigers; others rush to view trapeze artists. Many marvel at rarities or curiosities. Most enjoy the clowns. The 19th century saw P.T. Barnum create a famed American circus which became known as "The Greatest Show on Earth." Into the 21st century, its successors continue to tour America.

The great Wall Street investment show likewise has been spectacular. Though Wall Street services speculators, hedgers, and risk managers in addition to investors, it pays special attention to investors. Rhetoric from Wall Street investment evangelists ceaselessly battles to educate and persuade audiences regarding the wisdom and virtues of investment in general as well as the merit of investing in a given marketplace. Numerous sparkling metaphors, including fascinating scientific ones, are quite persuasive to many Wall Street investment promoters, performers, and listeners. Investment high priests and their acolytes ceremoniously offer a terrific repertoire of attractive investment opportunities and a marvelous variety of investment principles and methods from which to choose. Plus, investment often can be really entertaining!

The persuasive power of the words investor and investment- and of Wall Street investment firms and leaders (and their academic, political, and media allies)- has grown as Wall Street securities marketplaces have increased in capitalization, number of issues, and trading volume. As securities ownership and faith in the reasonableness, goodness, and benefits of investment have become increasingly widespread, it increasingly appears heretical to question investment in general- and securities investment in particular. Ownership (especially over the long run) of investment quality stocks and interest rate securities definitely (or at least very probably) is good, intelligent, and logical, right? Within the United States, it can seem unpatriotic to question investing in American securities, particularly stocks.

In a huge circus, there's an awful lot going on! The greater the number of investment marketplaces and instruments, the more likely it is that many Main Street residents- and even many Wall Street professionals- will seek out, listen to, and rely upon Wall Street investment expertise and leadership. Thousands of so-called investment grade equities and debt securities face audiences. Also, the more complex or exotic the given investment vehicle appears (think of many mortgage securities), the greater the need for a Wall Street wizard or rocket scientist to evaluate it and show less sophisticated players how to profit from owning it. Ingenious marketplace engineers and clever financial architects have invented all sorts of fascinating structured products. In addition, not only can marketplaces and particular financial instruments seem complicated, but so can many investment portfolios. Wall Street's marketplaces span the globe. The soaring number and diversity of financial instruments as well as the existence of many seemingly complicated ones has offered Wall Street's assorted ringmasters and experts, and especially its would-be natural physical scientists, a wonderful opportunity to seize the limelight and perform their rhetorical acrobatics. Diligent Wall Street hunters of professional and Main Street investors know that the right relationship is everything. Investment experts and leaders and their armies of well-schooled, trusty, and friendly assistants always stand ready to offer their wares to money-loving investors.

Most religions dislike doubters and dissenters. Many religious denominations and sects are hostile to alternative or opposing creeds. Wall Street has various investment faiths and commandments. In the Wall Street church and its cathedrals, people debate how to define investment, quarrel as to whether a particular marketplace or instrument is an investment, and feud as to whether a given investment strategy or its application is a good or sensible one. Yet who on Wall Street dares question the overarching faith that "investment in general"- particularly in regard to investment grade securities- is good and rational? A testament to the triumph of Wall Street's overall investment gospel is that there is so little questioning regarding it both inside and outside of Wall Street.

To bolster its own faith in investment in principle, and to round up and keep both professionals and the Main Street public in Wall Street investment ranks, Wall Street must defeat enemies of the revered investment creed. Investment propaganda strives to drown out the voices of its foes and to force these adversaries into retreat, or at least to keep them from corrupting investors and damaging investment. In rhetorical wars, an orator enlists goodness and rationality wordplay not only to convince itself and to win adherents but also to conquer or silence questioners, skeptics, and opponents. Since principles of goodness and reasonableness permeate investment, those unwilling to adore "investment" should be attacked and scorned.

Since investment is virtuous and rational, Wall Street acts nobly and intelligently when it seeks out, educates, and guides investors. Wall Street promises to remain devoted to investment for the long run. As a result of such praiseworthy offerings and services on the investment front, shouldn't Wall Street reap rewards?

In Wall Street, talk is not cheap, for what one believes affects what one does. In all cultural fields, language influences and reflects perspectives and thought processes; viewpoints and thought processes influence actions. Cultures disagree as to what is good or reasonable. However, in general, most people in any given economic, political, religious, or other arena aspire to become and remain good (ethical, moral) and rational (reasonable, prudent) according to prevailing cultural standards. The various investment definitions and related propositions and values fight to guide perspectives and thought processes in order to affect marketplace strategies and behavior. Wall Street investment rhetoric aims not merely at investment education; this instruction seeks to create and sustain investment faith and motivate investment action. Wall Street's various rhetorical postures and theatrics- whether about investment, speculation, or otherwise- do more than influence outlooks and deliberations. Since persuasive Wall Street wordplay can affect marketplace perspectives, it can induce marketplace action (including inaction). Investment rhetoric has consequences for financial pilgrims with faith in it.

By tightly stitching its definitions of investor and investment to the American Dream, goodness, and rationality, and with the assistance of a variety of alluring metaphors, Wall Street evangelists persuade other professionals as well as Main Street residents to invest in its marketplaces. Wall Street wordplay of investor and investment is like fisherman's bait. It often lures people into Wall Street waters- particularly tempting stock and debt ones- and keeps many participants hooked.

Wall Street and its allies seldom if ever admit that investment addicts or fanatics exist, or warn that investors can be addicted to (hooked on) investment theories and practices.

One can define addiction and link it to other words relating to habit in various ways. In cultural arenas, many associate addiction with an inability (or strong unwillingness) to change patterns of reasoning and action. Some might label these habits as deeply ingrained, with the addict subject to some powerful urge. Anyway, picture some subjective vision of normal, average, rational, natural, and so forth. Relative to such a standard, the addict engages in excess, or goes to extremes or otherwise too far.

Various fields from which Wall Street imports language warn of addiction or a phenomenon very similar to it. There are rabid sports fans and gambling addicts. In the arena of love, some become addicted to, obsessed with, or crazy about their beloved. Extremely enthusiastic religious believers are fanatics (think too of sports and political fanatics). Many call heroin junk and heroin addicts junkies. Some people are news junkies. These information hunters may devour several newspapers and magazines a day. Perhaps they glue themselves to their television, scour the internet, and incessantly converse with fellow news hounds. A political junkie fights to acquire and analyze mountains of information related to the political realm or politician that fascinates it. Many political partisans go wild for the candidate of their dreams. People speak of political extremists. If a cultural field such as politics can have fanatics and junkies, why can't an economic one?

Recall Wall Street metaphors warning traders regarding excessive risks of staying in a position. Game wordplay advises marketplace players. As in cards, know when to hold and when to fold your hand; know when to leave the trading table. Like a battered boxer, be prepared to throw in the towel and exit the trading ring. Beware of falling in love with your position. Don't get married to your position! Marketplace generals emphasize that sometimes a Wall Street warrior should admit defeat; retreat from the battlefield and preserve your capital to fight another day. Many high priests and wizards tell us that we should never have blind faith in our trade. These warnings apply not only to the general category of trader, but also to investors, speculators, hedgers, dealers, risk managers, and researchers. A trading position of course expresses a perspective and strategy. Very strong attachment to a position represents a habit (pattern) of reasoning and action regarding that particular situation. Since cultural participants (observers) in marketplaces and other fields can be habituated to- stubborn (fanatical; addicted) regarding- a given particular "position", they can be habituated (devotedly faithful; wedded) to a general (overall) viewpoint, method, and course of action.

Wall Street speaks of trading junkies, trading addicts, trading fanatics, rabid traders, and compulsive traders. Some traders are obsessed with trading (or with "The Market"). Trading, however one defines it, obviously is a means to the beloved goal of money. Many on Wall Street strive to distinguish trading (and speculation and gambling) from investment or intelligent investment. Yet regardless of how somebody subjectively defines investment, investment is neither more nor less a money-seeking practice (perspective and strategy) to which one can be habituated than trading and speculation. Even marketplace gamblers desire money. In the film, "The Treasure of the Sierra Madre" (John Huston, director), a wise experienced gold prospector states: "I know what gold does to men's souls." Investors are just as interested in making and having money- and what it can buy- as those called speculators and traders. Thus Wall Street has investment addicts, investment junkies, investment fanatics, and so on. Investment can become a fetish. As not all traders are trading junkies, of course not all investors are investment addicts.

If marketplaces can have “excessive speculation”, they can have “excessive investment”.

In American Dream culture, both work and investment are good and rational. Both practices can lead to money, material goods, the “good life”, a “better life”, and so on. We speak of work habits. However, people warn of the dangers of overwork. Since we can overwork, we can overinvest, right? Experts and everyday conversation speaks of “workaholics”. Obviously not all workers are workaholics. Workaholics are fanatical (compulsive) about their work, married to their work (job), and consumed by their work. Even if work can win (earn) rewards, there are risks in being a workaholic. Since there are workaholics, there are “investaholics”. Also, aren’t some collectors (not only misers and hoarders) fanatical about (addicted to; obsessive about) collecting?

The science fiction of investment science does not necessarily bar addiction, or enable one to escape it. Investment science, as it is not genuine science, is just as subjective as other marketplace perspectives, strategies, and actions. Even some so-called rational, intelligent, prudent investors married to the fairy tale of scientific investment perspectives and methods are investment addicts.

It is not easy to break an investment habit, even if it is not an addiction or fanatical. Rhetoric creates, encourages, and sustains cultural beliefs and habits. However, a marketplace participant (observer) always makes its own choice as to whether or not to embrace an investment (or other trading or economic) perspective or strategy, or to invest or keep investing. The self-definition (whether as investor, speculator, trader, hedger, or other) that a Wall Street person or institution adopts significantly reflects and affects its marketplace viewpoint, methods, and actions. Yet we all know that deeply entrenched faiths, habits, and loyalties usually are very difficult to change, especially when they are strongly praised and extensively espoused. Although there are various subjective definitions and species (types, breeds, levels, grades, qualities) of investor and investment, cultural discourse generally salutes all those wearing an investment outfit. So a Wall Street investor usually takes pleasure and has pride in seeing itself as a member of a worthy fraternity. In general, it will try to retain, dress up, and polish that self-image. Besides, the investment garb will tend to attract and enable the investor to enjoy the respect and camaraderie of many other cultural players. Regarding United States and other blue chip stocks and bonds, is continued ownership over the long run always more rational than selling out? As the pageantry of investment talk intertwines with American Dream oratory and the language of goodness and rationality, it can be very difficult for an investor to quit owning for very long, especially in securities marketplaces such as those of the United States.

Can investment rhetoric ever be too successful for the good of many of those with faith in it? If trading (and speculative and gambling) junkies and fanatics can destroy their own lives and those of others, why can't investment addicts? Most alcohol, drug, and gambling (and sex) addicts need to hit bottom before they decisively change their ways. Wall Street has no Investors Anonymous. How much financial pain should investment devotees or addicts suffer before they elect to swear off or at least cut back on investment in general? In love and romance, how much heartbreak is necessary before the lover changes its perspective and practices and falls out of love? Shouldn't investors beware of more than being married to a particular open position?

Shouldn't investors fear falling madly in love not only with a particular investment sect or expert or leader, but also with investment in general?

Faith (belief) in any cultural perspective, including that of the American Dream, requires faith in and desire for its ends (goals). Where there is faith and desire, there is religion and love. Thus not only is the American Dream worshipped and loved by those with who believe in it, but so is its objective of money (wealth, financial security, prosperity). People with faith in only one part of the Dream, such as money, idolize and are married to only that aspect. Wall Street's traders, salespersons, researchers, investment bankers, and other participants not only play, compete, fight, and battle for money. These fortune seekers and treasure hunters not only have hunger and thirst for cash. Wall Street participants, including investors, worship and love money.

In a religion (faith; church), as the congregation worships and loves the religious ends, it can adore and love the means to those targets. Everyone knows that cultural goals and the means to accomplish or acquire them do not inhabit two separate and unrelated universes. Since economic theologians and pilgrims (whether on Wall Street or Main Street) love and worship the end of money, these "true believers" can love and worship the perspectives, strategies, and practices that aim to achieve that desired objective. Wall Street rhetoric perpetually underlines that investment is a means to the desired and worthy ends of wealth and financial security. Wall Street not only has investment fans, cheerleaders, coaches, leaders, partisans, generals, heroes, warriors, and rocket scientists. Not only are there interesting and enticing Wall Street investment stories, pictures, and scenes. Many people say they love to invest and have faith in investment. Many declare they love their investment, right? Think of a wonderful blue chip stock or a bond with a fantastic yield. Inspired by an investment high priest, wizard, oracle, or icon, many become devotees of (adore; or espouse, become wedded to) investment in general, as well as a particular investment dogma and its commandments.

Wall Street not only loves investment. Wall Street worships investment. For Wall Street, investment is a religion. A testament to the triumph of the Wall Street investment religion and the fervent devotion of its diverse clergy and pious disciples is the expanding, widespread, and deep faith in “investment”.

Massive Wall Street marketplace losses always cause many suffering investors to curse their decisions, repent their positions, and damn the defeated investment idols they followed. Particular investment perspectives, strategies, actions, and leaders may be discredited and abandoned. Congregations in a given investment temple can thin out dramatically. Wall Street may become less popular on Main Street and with politicians. However, history shows that faith in “Wall Street investment in general” is strong and the good and glorious reputation of the word investment itself very difficult to tarnish. New Wall Street investment experts and leaders emerge. Some old, some revised, and some new investment sermons and scripts attract audiences and create and sustain investment faith. New, attractive investment opportunities beckon. History is not destiny, but over the long run, Wall Street’s rhetorical feats on behalf of investment in general have often been spellbinding and generally have been victorious.

Wall Street and its friends, including many investors, have big stakes in the investment game. Trillions of dollars of stocks and debt instruments are in the hands of those labeling themselves as investors. Corporations and sovereigns need people to buy and hold their securities. Wall Street needs investors. The bottom line: Wall Street and its colleagues have a huge investment in the word investment. Since in Wall Street and Main Street a lot of money rides on the word investment, investment devotees will fight hard to protect and extend the good name of investment.

In a well-known fairy tale by Jacob and Wilhelm Grimm, Rumplestiltskin operates a spinning wheel and thereby transforms straw into gold. Why would money-loving and worshiping Wall Street and its allies ever quit using the wonderful word “investment”? Over the long run, history shows that investment oratory often inspires investment action. The word investment may appear to be merely straw. However, clever rhetoric can spin that word so that the speaker makes gold from it.