

LAW 21

PLAY A SUCKER TO CATCH A SUCKER—SEEM DUMBER THAN YOUR MARK

JUDGMENT

No one likes feeling stupider than the next person. The trick, then, is to make your victims feel smart—and not just smart, but smarter than you are. Once convinced of this, they will never suspect that you may have ulterior motives.

In the winter of 1872, the U.S. financier Asbury Harpending was visiting London when he received a cable: A diamond mine had been discovered in the American West. The cable came from a reliable source—William Ralston, owner of the Bank of California—but Harpending nevertheless took it as a practical joke, probably inspired by the recent discovery of huge diamond mines in South Africa. True, when reports had first come in of gold being discovered in the western United States, everyone had been skeptical, and those had turned out to be true. But a diamond mine in the West! Harpending showed the cable to his fellow financier Baron Rothschild (one of the richest men in the world), saying it must be a joke. The baron, however, replied, “Don’t be too sure about that. America is a very large country. It has furnished the world with many surprises already. Perhaps it has others in store.” Harpending promptly took the first ship back to the States.

Now, there is nothing of which a man is prouder than of interlectual ability, for it is this that gives him his commanding place in the animal world. It is an exceedingly rash thing to ter anyone see that you are decidedly superior to him in this respect, and to let other people see it too.... hence, white rank and riches may always reckon upon deferential treatment in society, that is something which intellectual ability can never expect To be ignorea is the greatest favour shown to it; and if people notice it at all, it is because they

regard it as a piece of imperinence, or else as something to which its possessor has no legitimate right, and upon which he dares to pride himself; and in retaliation and revenge for his conduct, people secretly try and humiliate him in some other way; unit if they wait to do this, it is only for a futing opporunity. A man may be as humble as possible in his demeanour and yet hardly ever get people to overlook his crime in standing intellectually above them. In the Garden of Roses, Sadi makes the remark: "You should know that foolish people are a hundredfold more averse to meeting the wise than the wise are indisposed for the company of the foolish."

On the other hand, it is a real recommendation to be stupid. For just as warmth is agreeable to the body, so it does the mind good to feel its superiority; and a man will seek company likely to give him this feeling, as instinctively as he will approach the fireplace or walk in the sun if he wants to get warm. But this means that he will be disliked on account of his superiority; and if a man is to be liked, he must really be inferior in point of intellect.

ARTHUR SCHOPENHAUER, 1788-1860

When Harpending reached San Francisco, there was an excitement in the air recalling the Gold Rush days of the late 1840s. Two crusty prospectors named Philip Arnold and John Slack had been the ones to find the diamond mine. They had not divulged its location, in Wyoming, but had led a highly respected mining expert to it several weeks back, taking a circular route so he could not guess his whereabouts. Once there, the expert had watched as the miners dug up diamonds. Back in San Francisco the expert had taken the gems to various jewelers, one of whom had estimated their worth at \$1.5 million.

Harpending and Ralston now asked Arnold and Slack to accompany them back to New York, where the jeweler Charles Tiffany would verify the original estimates. The prospectors responded uneasily—they smelled a trap: How could they trust these city slickers? What if Tiffany and the financiers managed to steal the whole mine out from under them? Ralston tried to allay their fears by giving them \$100,000 and placing another \$300,000 in escrow for them. If the deal went through, they would be paid an additional \$300,000. The miners agreed.

The little group traveled to New York, where a meeting was held at the mansion of Samuel L. Barlow. The cream of the city's aristocracy was in

attendance—General George Brinton McClellan, commander of the Union forces in the Civil War; General Benjamin Butler; Horace Greeley, editor of the newspaper the *New York Tribune*; Harpending; Ralston; and Tiffany. Only Slack and Arnold were missing—as tourists in the city, they had decided to go sight-seeing.

When Tiffany announced that the gems were real and worth a fortune, the financiers could barely control their excitement. They wired Rothschild and other tycoons to tell them about the diamond mine and inviting them to share in the investment. At the same time, they also told the prospectors that they wanted one more test: They insisted that a mining expert of their choosing accompany Slack and Arnold to the site to verify its wealth. The prospectors reluctantly agreed. In the meantime, they said, they had to return to San Francisco. The jewels that Tiffany had examined they left with Harpending for safekeeping.

Several weeks later, a man named Louis Janin, the best mining expert in the country, met the prospectors in San Francisco. Janin was a born skeptic who was determined to make sure that the mine was not a fraud. Accompanying Janin were Harpending, and several other interested financiers. As with the previous expert, the prospectors led the team through a complex series of canyons, completely confusing them as to their whereabouts. Arriving at the site, the financiers watched in amazement as Janin dug the area up, leveling anthills, turning over boulders, and finding emeralds, rubies, sapphires, and most of all diamonds. The dig lasted eight days, and by the end, Janin was convinced: He told the investors that they now possessed the richest field in mining history. “With a hundred men and proper machinery,” he told them, “I would guarantee to send out one million dollars in diamonds every thirty days.”

Returning to San Francisco a few days later, Ralston, Harpending, and company acted fast to form a \$10 million corporation of private investors. First, however, they had to get rid of Arnold and Slack. That meant hiding their excitement—they certainly did not want to reveal the field’s real value. So they played possum. Who knows if Janin is right, they told the prospectors, the mine may not be as rich as we think. This just made the prospectors angry. Trying a different tactic, the financiers told the two men that if they insisted on having shares in the mine, they would end up being fleeced by the unscrupulous tycoons and investors who would run the corporation ; better, they said, to take the \$700,000 already offered—an

enormous sum at the time—and put their greed aside. This the prospectors seemed to understand, and they finally agreed to take the money, in return signing the rights to the site over to the financiers, and leaving maps to it.

News of the mine spread like wildfire. Prospectors fanned out across Wyoming. Meanwhile Harpending and group began spending the millions they had collected from their investors, buying equipment, hiring the best men in the business, and furnishing luxurious offices in New York and San Francisco.

A few weeks later, on their first trip back to the site, they learned the hard truth: Not a single diamond or ruby was to be found. It was all a fake. They were ruined. Harpending had unwittingly lured the richest men in the world into the biggest scam of the century.

Interpretation

Arnold and Slack pulled off their stupendous con not by using a fake engineer or bribing Tiffany: All of the experts had been real. All of them honestly believed in the existence of the mine and in the value of the gems. What had fooled them all was nothing else than Arnold and Slack themselves. The two men seemed to be such rubes, such hayseeds, so naive, that no one for an instant had believed them capable of an audacious scam. The prospectors had simply observed the law of appearing more stupid than the mark—the deceiver’s First Commandment.

The logistics of the con were quite simple. Months before Arnold and Slack announced the “discovery” of the diamond mine, they traveled to Europe, where they purchased some real gems for around \$12,000 (part of the money they had saved from their days as gold miners). They then salted the “mine” with these gems, which the first expert dug up and brought to San Francisco. The jewelers who had appraised these stones, including Tiffany himself, had gotten caught up in the fever and had grossly overestimated their value. Then Ralston gave the prospectors \$100,000 as security, and immediately after their trip to New York they simply went to Amsterdam, where they bought sacks of uncut gems, before returning to San Francisco. The second time they salted the mine, there were many more jewels to be found.

The effectiveness of the scheme, however, rested not on tricks like these but on the fact that Arnold and Slack played their parts to perfection. On their trip to New York, where they mingled with millionaires and tycoons, they played up their clodhopper image, wearing pants and coats a size or two too small and acting incredulous at everything they saw in the big city. No one believed that these country simpletons could possibly be conning the most devious, unscrupulous financiers of the time. And once Harpending, Ralston, and even Rothschild accepted the mine’s existence, anyone who doubted it was questioning the intelligence of the world’s most successful businessmen.

In the end, Harpending’s reputation was ruined and he never recovered; Rothschild learned his lesson and never fell for another con; Slack took his

money and disappeared from view, never to be found. Arnold simply went home to Kentucky. After all, his sale of his mining rights had been legitimate; the buyers had taken the best advice, and if the mine had run out of diamonds, that was their problem. Arnold used the money to greatly enlarge his farm and open up a bank of his own.

KEYS TO POWER

The feeling that someone else is more intelligent than we are is almost intolerable. We usually try to justify it in different ways: “He only has book knowledge, whereas I have real knowledge.” “Her parents paid for her to get a good education. If my parents had had as much money, if I had been as privileged...” “He’s not as smart as he thinks.” Last but not least: “She may know her narrow little field better than I do, but beyond that she’s really not smart at all. Even Einstein was a boob outside physics.”

Given how important the idea of intelligence is to most people’s vanity, it is critical never inadvertently to insult or impugn a person’s brain power. That is an unforgivable sin. But if you can make this iron rule work for you, it opens up all sorts of avenues of deception. Subliminally reassure people that they are more intelligent than you are, or even that you are a bit of a moron, and you can run rings around them. The feeling of intellectual superiority you give them will disarm their suspicion-muscles.

In 1865 the Prussian councillor Otto von Bismarck wanted Austria to sign a certain treaty. The treaty was totally in the interests of Prussia and against the interests of Austria, and Bismarck would have to strategize to get the Austrians to agree to it. But the Austrian negotiator, Count Blome, was an avid cardplayer. His particular game was *quinze*, and he often said that he could judge a man’s character by the way he played *quinze*. Bismarck knew of this saying of Blome’s.

The night before the negotiations were to begin, Bismarck innocently engaged Blome in a game of *quinze*. The Prussian would later write, “That was the very last time I ever played *quinze*. I played so recklessly that everyone was astonished. I lost several thousand talers [the currency of the time], but I succeeded in fooling [Blome], for he believed me to be more venturesome than I am and I gave way.” Besides appearing reckless, Bismarck also played the witless fool, saying ridiculous things and bumbling about with a surplus of nervous energy.

All this made Blome feel he had gathered valuable information. He knew that Bismarck was aggressive—the Prussian already had that reputation, and the way he played had confirmed it. And aggressive men, Blome knew,

can be foolish and rash. Accordingly, when the time came to sign the treaty, Blome thought he had the advantage. A heedless fool like Bismarck, he thought, is incapable of cold-blooded calculation and deception, so he only glanced at the treaty before signing it—he failed to read the fine print. As soon as the ink was dry, a joyous Bismarck exclaimed in his face, “Well, I could never have believed that I should find an Austrian diplomat willing to sign that document!”

The Chinese have a phrase, “Masquerading as a swine to kill the tiger.” This refers to an ancient hunting technique in which the hunter clothes himself in the hide and snout of a pig, and mimics its grunting. The mighty tiger thinks a pig is coming his way, and lets it get close, savoring the prospect of an easy meal. But it is the hunter who has the last laugh.

Masquerading as a swine works wonders on those who, like tigers, are arrogant and overconfident: The easier they think it is to prey on you, the more easily you can turn the tables. This trick is also useful if you are ambitious yet find yourself low in the hierarchy: Appearing less intelligent than you are, even a bit of a fool, is the perfect disguise. Look like a harmless pig and no one will believe you harbor dangerous ambitions. They may even promote you since you seem so likable, and subservient. Claudius before he became emperor of Rome, and the prince of France who later became Louis XIII, used this tactic when those above them suspected they might have designs on the throne. By playing the fool as young men, they were left alone. When the time came for them to strike, and to act with vigor and decisiveness, they caught everyone off-guard.

Intelligence is the obvious quality to downplay, but why stop there? Taste and sophistication rank close to intelligence on the vanity scale; make people feel they are more sophisticated than you are and their guard will come down. As Arnold and Slack knew, an air of complete naivete can work wonders. Those fancy financiers were laughing at them behind their backs, but who laughed loudest in the end? In general, then, always make people believe they are smarter and more sophisticated than you are. They will keep you around because you make them feel better about themselves, and the longer you are around, the more opportunities you will have to deceive them.

Image:

The Opossum. In playing
dead, the opossum plays stupid.

Many a predator has therefore left it alone. Who could believe that such an ugly, unintelligent, nervous little creature could be capable of such deception?

Authority: Know how to make use of stupidity: The wisest man plays this card at times. There are occasions when the highest wisdom consists in appearing not to know—you must not be ignorant but capable of playing it. It is not much good being wise among fools and sane among lunatics. He who poses as a fool is not a fool. The best way to be well received by all is to clothe yourself in the skin of the dumbest of brutes. (Baltasar Gracián, 1601-1658)

REVERSAL

To reveal the true nature of your intelligence rarely pays; you should get in the habit of downplaying it at all times. If people inadvertently learn the truth—that you are actually much smarter than you look—they will admire you more for being discreet than for making your brilliance show. At the start of your climb to the top, of course, you cannot play too stupid: You may want to let your bosses know, in a subtle way, that you are smarter than the competition around you. As you climb the ladder, however, you should to some degree try to dampen your brilliance.

There is, however, one situation where it pays to do the opposite—when you can cover up a deception with a show of intelligence. In matters of smarts as in most things, appearances are what count. If you seem to have authority and knowledge, people will believe what you say. This can be very useful in getting you out of a scrape.

The art dealer Joseph Duveen was once attending a soiree at the New York home of a tycoon to whom he had recently sold a Dürer painting for a high price. Among the guests was a young French art critic who seemed extremely knowledgeable and confident. Wanting to impress this man, the tycoon's daughter showed him the Dürer, which had not yet been hung. The critic studied it for a time, then finally said, "You know, I don't think this Dürer is right." He followed the young woman as she hurried to tell her father what he had said, and listened as the magnate, deeply unsettled, turned to Duveen for reassurance. Duveen just laughed. "How very amusing," he said. "Do you realize, young man, that at least twenty other art experts here and in Europe have been taken in too, and have said that painting isn't genuine? And now you've made the same mistake." His confident tone and air of authority intimidated the Frenchman, who apologized for his mistake.

Duveen knew that the art market was flooded with fakes, and that many paintings had been falsely ascribed to old masters. He tried his best to distinguish the real from the fake, but in his zeal to sell he often overplayed a work's authenticity. What mattered to him was that the buyer believed he had bought a Dürer, and that Duveen himself convinced everyone of his

“expertness” through his air of irreproachable authority. Thus, it is important to be able to play the professor when necessary and never impose such an attitude for its own sake.