In last month’s column, we addressed some monumental changes to our economic system. We ended by suggesting that being a skilled attorney is not enough in this day and age. Law firms also must master the tools that enable them to manage and protect their working capital. By heeding historical events such as the Great Crash of 1929, members of the legal community may find themselves in a more secure financial position as they move forward into the future. However, more and more folks have come up to me (Dr. Sase) and said, “You’re an Economist! What happening with the economy? Tell me the truth.” Therefore, understanding the truth about our economy is the subject of this month’s column.

For some reason, I’m always reminded of the above interplay from *A Few Good Men*. However, given the current headlines and sound bites of the media, this is not for reasons of unabashed fear, as one might imagine. The simple answer is that there are no simple answers about the economy and the changes that we may see. At best, we are dealing with probabilities, not certainties. The probability of events is very small for some and very large for others. For example, the chance of drawing an Ace of Spades from a deck is one in fifty-two, while the probability of flipping a head on a coin is fifty percent. We do not always know which probabilities apply to any given economic event.

“The Real Patriot is the Fellow Who Gets a Parking Ticket and Rejoices That the System Works”— Bill Vaughn, American Author and Columnist

Rather than searching for a brief, concise answer as to what is happening to our economy, it is more important to understand economic changes in the context of history as well as in all of the other natural and social forces than impact our lives. The current state of affairs makes it appear that, as a culture, we largely have abandoned the depth and breadth of traditional education in favor of the Myth of Security found in high-level job training. In order to adequately understand and comprehend the complexity of what we call the economy requires a number of prerequisites, including the art of critical thinking. However, this art which has evolved from the study of philosophy, the humanities, the arts, and the pure sciences for millennia, has fallen by the wayside. Now, members of our society search for the simple codex that will guarantee a safe and stable life for themselves and their families. The problem is that this search becomes a trap. A small number of game masters manipulate it for their own ends, leaving behind those “salary serfs” (as opposed to “wage slaves”) who have fallen in line dutifully. Now, these serfs scratch their heads and wonder what has happened.
No Teacher Left Behind!

We are witnessing the formation of a generation that has been taught to pass standardized tests but not to think or to question. I and others teachers have noticed this trend that started in 2002 in elementary and high schools. During the last half of the decade, we have experienced the outcome of the Elementary and Secondary Education Act in our college classrooms. Now, we have many college graduates who cannot write clearly, synthesize what they learn, reflect a true understanding of the subject matter, or think in a critical manner in order to find solutions to present and future problems. Many of our greatest universities have set the pace complicitly through their incessant reliance upon standardized tests and perfect grades as criteria for admission. As a result, teachers from kindergarten through twelfth grade have succumbed to the pressure and have descended into the practice of “teaching to the test” rather than engaging in the interactive process of education.

“As Seek First to Understand and Then to be Understood”—Stephen R. Covey, The Seven Habits of Highly Effective People (Free Press, 2004, Rev. Ed.)

As our educational system has become the enterprise of job-training specialists who never have been taught to question, college graduates enter the workforce without the ability to recognize the vital relationship between power and morality. In his book The Unconscious Civilization (Free Press, 1995), John Ralston Saul explains that civilizations produce moral traditions. However, we have been educating a generation that has little knowledge or understanding of its own civilization, nor the ability to maintain it. In contrast, our brightest minds have been drawn into the web of intrigue that has been spun by a small number of corporate con artists and Economists who have rigged the financial system to benefit the few. Saul states, “The bankruptcy of our economic and political systems can be traced directly to the assault against the humanities.” Rather than drawing solutions for world problems through mediation, many in our best educational institutions have stepped aside and have allowed darker political and economic forces to fuel crimes against humanity. These include unlawful wars and indifference to starvation, disease, genocide, and other abominations.

When it comes to studying and explaining our economy, we can measure it superficially with the mathematical tools lent to the social sciences. However, we cannot understand this economy without a deeper knowledge of the humanities. In his book Empire of Illusion: The End of Literacy and the Triumph of Spectacle (Nation Books, 2009), Chris Hedges points out that many economists “build elaborate theoretical models yet know little of John Law, have never closely examined the Tulip Crisis, and do not study the railroad bubbles or the deregulation that led to the Great Depression.” Even many Forensic Economists spit out a set of numbers mechanically without any serious thought or reflection. They never have known or have forgotten that the numbers that we crunch remain mere reflections of the complexity beneath the surface in the life of a client.

Unfortunately, we ignore the exploration of ideas that have worked or not worked in the past, to our chagrin and despair. We find ourselves in a quagmire that is typified by the axiom “Not invented here and now.” However, if we take the time to examine the past closely, we often find lessons taught by history that relate to, and offer, solutions for our current problems. These lessons reflect the events by which the Athenian democracy rose out of egalitarian reforms that
included the erasure of all of the debts that were bankrupting the citizens of Athens. We find another example during the reign of the Roman Emperor Tiberius in which widespread bankruptcies and the collapse of the real-estate market were ended successfully through massive government spending and interventions that included interest-free loans to Romans.

In his First Inaugural Speech, Franklin D. Roosevelt told a troubled nation that the “only thing we have to fear is fear itself.” However, in recent months, many students and others with whom I have spoken have expressed fears that the monetary system will collapse. Granted, those who earn their living by lending and exchanging currency face great personal risks. However, for most human beings, money exists merely as a convenience—and sometimes not even that.

Again, history tells us that, when monetary systems cease to exist, most people simply return to a barter economy—ten chickens for a goat or something along those lines. In respect to barter, I always am reminded of the scene from the film The Birdcage (United Artists, 1996) in which Robin Williams explains the concept of bartering in Guatemala in the most eloquent of terms. He notes, “Chicken is so important to them. It’s their only real currency. A woman is said to be worth her weight in hens and a man’s wealth is measured by the size of his ….” Granted, the lack of a double coincidence of wants of specific products in the practice of barter can prove to be most inconvenient. However, the increased human communication brought into the act of bartering may more than offset the negative impacts.

For example, in the prison camps of World War II, soldiers on both sides easily solved the problem of a moneyless closed society. They turned to what Economists call commodity money. In the case of these prisoners of war, cigarettes received from the Red Cross became the medium of exchange and the standard and store of value. People find ways to cope. Even in today’s climate of mild uncertainty, local script has begun to appear in various parts of the country once again.


In understanding the impact of the political economy, it remains crucial not to underestimate the intellectual capacity, the insight, and the understanding of the average man, woman, or child. Just because one does not possess a college degree or even a high-school diploma does not mean that s/he does not know what is coming down the pike. Furthermore, people have used and continue to use the coded messages of bards, poets, and other artists in order to remain discreet and to avoid retribution at the hand of powers greater than them. Even the songs sung by children originally carried deeper tones beneath the surface. If we recall the time when we were in kindergarten or even earlier in our own lives, we may remember singing,

\[
\text{Ring around the rosy} \\
\text{A pocketful of posies} \\
\text{Ashes, ashes} \\
\text{We all fall down!}
\]
This rhyme dates back to the Great Plague of London in 1665. The symptoms of bubonic plague included a rosy red ring-shaped rash. At the time, people believed that the disease was carried by bad smells. Therefore, the populace frequently carried pockets full of fresh herbs, or “posies.” The “ashes, ashes” line is believed to refer to the mass cremation of the bodies of those who died from the outbreak. For a sharper and more dangerous political undertone, consider

Mary, Mary quite contrary,
How does your garden grow?
With silver bells and cockle shells
And pretty maids all in a row

Purportedly, this rhyme is about Mary Stuart, Queen of Scots (aka Bloody Mary). The garden refers to growing cemeteries as she filled them with her detractors. Silver bells and cockle shells were common names for instruments of torture, and “the Maid” was a device used for decapitation. For our final “children’s rhyme,” let us recall this popular one:

Jack Sprat could eat no fat
His wife could eat no lean
And so betwixt the two of them
They licked the platter clean

In this English poem, Jack Sprat is reputed to be King Charles I (1625-1649) and his wife to be Queen Henrietta Maria (1609-1669). Apparently, when the King declared war on Spain, Parliament refused to finance him—thus leaving him lean. After the angered King dissolved Parliament, his wife imposed an illegal war tax on her subjects—to get some fat! The practice of ossification in literature for economic/political ends has not been confined to the “common throng.” Notoriously, intellectuals, artists, writers, and musicians have relied upon allegories and tales of enchantment as subterfuge to convey messages to those who can detect them. See the tales of the Brothers Grimm, listen to the early songs of Bob Dylan, or read The Lord of the Rings or other works by J.R.R. Tolkien to understand what we mean. However, among our favorite examples are the “Alice” books by Lewis Carroll, Alice’s Adventures in Wonderland (Macmillan, 1865) and Through the Looking-Glass and What Alice Found There (Macmillan, 1871). In an analysis of cryptic passages that reads like the remnants of a dissertation buried in bawdy pulp fiction, Hercules Malloy (probably a pseudonym, gender uncertain) put forth some captivating theories about the origin and meaning of the “Alice” books in his/her (Oedipus in Disneyland: Queen Victoria’s Reincarnation as Superman (Paranoid Press, 1972).

Molloy asserts that, through symbolism, mathematical puzzles, and thinly disguised characters, Carroll (the pen name of Charles Lutwidge Dodgson) provided the world with an intimate look at the coming of age of the future Queen Victoria. The “Alice” books are thinly veiled accounts of the close relationships within the House of Windsor as well as of the married life of Victoria and Prince Albert of Saxe-Coburg and Gotha.

Molloy develops an unusual treatise that contains extensive detail reflecting a studied knowledge of the personage of Victoria as well as the political/economic intrigues among the royal families.
of Europe during that age. Here is a partial cast of characters with which many readers may be familiar: The Duchess—Queen Victoria’s mother, the Duchess of Kent; Tweedledum and Tweedledee—the brothers Ferdinand and Augustus of Saxe-Coburg-Kohary, who were among her favorite cousins; The Carpenter—Sir John Conroy, comptroller of the Duchess of Kent’s household; The Walrus—King Leopold of Belgium, an uncle to Victoria; The White Knight—Victoria’s husband, Prince Albert; and Humpty Dumpty—Louis Napoleon III, the Emperor of France and her alleged secret lover.

As bizarre and far-fetched as this hypothesis seems initially, it has fascinated us for decades. The more that we learn of the history of the Victorian Age, the more rational that Molloy’s hypothesis seems. Molloy clearly believes that Carroll based his work upon biographical (and possibly autobiographical) information about Victoria that he obtained covertly through a couple of degrees of separation.

Dodgson, a professor of mathematics at Oxford, befriended the family of Henry George Liddell, the Master of Christ Church College at the school, in 1855. A generally regarded assumption is that his daughter Alice Pleasance Liddell inspired the classic *Alice in Wonderland*. Molloy offers us some lesser-known information: Henry George Liddell was the Master of the residential college with which Edward, the Prince of Wales and the son of Victoria, affiliated in 1861. In keeping with the appropriate manners of the time, the prince would have developed a relationship with Henry Liddell. On the “Golden Afternoon” of 4 July 1862 (which really was overcast and wet), Carroll told the story to Alice Liddell and her two sisters while riding in a boat up the River Thames.

In itself, Molloy’s evidence appears to be nothing more than smoke. However, given that fire usually accompanies smoke, anyone with the patience to sift through the piles of information may conclude that these assertions remain plausible and worthy of further investigation. The royal machinations and clandestine maneuvers of the Victorian Age continue to impact our economic and political situations today. For example, the Suez Canal in Egypt, which was built by the British government, was opened in 1869. Currently, one-third of oil in the world is transported through this canal. On 1 February 2011, Muhammad Ghannem told an Iranian news network that, if he and the Muslim Brotherhood had their way, the Suez Canal would be closed immediately. The events in play in Egypt today represent the culmination of a century and a half of truths that have slowly unfolded. As we completed this article, we learned that Hosni Mubarak resigned as Egyptian president and handed over control of the state to the military.

A well-educated person not only needs to have technical skills. S/he needs to have a comprehensive, wide-based knowledge of the arts, the humanities, and the other social sciences as part of his/her ongoing lifelong learning. In order to understand the current state of our American economy, one must look at more than a handful of numbers and a few graphs. The economy is a living system that reflects the full human experience. Seeing the direction that the economy is taking requires comprehensive understanding of all of its elements. With this, truth is nothing more than a reflection of the human condition. To paraphrase Jack Nicholson from our opening quote, can we handle the truth?
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