

[title] SILVER, CHANGE, IMAGINATION

[subtitle] Rob Henderson in Conversation with Russell Lockhart

[author] Robert Henderson

Russell Lockhart obtained his Bachelor's, Master's, and Doctorate degrees (human psychophysiology) from the University of Southern California. In 1974, he graduated from the C. G. Jung Institute of Los Angeles, where he served as Director of Analyst Training from 1979 to 1982. Since 1974, he has been in private practice.

He has served on the faculties at the University of California, Santa Barbara, and University of California, Berkeley. He was a research psychologist at the University of California, Los Angeles, and Director of the Psychophysiological Research Laboratory at Camarillo State Hospital. Dr. Lockhart is the author of *Words as Eggs: Psyche in Language and Clinic* (Spring, 1983); *Psyche Speaks: A Jungian Approach to Self* (Chiron, 1987) and *Secrets of the Undergroundtrader*, with Jea Yu (McGraw-Hill, 2003).

Currently, he has two books in progress: *Gleanings From the Dreamfield* and *Hints & Helps for Short Term Traders*. He was born and raised in Los Angeles. He and his wife Frankie have been married 544 years and have four children.

My first contact with Russell occurred in 1973, when he shared with me his work with cancer patients. We met again in 1982, when he presented the inaugural series of *The C. G. Jung Lectures* at the C. G. Jung Foundation of New York.

Formatted: Font: Italic

Rob Henderson (RH): As a Jungian analyst, what is it about money that has captured your interest?

Russell Lockhart (RL): I was "captured" by money long before becoming an analyst. As a youngster it was the shining of silver coins. I remember feeling impelled to separate the silver coins from the copper ones. I was quite taken with quarters. I remember with great excitement the half-dollar and once for Christmas my parents gave me a silver dollar. I was four. To me this was a treasure and it was with that coin I began my "secret" keep—a kitchen matchbox hidden in my closet. I have a fond memory of my father giving me a silver penny during World War II. Into the box it went. That was the only penny I allowed in the box.

It was with pennies that I was taken up by a second aspect of money. I found it quite wondrous that I could take these copper coins to the store and change them into sweets and goodies. Those are the first two pillars of the childhood origin of my interest in money. Because of the *Rule of Three*¹ governing most things, I know it's necessary to articulate the "third" pillar. The silver coins and the copper coins sparked my closeted imagination. Hours and hours were spent this way. So: silver, change, imagination. That's what captured me.

RH: Still captured?

RL: Differently now. I know of gods and goddesses, of alchemy, of the laboratory of the imagination, of dreams and much else. Yet, money in various ways still excites my imagination. In 1980, at 41, this dream came to me: *I am typing away at my typewriter when it stops working. I open the lid to see what the matter is and discover a matchbox. Peering inside it I see there are*

¹ The *Rule of Three* is ubiquitous and most likely developed early in human consciousness as a necessary element in seeking "completeness." Simple examples: past, present, future; beginning, middle, end; act one, act two, act three. The principle of opposites emphasizes duality (either-or thinking, in-out group dynamics, politics, rulers-ruled, etc.). The *Rule of Three* always leads to more complexity (e.g., a child produced by man and woman) and will always serve one well in actual undertakings, formulation of questions, or following the lead of serendipity and curiosity. Think of *ying-yang* and the "thirdling" in potentia always pictured within this symbol.

coins. I set it aside and go on typing. Even now is it difficult for me to believe that I didn't connect the dream with my early childhood memories recounted above! Then, a few days later, James Hillman called me and asked me if I would present a paper on the topic of "money" at an upcoming international meeting. It was only *then* that I connected the dream to my childhood treasure box full of coins (which had been inadvertently thrown out one day when my mother cleaned out my "impossible mess" closet). As a way of honoring the dream and to redeem my forgetting, I agreed to do the lecture. That paper became "Coins and Psychological Change," and was subsequently published in the book, *Soul and Money*.²

I had forgotten the coins of my childhood but the *dream* brought them back. This is one of the major values of dreams, to return to one's awareness things that have been "left behind" in childhood. In the dream the box of coins interfered with the working of my typewriter, with my writing. I was "stopped." I could not go on writing unless I took these coins into account. In the dream I did not recognize this and just set them aside, just the sort of thing one does with any "intrusion" into one's conscious intention. But when the outer world impinged on me via Hillman's invitation, I "got it." Such synchronies cannot be ignored. I did not ignore this. All my writing since, in one way or another, has taken my early childhood fascination and imagination with coins "to heart." I won't spell this out here, but anyone who reads "Coins and Psychological Change" and my subsequent writing will readily see this. Childhood experiences as well as dreams become *leitmotifs* and even if they fall off the radar of one's daily round, sooner or later, more than likely, more often than not, they will return to center stage and become major ingredients in forging one's future.

² Russell A. Lockhart. *Soul and Money*. Dallas: Spring Publications, Inc., 1982. (With contributions by Russell A. Lockhart, James Hillman, Arwind Vasavada, John Weir Perry, Joel Covits and Adolf Guggenbuhl-Craig.

Here's an example. Prior to 1985, I had little more than typical interest in the financial markets. That year, a dream announced: *The financial markets are a laboratory of soul*. Direct money dreams are not as common as one might assume given the ubiquity of money issues in our lives. The few direct money dreams I have had function as what I call "path forming" dreams; dreams that present an unexpected path for me to follow—if I choose. Such paths will almost always have an echo of familiarity as well as a quality of strange, odd, often fearful, "otherness." To reduce these dreams only to childhood or personal experience misses what I call the Goethean quality of the "future" calling, what Jung characterized as the "prospective" function that some dreams can have. I find that it is this very strangeness that characterizes a dream having this futurity.

On the basis of this dream, I took up a direct study of the markets, their history, and their major works, how things functioned—the whole gamut. By early 1987, this intense study was sufficient to convince me that the markets were a laboratory of collective behavior—the *laboratorium* of my dream. The lineaments of its "outer" psychology were getting clear to me, but I could not yet get hold of the inner "soul" aspect of the markets.

In the fall of 1987, I read two books that had a life-changing impact on me. One was Charles P. Kindleberger's *Manias, Panics, and Crashes*; the second was Charles Mackey's *Extraordinary Popular Delusions and the Madness of Crowds*. I was gripped by these works. They opened the portal, the doorway, to the "soul" aspect of my dream. To follow the lead of my dream, I would have to think differently: *the financial markets were to be considered a laboratory of soul*. On Monday, October 19, a day now referred to as "Black Monday," the world's equity markets lost nearly a quarter of their value in a few hours. *Manias. Panic. Crashes. Delusions. Madness*. It was all there that day.

Taking this path, opened up to me by the dream, has led me into unusual byways for an analyst. Since 1999, I have been involved daily in the laboratory of the financial markets where I try to bring a soul-perspective to my teaching of traders in relation to themselves and to the financial markets.³ The main point I want to make is how the dream opens a path and following the path leads to a future one had no idea of earlier. Yet, one can see in retrospect certain “seeds” of futurity in my fascination with those childhood coins.

RH: Money constellates tremendous emotions. Some people are forever afraid they will not have enough. Some are terrified they will lose what they have. Some can never have enough. Some hold onto their money with a tight fist and others seldom hold on at all. For some it is a deep secret and others want everyone to know how much they have. More recently, I have heard the term “money complex.” How do you see it?

RL: Substitute sex, power, time, fame, *whatever*, in your observations above, and you will see they are all germane, which is to say, there is a “complex” factor in all these realms. The question is whether there is something *specific*, something *unique* that distinguishes a money complex from any other complex. The simple answer is “no” in relation to the general nature of complexes, but “yes” in relation to the *extensivity* of money and its reach into every facet of everyone’s life. Money is no doubt the basis of the most experienced form of transformation—one can turn money into almost everything—copper pennies into bits of candy, electronic impulses into corporate jets—there is no end to the transformational possibilities. It is no wonder that George Soros, among the world’s wealthiest money wizards, entitled one of his books, *The*

³ Before starting my own international trading site, I was primary instructor and technical analyst with UndergroundTrader.com, receiving *Forbe’s* “Best of the Web” several years running. The interested reader can get a good picture of my work from *Secrets of the Undergroundtrader: Advanced Methods for Short-Term and Swing Trading Any Market*. New York: McGraw-Hill, 2004. My privately available *Hints & Helps for Short Term Traders* is meant to be followed by Volume 2: *The Psychopathology of Everyday Markets*, and Volume 3: *The Principles of Esoteric Psychology and Sacred Geometry Underlying Financial Markets*.

Alchemy of Finance: Reading the Mind of the Market. Money's alchemy is both its allure and its bane. As Byron said, "every guinea is a philosopher's stone."

It is well to remember that the old alchemical laboratories were full of toxic vapors, most particularly the vapors of Mercury—the god of money and commerce. There is no doubt that Mercury poisoning played a part in the fabulous dreams and visions of the alchemists. I mention this not to explain away what was revealed about the mind and soul (as Jung and others have made so clear), but to make another point. The alchemists envisioned transforming lead into gold; one *substance* (relatively common and of little value) into another *substance* (uncommon and of great value). Each of us can grasp this idea. In today's *information* world, everyone can grasp the idea of turning information into money, even if one is in no position to make it happen in their individual circumstance. We understand too, how Google or Facebook or Apple can turn our *behavior* into billions of dollars, a flow from the many to the few.

But a darker side of money alchemy seeks something more than this and that is to turn "nothing at all" into "money." This is a lure no one can resist and it was not resisted by those in a position to operate the obscure and hidden mechanisms of this alchemy in recent years. These mechanisms could only have happened in an age of advanced computers, and what was spawned from them was not nearly as "controllable" as the control fantasies of the new alchemists pictured them to be. The problem with the "perfect worlds" these alchemists believed in is that there is *always* a snake, even if only the "devil in the details." It is this ineluctable reality that leads to "unintended" consequences and finally to the inevitable unraveling of schemes no matter how "smart" the alchemists or their computers were. What happened is value was "sucked" from the many to the few in unprecedented degree until, like the uroboric snake, the magical mechanism bit its own tail. As the world economy teetered on the brink of collapse, and the

many lost much of what they had, mother governments everywhere rushed to suckle their financial wizards, rescuing them from their misdeeds, and then, ironically, rewarding them. The unchastened wizards were deemed “Too Big to Fail.” Where the alchemists of old came to realize they were working to transform themselves, modern money alchemists have realized no such thing. For this reason, it seems inevitable that the seductive allure of this dark side of money alchemy will bite us all again. Dreams I am seeing are pointing to this. A common image: *whales coming to swallow us whole*. I use this metaphorical language to cut through the obscurantism that plagues the “official” stories.

Transforming “nothing” into “everything” is ultimately a “god” process. To understand this, we must understand the nature of this “nothing.” What is it? It is “belief” and “confidence” and “hope” and “dreams.” Not the nightly theater that comes in sleep, but dream as in “The American Dream” and comparable aspirations everywhere. These are the grounds where the dark alchemy of money lust operates, precisely at the heart and center of our core values.

RH: Bernard Madoff is in prison for masterminding a \$65 billion Ponzi scam which stole from nearly 15,000 people, from all social and education backgrounds, and even many of them were fellow Jews. What is it about a human being and the world of money and investments that such a thing could happen? I even wonder if it began with a dream Madoff had.

RL: I concluded early on that *money is a talisman of the Self*. What this means in a practical sense is that *any* object can become “money.” What has occupied my interest primarily is the Self’s use of money in contrast to the usual discussion focusing on the ego’s uses and attachment to money. Money, and the possibilities of money, can become numinous and can be endowed with all aspects of “the other.” This is where it is meaningful to talk about money becoming a

god and our fascination with it and belief in it, our confidence in relation to it, and search for it: all this is *religious* in nature. As our money says, literally, on every piece of it: “In God We Trust.” We get closer to a deeper understanding of money if we take into account this religious dimension.⁴ And this is where we miss the importance of Bernie Madoff if we simply write it off as a Ponzi scheme that seduces gullible investors. Sure that’s involved. But it’s not what is more deeply at work.

Your question is fascinating and I want to spend some time with it from different angles. In all that I have read of Bernie Madoff, including accounts of his therapy in prison, I have yet to see mention of a dream. But there is no question he operated the largest “personal” *Ponzi* in history. What is a *Ponzi* scheme? Everyone knows the general idea: you keep recruiting investors on the promise of more than unusual returns while using new investor money to give earlier investors some payout. In turn they encourage others to invest and pretty soon everyone and their mother want a piece of the action. Now in this structural sense, there are many *Ponzi* schemes, not described as such, but nevertheless using this principle. Most social welfare programs are of this nature. For example, our Social Security system is built on this principle. This is true the world over. And it is worth noting that these systems are often considered “sacred” in the sense that they cannot be touched or trammled by political process. Our fractional reserve banking system is fundamentally a *Ponzi* structure. From your deposit of \$1,000 in a savings account, the bank magically “creates” \$10,000 “on the books” which it then lends out. As long as you keep your money on deposit, you will get some return. And as long as the new debtors pay back, then all is well. Of course, this is fine as long as it works. But when populations level off, or the

⁴ For an account of personal loss from a Madoff investment and what came out of such loss, see [my interview in this issue with Kim Rosen in “Dreams in the News.”](#) [Russell Lockhart in Conversation with Kim Rosen.”](#) *Dream Network Journal*, 2011, Vol. 30, No. 2-3, p. 24-27. See also Kim Rosen. *Saved by a Poem*. Carlsbad: Hay House, Inc., 2009.

Formatted: Font: Italic

Formatted: English (United States)

receipts turn down, like every *Ponzi* scheme, cracks appear. Witness now how the sacred precincts have been stormed by many in the political process no longer *believing* in it. But notice: while the sacred grounds of Social Security may be stormed, no one is storming the banks. When governments save the banks at the expense of the governed then we all are at risk. The gods are in conflict. The gods are at war.

But even this general idea of *Ponzi* is not the crucial thing. When Charles Ponzi's scheme was laid bare to the public by Clarence Barron, the founder of *Barron's*, angry crowds gathered in front of *Ponzi's Securities Exchange Company*. Ponzi amped up his charm, and with coffee and donuts distributed to the crowd, he convinced many investors to keep their money with him. It was an inspired "sermon." And as they sided again with their "prophet," others followed. Profit beckoned. Is it greed at work here? Of course. But more deeply, what is happening is the electrifying intensity of faith recruited, confidence restored, belief incarnated, hope aroused, dreams of aspiration charged.

Charles Ponzi was a confidence man. So was Bernie Madoff. So is the government, the banks, the brokers, the whole financial structure. And so was Han van Meegeren. Who is van Meegeren? He was the perpetrator of the greatest art hoax of the twentieth century, perhaps of all time. I bring him into my response because this example outside the financial markets per se makes it possible to see more clearly what is at work. If today we look at van Meegren's Vermeer forgeries, it is literally *impossible* to see how the world's experts, museums, art collectors at the highest level could have seen these canvases as Vermeer's. It is worth looking just to see this for yourself and how the whole world was taken in: including Adolph Hitler and

Hermann Goering, avid collectors of Vermeer.⁵ From the period of 1938 through 1945, these fakes hung in the most esteemed places on both sides of the war. And perhaps this is a key: that when the world is at war, it becomes ever more crucial to *believe*, to believe in something, and this fact is true on *all* sides. To “see” the “religious” paintings of van Meegeren’s fake Vermeers fulfilled the *certainty* that comes with belief and is so courted in times of peril. All the experts were *certain*; so certain that the simplest tests were not conducted that would have revealed the hoax. Everyone *believed* they were Vermeers and no matter how badly painted each successive “discovery” was, it was belief that said they were Vermeers.

It is this seeking of certainty that lies at the root of our susceptibility to be defrauded and this is true whether it is art, money, ideas, or schools of thought. The phenomenal thing is this: that it’s all a confidence game, and some get “caught.” The degree of patina covering over the reality of what is at work is rubbed bare at times and things unravel. The significance of Bernie Madoff is that his example is laid bare for all to see. The intense focus on him keeps us from looking more deeply into the abyss of similar crimes. They are not labeled as crimes, but are crimes nonetheless. [To be continued.]

[author’s statement]

Robert S. Henderson is a Pastoral Psychotherapist in Glastonbury, Connecticut. He and his wife, Janis, a psychotherapist, are the authors of the three-volume book, *Living with Jung: “Interviews” with Jungian Analysts*. Many of their interviews have been published in *Quadrant*,

⁵ Good sources: Frank Wynn. *I Was Vermeer: The Rise and fall of the Twentieth Century’s Greatest Forger*. New York: Bloomsbury, 2006. Edward Dolnick. *The Forger’s Spell: A True Story of Vermeer, Nazis, and the Greatest Art Hoax of the Twentieth Century*. New York: Harper-Collins, 2008.

Spring Journal, Psychological Perspectives, Jung Journal, and Harvest. Correspondence: 244
Wood Pond Road, Glastonbury, CT 06033. E-mail: Rob444@cox.

ABSTRACT

Jungian analyst Russell Lockhart presents notions of the meaning of money –as it relates to the imagination, complexes, the Self, and the dark side of life. He presents his reflections on Bernie Madoff and the Ponzi schemes.:

KEY WORDS

Money, Silver, Change, Imagination, Dreams, Alchemy, Bernie Madoff, Ponzi schemes, Complex, Talisman, Self: