

Silver, Change, Imagination (Part Two)

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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 54 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.

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RH. At the end of part one, you referred to the intense focus on Bernie Madoff's Ponzi scheme as obscuring deeper crimes that have gone unpunished. What crimes were you referring to and what is the significance of this at the present time?

RL. When the Attorney General of the United States

declares that those responsible for the largest fraud in history are “too big to jail,” it is important to realize why this is so. The fines levied against banks, financial institutions and large funds of various kinds will amount to more than \$100 billion dollars.

But this pales into insignificance in comparison to the hundreds of billions of profit the frauds generated, and even more so in relation to the trillions of dollars of damage that was done to most everyone in the United States (and around the globe) in terms of loss of property value, losses in retirements savings, losses of other financial assets, opportunity costs, and injury to the general economy in terms of lost jobs and other aspects of economic well-being.

The U.S. Treasury and the Federal Reserve responded to this crisis by “creating money out of thin air”¹ and shuttled this money into the hands of those who were responsible for the fraud in the first place—who, in the meantime, ironically, but not accidentally, have received major *increases* in pay and bonuses. The created money was not the result of economic activity, but of a breed of hubris that comes from such “powers.”

It was simply created—a modern alchemy.² That all of this money (amounting to trillions of dollars) has not benefited the general economy is a result of two things. First, instead of providing this money directly to the injured people with the proviso that it

must be used to pay off consumer indebtedness (mortgages, student loans, automobiles, credit card debt, etc.)—in which case the banks and financial institutions would have received the same amount of money—the money went directly to the banks, financial institutions and collapsing corporations. This left the consumer mired in debt and unable to really spend to get the economy moving again after the crisis.

Second, the rescued banks and financial institutions, essentially made whole from their staggering losses in the crisis, have not used that money to benefit the economy, but have used it to aggrandize themselves even further.³

Those trillions have fueled the rise of the stock market from its lows during the crisis to new all-time highs. These new highs are a direct result of the “inflation” caused by the creation of money unrelated to economic activity. This is what is known as a “bubble” and now, as before the last crisis, the risk of that bubble popping is extreme.

The “public” is remarkably calm about all this. All protests have vanished and most everyone seems to have bought the “story line” that is captured in President Obama's State of the Union Address: “The shadow of the crisis has passed, and the state of the union is strong.” This echoes President Clinton's similar statement in his January 2000, State of the

Union Address, when he said: “The state of the union and the state of the economy were never better.” This was barely two months before the beginning of the dot.com crash and the largest loss of wealth in U. S. History. I am not saying that history will repeat itself. If anything, the next crisis will be far worse because what is at risk now is far more important than “just” money.

What started as a “war on terror” during the Bush years, has, I fear, become a “war on the future.” More and more things are falling under the umbrella of “national security.” Since the financial markets and the economy went under this umbrella, secrecy has prevailed, truth has been obscured, euphemism has become the common tongue and the true reality of things goes more and more into eclipse.

“Truth tellers,” are now prosecuted unmercifully when possible, while those responsible for “high crimes” go unpunished and rewarded. The press has lost its fourth- estate function and the public, as in Walt Disney's dream, has become paralyzed, mesmerized, and anesthetized through distraction and entertainment.

Leonard Cohen's song, “The Future,” summarizes the current state of affairs: “Get ready for the future: it is murder.” Killing off rights, killing off value, killing off hope, killing off prosperity for the many. The list goes on. The engine of all this killing, is the increasing

disparity of wealth, not only in the United States, but in the entire world. Lopsided wealth buys up power and influence, leaving the large bulk of the human population “starving” in so many ways.

Goldman Sachs informed its wealthiest clients that their only fear was the one man, one vote rule. Soon after, the U.S. Supreme Court ruled in favor of Citizen's United, declaring the corporations were individuals and therefore were not subject to the limits of financial contributions to political parties and politicians.

Since this time, the largesse corporations have plowed into political coffers is beginning to render the entire political processes moot. Whenever a society lets itself get too one-sided, it begins to put itself in grave danger of "unexpected consequences" that cannot be controlled. The psyche's reaction will come out of left field, at a time least expected, under conditions seemingly fine. This seems to be the invariable hand of history at work. We are not yet witness to its full impact. The increasing extremity of this hubris points to an inevitable *enantiodromia*.⁴

RH. Where do you see the psyche in all these goings on?

RL. Mercury vapors were part of the atmosphere of every alchemical laboratory. Mercury poisoning was a part of every alchemist's experience. One of the

symptoms of mercury poisoning is hallucinations and it was this that played a major role in the dreams and visions of the alchemists. Later alchemists discerned that the visions seen in the alchemical ovens and retorts were the products of their own minds and that in this end, this was more valuable than gold. Jung, through his deep study of alchemical texts and drawings, was able to explicate the full extent to which the alchemists had discovered the objective psyche, the function and dynamics of the collective unconscious, and the manifest realization of the Self.

But modern financial alchemists can actually change “nothing” into money and therefore this transformation serves nothing more than the hubristic ego factors of greed and plunder. There is no “depth” to this at all, and therefore there is nothing in that process that would drive the money wizards closer to self or soul. It is pure and unrestrained ego. It is a clear and monstrous example of what Walter Wink calls “malignant narcissism.” Its potential is to create enormous wealth for the few who operate the controls, but eventually the enantiodromic consequences will destroy the financial system. It is not usually thought of as a form of terrorism, but it is. Fancy suits and ties, luxury shoes and vehicles cannot disguise the truth of this.^[1]_[SEP]

RH. I remember as a boy whenever we would visit my Uncle he would give me a dime. It meant so much. I would hold it and sometimes would spend hours

deciding how to spend it. Nowadays one reads daily of billions and trillions of dollars and money means nothing like my dime did. I could hold my dime, but I can only imagine billions and trillions. Has money lost the meaning that it used to have?

RL. One is inclined to say, yes, money has lost its meaning. Paradoxically, one must add that money has become the only meaning. Hyperbole, of course, but we all can see how money seeps into everything, becomes the standard and measure of value, worth and meaning. Your childhood dime had “particularity.” It came from your uncle, you could hold it (its “thingness”), imagine on it, take this object to the store and exchange it. Money in this sense is rapidly disappearing and will no longer exist. Not only are governments moving to eliminate money objects (coins and paper bills) so that *all* transactions are recorded and can be tracked, but a “new money” has recently been “invented” that is purely digital: *bitcoin*. Soon, all money will become digital. Is this just another in a long line of the historical evolution of money? The answer in a behavioral sense is “yes.” One need witness only the way in which electronic money transactions (credit cards, smart phones, digital currencies, etc.) are being embraced—particularly by the young who live on their devices.

Narayana Kocherlakota, of the Federal Reserve Bank of Minneapolis, in a study entitled, “Money is Memory,” concluded that “Money is always and

everywhere a mnemonic phenomenon.”⁵ At first, this equation of money and memory may strike one as strange, but a little reflection yields just how old this idea is. The word “money” derives from the Latin word, *moneta*. Moneta was a Latin name for the Goddess Juno, and it was in her temple that money was minted and stored. Her name, in turn, is rooted in the word *Mnemosyne*, the Greek name for the Mother of the Muses as well as being the Goddess of Memory. The language of money is full of memory and muses—all *feminine*.

These etymological hints tell us that the “thingness” of money, the “earth” of money is a province of the feminine. Yet, clearly, money’s relation to power and influence, bubbles and crashes, banking and cartels, seem far afield from anything one associates with a feminine spirit. And as the thingness of money disappears, this sense of the feminine disappears as well.

Is there a cost?

Look back at your own memory, Rob. One of the things you did with your coin in hand, and I did with the coins in my closet, was to *imagine*. That is the relation to the Muses that is inherent in the “thingness” of money. Does holding a credit card in your hand have this effect? Does pushing a button on a smart phone? I don’t think so.

And look. The “cost” here is *not* expressed in money terms. We can’t put a dollar value on the loss of imagination. The loss of imagination as well as other stress-related problems were a result of the computer-led debacle that became the financial crash of 2008.⁶ Computer algorithms coupled with trader panic led to near complete melt-down of financial markets and the loss of trillions in market value. The whole process was a fast and vast debiting and crediting of various accounts electronically. This did not hit home until the crash became evident in “things,” e.g., the value of homes.

What “rescued” the world’s financial system, was creation of money “out of thin air” by the world’s central banks. It was creating money out of “nothing” simply by electronic means. “Out of thin air” suggests that this electronic money is an “air spirit” in contrast to the “earth spirit” of money such as gold, which literally comes from the earth.

You can see that such “creation out of thin air” is the ultimate Ponzi scheme, since the source of “supply” is not the “greater fool,” but entrenched powers that be. This feels to me like the full realization of the puerile fantasy of achieving everything without work, or pain, or suffering. Coupled with an Icarus-like attempt to escape the confines of “reality,” this impulse, quite masculine in character, is heading for the sun with wings of wax.

I see in these developments of electronic money, no “coupling” of the masculine and feminine spirits, and thus no generation such as occurs with the imagination. As computers continue the ever-accelerating “replacement” of humans, I expect this to occur in relation to “money” as well. This will, of course, take time. But it seems to me this is the path we are on.

END NOTES

¹ “Money out of thin air” is very descriptive and accurate. The formal term, “quantitative easing,” is a typical government term which obfuscates and hides the true nature of the extremity of monetary policy and the failure of normal policies. Another descriptive and accurate term for what was done is “kicking the can down the road,” that is, putting off as long as possible having to deal with the consequences of failed policies. This is always a symptom of politics trumping reality and any real dealing with the root causes and the necessary treatments.

² In contrast to the alchemists in earlier periods who finally recognized that their alchemical procedures were more effective in transforming themselves into more complete human beings, the modern financial alchemists have had no such realization. For this reason, this hubristic process will continue unabated until the *enantiodromia* is disastrous “enough.”

³ Providing money directly to the banks instead of finding ways that would directly stimulate the economy, is an example of the way in which governments collude with the financial elites to increase income inequality. This is never the official “story,” but it is what is so. If you haven’t seen the 1997 film, *Wag the Dog*, this film will give you a black-comedy version of what goes on under our noses all the time.

⁴ This Greek term refers to a process of “turning into the opposite.” It is not always clear what the “opposite” might be. I think it useful to expand the concept into covering many other possibilities.

⁵ Narayana R. Kocherlakota. "The Technological Role of Fiat Money." *Quarterly Review*, Federal Reserve Bank of Minneapolis, Summer 1998.

⁶ One of the best sources for insight into this process is John Coates' *The Hour Between Dog and Wolf: How Risk Taking Transforms Us, Body and Mind*, New York, Penguin Books, 2013.