

∞ INTRODUCTION ∞

"The easiest thing to do on earth is not write."

👤 William Goldman, novelist

This book is a collection of musings on topics you've heard discussed in the media or maybe over coffee or perhaps something stronger. The style floats from slightly academic (though hopefully not much), to irreverent, to humorous and occasionally sarcastic. I want readers to look at the money world and social issues affecting that world differently. My goal is to make you think. Thinking is more than just criticizing, it takes work. Don't assume your criticisms are correct. Do the research and check the facts, sometimes the facts challenge deep-seated beliefs.

For many reasons our critical thinking skills have weakened. We need these skills at an important juncture in our nation's history. Information dumps from print (what's left of it), TV and the Internet can overwhelm anyone. What's emerged is a cottage industry of people deciding fact and fiction. In other cases, people try to convince us that stop means go and that red is somehow green. While some statements may be true, we've lost our ability to judge.

Man or woman is an economic animal. Without external interference, people will take action to maximize, or at least provide a minimum level, for their economic welfare. In the first two

Escaping Oz books, I postulated four economic laws, the last of which suggests that people will act on their behalf in a manner that satisfies others acting on their own behalf. Strip away the noise and it's that simple. People acting in this manner represent a market. The market is a collection of people acting on their own behalf for the benefit of others.

Imagine being in a bazaar where you can buy anything (goods or services) you want. Also, you're selling something others want. If there's no money in this bazaar, everyone decides the proper exchange value. If you're selling oranges, the vendor selling flour tells you how many oranges you must offer to get a pound of flour. The two of you negotiate an exchange. Imagine doing this with every other vendor. While bartering is cumbersome, you know that it's possible to get everything you need.

If we introduce money, bartering goes away. Is the money valid? Is it counterfeit? Can someone make money without a matching effort? For money to work, everyone must agree to use it for the exchange goods or services. It must be measurable, and it must represent something of intrinsic value. You could argue that money is the single most important invention in economic history.

What about the market's security? Do vendors feel secure selling their wares without fear of theft or other crime? What happens if the flour I bought or exchanged contained worms? What if we thought we bought one pound, but instead we received three-fourths of a pound? We should hold vendors to a product standard — they need to deliver what they're supposed to. In this bazaar, while vendor reputation is important, we'd like criminal and civil laws protecting the market.

If you agree that people are economic animals, you'd only need goods, services, money, civil laws, and criminal laws. Society would desire more, though to have a functioning economy, this would be it.

If we calibrate an economy's basic needs, it will help towards understanding the book. Occasionally, I'll refer to the bazaar example to help clarify economic themes. Along the way, we'll look at human action, cycles, people behind curtains, generations, and government. We'll also take a look at societal reaction during economic contractions. The severity of the next contraction will test the nation's fabric.

The nation is unprepared for the next financial and economic crisis. We never flushed the excesses of the previous financial bubble, we simply reflated it. There's rot in our foundation, many can't see it. Once everyone does, our floor will give way and we'll need a new foundation. Hopefully, this book can give you a sense of what's needed to rebuild it.

This book is also about introspection. I'd like the reader to look within and evaluate their own sense of objectivity. American society has no political center. The political distribution approximates a camel's humps. Graphically, it looks like a hump on the left, a hump on the right, and a little baby bump in the middle. The hollowing out of that middle ground makes compromise oh so difficult.

What used to be a marketplace of competing ideas has devolved into a self-censorship pool with some drowned out by others objecting to their speech. Supreme Court Justice John Marshall Harlan famously wrote, "One man's vulgarity is another's lyric." I speak not of vulgarities, but simple expression of ideas. Science evolves through the debate of evidence. We're not evolving societally if we can't debate ideas. The greatest threat to free speech may no longer come from governments.

The hollowed out middle, or what could be the marketplace for competing ideas, evolved due to a cognitive map that doesn't encourage questioning accepted norms. Social apathy's part of the hollowing. Is this apathy engineered? I've often wondered if technology, or more specifically, hand-held "smart" devices, you know what I'm talking about, has contributed to pervasive social

apathy. A smartphone's become a dopamine delivery system. Ask someone you know how much you'd have to pay them to take away their smartphone for a day. Application designers understand this dependence and keep you coming back for more. It's harder to question accepted norms when we're buried in apps.

Social apathy is very evident when considering active voters. You might have anticipated higher voter turnout in 2016 since there was great loathing for the opposition candidate. In fact, there were more voters at the polls, though only 55.3% eligible to vote did so, a mere 0.4% more than in 2012. In one state, Hawaii, only 38% of the voting age public showed up. In California, 700,000 more people voted (yes or no) on Prop 64 (Marijuana Legalization) than the combined votes of Trump and Clinton. There were more votes on Prop 60 (Adult Film Condom Requirements) than the combined Trump and Clinton tallies. The city nearest to me had a "big" turnout in a recent, local issues only, election — 30% showed up.

Economic and political tensions raise questions about the nation's fragility. Lieutenant-General Sir John Glubb, the author of "The Fate of Empires" suggested that empires last on average, 250 years. An empire progresses from early pioneers to people engaged in conspicuous consumption who become burdens on the state. The empire evolves to an age of bread and circuses. We'll explore the U.S. empire in the final chapter and assess where we fall within that life cycle.

You don't have to read the book in any particular order, though I hope you save the conclusion for last. There's no bombshell ending, though it will mean more if you read the rest. Prepare to meet the future. It always arrives sooner than expected.

"If you don't understand the fundamentals, you will never understand."

👤 Jim Mosquera