"But hang it, Jim, you've clean missed the point—blame it, you've missed it a thousand mile."

"Who? Me? Go 'long. Doan' talk to me 'bout yo' pints. I reck'n I knows sense when I sees it; en dey ain' no sense in sich doin's as dat. De 'spute warn't 'bout a half a chile, de 'spute was 'bout a whole chile; en de man dat think he kin settle a 'spute 'bout a whole chile wid a half a chile doan' know enough to come in out'n de rain. Doan' talk to me 'bout Sollermun, Huck, I knows him by de back."

"But I tell you, you don't get the point."

*"Blame de point! **I reck'n I knows what I knows.**"*

(Mark Twain, The Adventures of Huckleberry Finn, 1884)

Chapter 1 – Literary Devices, Confessions, and Superheros

The problems are complex. Most of us, like Mark Twain's Jim, "knows what we knows". But Jim was pretty much on the mark with most of his judgments of character, recognizing scoundrels as scoundrels (if just a spot confused on the subject of Solomon). Jim was much less likely than Huck to "follow the party line", and a more astute judge of character than many of us seem to be today.

The South in Huck's time was a complex and systematically-unfair social structure, and changing that structure put the U.S. though some of the toughest and bloodiest times in its' history. That makes a good metaphor for where we are today, and if you have not read Huck Finn, or think it's a kid's book, dig into it some lazy sunny afternoon. Professor Ben Click, Professor of English, St. Mary's College of Maryland, describes it as follows:

> "Twain's novel is universally considered … 'fine and noble, and enduring' – and yet it is also one of the most banned books of all time.
> Currently, it ranks #14 in the Top 100 Banned or Challenged Books of the last decade. In the decade preceding that, it ranked #5….

Banned multiple times through history because some people "clean missed the point", both the inherent truth in Twain's characterization of the injustice of the society of the day, and the importance of his choice of idiom and language in the telling.

And because it might “corrupt youth” in telling the story of one brave and conflicted young boy who decided he would break the laws of the land, and possibly his shot at the Pearly Gates, because he genuinely cared for another human being, and came in time to understand that the laws were unjust.

In the twenty-first century, mankind is facing some similarly complex and unfair structures, and to fix the structural problems is going to be very tough. The solutions require huge changes in the ways we act, the ways we think, and the ways we communicate to those who are a part of the solution, and those who are a part of the problem. And as a society, we need to enforce some laws and change others.

Faced with the reality of what has gone on, it would be easy to become confused, depressed, and sad, and to therefore feel helpless. So I will use some literary devices, and some tools, terms, and techniques from the worlds of continuous improvement and systems theory – difficult terms like “sticky notes”, and “box”, and “root cause”, and “waste”; that kind of tough stuff. The sticky notes are grist for the team meeting, so I will also prepare “my notes for the team meeting”. Bring yours along too.

And, with apologies in advance to Dr. Seuss:

> But this topic is messy, so big and so tall,
> That it could become hard to read it at all.
> So in with the prickles, we’ll sprinkle some smiles,
> Call the crooks “tapeworms”, and dump on their styles.

To accomplish this, we will use some “folksy language”, “The Box Game”, “Bimbo monologues”, “Worm monologues”, and “Cheerleader awards” to try to break down hundreds of years of slavish adoration of certain people because they ***have money***, regardless of how many lives they destroyed in obtaining it – the slavish adoration that allows, even encourages them to keep us enslaved.

Some of these people are truly a joke, a “jest of the gods”. Time we up the ante. The monologues are what we should be saying to these people, if we were not so polite. We have video and audio evidence that in their private sanctums, when they think they are “off-mike”, they say worse things about the rest of us, and laugh or smirk, or “wink, wink, nod, nod”.

So I will be impolite to types of people who truly are a bad joke on humanity, on behalf of all of the polite folks who are not ready to do so. We need to laugh at these people, **not** envy or adore them.

In addition to a slavish adoration of moneyed folks, we also keep quite a number of "sacred cows" in the pasture. These strongly held beliefs get seriously in the way of rational dialog. But killing sacred cows sounds too unpleasant, so I have settled on another metaphor. Did you ever comment that you have to "walk on eggs" around some folks, or around some topics in certain company? So have I. So we will need to crack some eggs!

Confessions

It would not be possible to capture the full scale of either the problems or the solutions in one small book, even if I knew and fully understood everything that has happened in history, could foretell the future with pinpoint accuracy, and had the combined power of a military division of cosmic super-heroes. Most of us don't have super brains, and have not been bitten by a radioactive spider or irradiated with kryptonite.

But we all know what we know, can influence what we can influence, and can do what we as individuals and working together in teams can do. We also, **at least for a short time in history**, have access to real information, in real depth, in real time.

So that is going to have to substitute for the Wisdom of Solomon. If, as happened to Huck, we gradually begin to see problems in the way the world turns, we have access to fact-check quickly and in depth. So we need to go from "*I knows what I knows"* to *"I knows how to find out"*.

So you understand where I am coming from, I will 'fess up. I am **not an expert** on stocks and securities, or on politics, or on the law, or on economic theory, or finance, or on any number of the specialties that revolve around these "mysterious" worlds, but I do "… know how to find out"!

I am trained in science as a chemist, then in education as a teacher. I am also a student of history, with a special interest in the rise and fall of empires – the builders and destroyers, the enlightened and the despots.

In graduate studies I was exposed to an esoteric mix of psychology, statistics, computing, and systems theory. After an eight-year stint in academia, I became an entrepreneur in 1981, founding a business with a prime focus on technology-based training. Business process improvement has been a primary focus.

Salvaging Capitalism?

I was finally driven to undertake this book in late 2011 by a fractious and at times farcical U.S. Presidential Election campaign, an unprecedented assault on the environment by the then Conservative government in Ottawa, and finally by a LinkedIn discussion group which asked the deliberately provocative question:

> "Why would global communism not be a viable means to ecological sustainability?"

Having grown up in an age when U.S. domestic and foreign policy seemed largely driven by a concern that there was a communist under every bed, I've been conditioned to see and to understand that communism is not a good thing. And I haven't really changed my mind on that!

But at the same time, like Hamlet, I have a sense that "Something is rotten in the state of Denmark". At a time when we should be advancing in overall happiness and well being in Western democracies and around the world – with the "evil empire" of the Marxist/Leninist/Stalinist crew vanquished – we seem instead to be losing ground, and sinking into the abyss. Capitalism is failing us at a critical juncture in history.

Some think Capitalism cannot be salvaged. Some think Capitalism should not be saved! I had a post from one such person. I understand this attitude, and sympathize with this attitude. Yes, we need entirely new models, and sustainable models, and fair and equitable models, and science driven models – which will take time to build, nurture, and define.

So I have a vision of the future – but also a pragmatism that leads me to think we must move incrementally. We can't swim well enough to sink the Capitalist Ark we are sailing in, even if it is beyond salvaging.

As I see it, we have four choices:

- Jump overboard and try to swim away before it sucks us down, although the nearest shore is a thousand miles away;
- Bail like hell and ignore the holes in the side as irrelevant;
- Close our eyes, strike up the band, and go down with the ship; or
- Patch as many of the holes as we can and try to limp to port.

We can't wait for the Superheroes to save the day!

Saving Democracy?

I originally had the subtitle: "The 5S's of "securities": how they are destroying our country, our wealth, and our freedom – and what we need to do about it." But the more research I did, the more convinced I became that the financial problems that have been foisted on us are indeed a clear and present danger to democracy itself. Extreme? Alarmist? And that was in 2012!

When a highly-bigoted multi billionaire speaks at the inauguration of a President who has been convicted of fraud, and treats women like toys to be played with, and that multi billionaire finishes his rant with what most observers saw as a Fascist salute, yes, I have real concerns for our democracy. I sincerely hope I am wrong. Perhaps you can find the flaws in my thinking.

Ideally, both my ideas and your ideas will be taken forward and discussed and acted upon in real circles of influence, and real changes will result. These changes will ultimately play out in ways that are sure to differ from the initial vision I sketch here.

It will take expert teams of dedicated people who really care about positive results for all, to move us forward as positive /enlightened/ honest/real/interconnected dreamers envision. It is not "my idea" but "our idea", where collectively all of us engaging together generate better results than any of us possibly could alone.

And it will take all of us, pulling in more or less the same general direction. It will involve harnessing the boundless idealism and sense of justice that characterizes most young people, when they come face to face with reality and choices – as Huck did.

"*The Middle Class has been buried ...*"
(Mitt Romney, 1st Presidential Debate, 2012)

Chapter 2 – R.I.P. Middle Class

There have been tremendous advances in manufacturing productivity using a process improvement methodology called Lean Manufacturing. It is based on the very simple concept that every process in manufacturing should add value for the customer, and any process that does not add value is waste. This applies equally to service industries from merchandising to health care.

Would the application of these principles and methods to government and to the financial underpinnings of the Capitalist system of wealth generation yield comparable improvements in value for the "customers" of these systems and organizations?

Given the loads of manure that emanate from politicians and parties, and the massive destruction of the economy by irresponsible financial institutions, it would seem difficult to imagine that there is not room for huge improvements in "customer" and "shareholder" value – and we are all both shareholders and customers in this economy in one way or another. We all have skin in the game and chips on the table.

But if you have been a representative member of the predominant middle class in North America, your stock of chips has been disappearing at an alarming rate.

According to the Federal Reserve, the middle class in the U.S. bore the brunt of a "wealth decline" of 39% between 2007 and 2010 – bringing that group back in absolute dollar terms to about where they were in 1992, <u>without</u> adjusting for inflation. One reporter headed the story "R.I.P. Middle Class".

I Googled "how much money is controlled by the rich". This comes up in a new Oxfam report, dated Jan 16, 2023:

> "The richest 1 percent grabbed nearly two-thirds of all new wealth worth **$42 trillion** created since 2020, almost twice as much money as the bottom 99 percent of the world's population .... During the past decade, the ***richest 1 percent had captured around half of all new wealth."***

The inequity is up sharply. How did this happen?

The media on both left and right likes to talk about "the destruction of wealth". A Google search on the explicit term string "wealth destruction" generated 138,000 hits in 2012. I believe that this use of terminology is deliberately misleading.

It makes it sound as if somebody has made or intends to make a huge bonfire of thousand-dollar bills, and set it aflame. This is, of course, bull-twiddle. No one is actually destroying money. If you had money, and you don't have it now, someone else does.

Even if a currency is devalued, that simply means that all holders of that currency have decreased buying power, and all holders of other currencies have a comparative increase in buying power, so there has been a de facto transfer of money.

Since the 2012 U.S. election, this media narrative has largely addressed right wing concerns, the wealth of the wealthy, whereas prior to the election much of the narrative concerned main street Americans, who individually and collectively wondered how their wealth had been so quickly "destroyed".

Wealth was not destroyed. Though a whole series of complex transactions, substantial amounts of money were ultimately transferred from your bank account, and your assets, and your pension funds, and even from your government, directly or indirectly into the hands of the super rich around the World, which made them even more "super rich".

The words we use to describe things have powerful effects on our response to events. Consider that you are on vacation, and a neighbor calls. He delivers one of the following three messages of catastrophe.

> "John, I hate to be the bearer of bad news, but:
> 1. Your house burned down last night."
> 2. Some broker just sold your house, and the new owners are moving in on Tuesday."
> 3. House movers arrived, jacked your house off the foundation and took it away."

Will your response be the same? No? Then perhaps it is important to recognize the difference between "wealth destruction", "fraud", and outright "theft".

Is it Out of Our Control or Beyond Our Control?

The easiest way to dis-empower one's self is to believe that we cannot effect change or influence change. Or to believe that things are beyond our control, and we have to just accept that this is the way the world works.

So a large part of the machine that is responsible for this massive transfer of wealth spends a significant amount of money and effort to convince us we are helpless.

They accomplish this by a combination of smoke screens and disinformation that would make the members of “The Party” in Orwell’s 1984 beam with pride.

Let me be clear before continuing that many people – through specialist training and/or a self-selecting and self-limiting perspective – might inadvertently get sucked into this game without realizing they're being used. Alternately, they might be fully aware and expect to be rewarded for their efforts, either through financial gain or through the “approval” of the “big guns”. By omission or commission, they become the cheerleaders for the system.

It would be a life’s work in itself to try to figure out which “expert” is hoping for approval or financial gain and which “expert” is just getting sucked in. Frankly it's not worth the effort, but it is important to be “suspicious” and to keep the “bullshit detector” set to maximum sensitivity. It is far more important to pay attention to what's on the shovel, than to who is holding it.

So What Gives?

Economist Thomas F. Cooley published an article in Forbes.com in 2009 titled: “Has Rising Inequity Destroyed the Middle Class?”

In that article he noted that the share of income earned by the top 10% dropped from a peak of nearly 50% prior to the Great Depression to around 35% in the post WWII period. But after about 1982, the share of the top 10% “took off”. By 2006, it was back close to the 50%. He went on to observe that most of the “action” was in the top 1%.

Warren Buffett explained: "There's class warfare, all right, but it's my class, the rich class, that's making war, and we're winning."

(I should mention, lest you get the wrong idea, that Buffet clearly does not think this is a good thing.)

But according to Cooley, technological change is the “most compelling argument” for this huge shift in income distribution. He then calls for higher levels of educational investment and innovation.

Cooley’s attribution of cause seems a most curious statement, more akin to a party line suitable for publication by Forbes than to a clearheaded analysis of the facts. Having neatly sidestepped any political issues, or any capital issues, he puts it all down to an ***obvious effect of technology***.

That, of course, dis-empowers us! Technology's here to stay. Who can argue against innovation? Education is a good thing, right?

This shows the danger in using the wrong measures for any analysis of a complex situation. Cooley makes the case that labor's share of output has remained essentially constant for over 50 years. I can't dispute his facts on this particular measure. But his choice of "labor's share of output" as an appropriate metric could be seen as a bit of "slight of hand" guaranteed to disadvantage labor in his argument.

In fact, his numbers seem at considerable variance with those of Les Leopold in his insightful book: The Looting of America: How Wall Street's Game of Fantasy Finance Destroyed Our Jobs, Pensions, and Prosperity, and What We Can Do About It.

In fact, labor ***cost*** as a percentage of the total cost of production has been ***decreasing*** ever since the invention of water-power and the steam engine. Labor productivity in the U.S. is remarkably high compared to many other countries, and access to technology is widespread. Yet many economies have drastically outperformed the U.S. throughout the past decade.

Leopold graphically displays the sudden divergence of the productivity vs. labor-wage graph, beginning around 1973. Although Leopold does not dwell on the historical aspects, it is important to realize this occurred at a time when there was a recession in Europe, the Yon Kippur War, OPEC retaliation, the surge in Japanese car sales in the U.S., extrication from Vietnam, and Nixon's initiatives in China – followed shortly by Sam Walton's visits to Asia in 1975 – ***the start of Walmart's love affair with (Communist) China that would so impact American manufacturing over the next 30 years.***

[end of sample]

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