

Woody's Economics

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William T. Sena

I met Woody Brock about ten years ago, perhaps fifteen. He appeared at my office one day offering a specialty consulting service for his newly established firm known as Strategic Economic Decisions. The mantra was "Economic of Uncertainty." We took a trial subscription, rather expensive it was, but I have been with him ever since. Horace W. Brock, better known as Woody, is extraordinarily well-educated, well-traveled, and has a collection of high-powered clients ranging from the Bank of England to the CIA, the IBM pension plan, business moguls in South America, South Africa, Europe, and Asia. He publishes a book each quarter, actually it is a large pamphlet of about 50 to 100 pages, in which he discusses very erudite issues ranging from game theory to the role of derivatives in stealth leverage. Unlike most of the services in the investment management business, Woody never discusses stocks or bonds per se, only ideas, most of them quite far out.

In conversation, Woody drops "names," ever so casually, matter of factly, which for years none of us believed. Then one day, one of my assistants gave me a Vanity Fair magazine with an extensive story about the fabled heiress, Doris Duke. Part of the article was "A day In Her Life." And there, just as bold as print can be, was the mention of Doris having lunch with and entertaining her financial guru, Woody Brock. Maybe he was really that well connected. Another time, with one of his quarterly publications, Woody sent along a copy of a hand written note which said something like, "Dear Woody, We thoroughly enjoyed having dinner with you the other night. I read your report with great interest and feel that it has real merit. I am going discuss it with Bob in a day or two. Many thanks, Bill." Embossed at the top of the notepaper was "The White House." Bill was President Clinton and Bob was Bob Rubin, Secretary of the Treasury. Yes he was for real!

Woody Brock has a Strategic Economic Decisions conference every couple of years. At the 2002 conference, the lead speaker was no less than Paul Volker, while the headliner was former President Bill Clinton. However, the most interesting presenter at this conference was a writer, Ralph Peters, who was also a former government consultant,

intelligence officer, and international strategist. Mr. Peters' topic was "The Emergence of an Age of Terrorism." After a couple of witty comments about following Bill Clinton to the lectern, Peters got to his topic and announced to all that the two most important events of the twentieth century, perhaps for the millennium, were largely unheralded and little discussed. These two "most important events" were "the Beginning of the Post Colonial Era" and "The Liberation of Women". Most of the 150 conference attendees looked at one another with a glance as if saying, "Is this guy a kook?" Noticing our quizzical looks and sensing our dismay, Peters went on, "Let me explain. I know what you are thinking." Colonialism. For virtually 500 years the European powers dominated the globe. They sailed in, colonized, exported their religions and culture, and stole all of the treasures that the world had to offer. That European colonization and influence, which began with the Spanish in the early 1500's, ended shortly after World War I. It was a long era, almost 500 years, which effected, or perhaps infected, virtually every continent on the globe. The Americas, however, may have been most effected as they were taken from indigenous peoples most of whom were eliminated. Recall the events known as "guns, germs, and steel;" whomever survived were then converted to English, French, Spanish, or Portuguese, serf or slaves. Africa, Asia, and Oceania were colonized and enslaved differently, but no less subordinate to Western Europe.

After World War I and the disillusion of the Ottoman Empire, and then after World War II with the fall of the European and Japanese Empires, the world "took itself back." Today, peoples and countries are returning to their roots of centuries ago, most notably in Africa, the Middle East, and Asia, but no less in the mixed cultures and bloods in Central and South America. For better or worse, the nation states of Africa and Asia are being run by Africans and Asians.

The second most significant event of the Twentieth century, perhaps even more important, was the liberation of women. Although there was some movement toward equality prior to 1900, true liberation and equality did not occur until the twentieth century and then only partially in the Western World, and most predominately in the English speaking world. Having women become equal partners in all aspects of society virtually doubled the intellectual, productive, and creative powers of those countries.

Ralph Peters then went on to discuss various countries in the world which he considered “trouble spots,” most notably in the Middle East and Eastern Asia. He was pretty aggressive in his assessment of the Arab nations and Islam. Peters pointed out that Islam as a religion is shared by many nations, not just the Arab countries. He also mentioned, as everyone well knows, the many divisions in the Muslim faith. He pointed out still further that Arab culture and commerce of centuries ago were in countries or geographic areas very different from the seats of power today. Saudi Arabia, Peters commented, was nothing more than a desert occupied by nomadic tribes whose greatest cultural achievement was building a few sheep pens. He said that Saudi Arabia is a very dangerous country, which is exporting terrorism, and should be “taken down.”

Peters, went on stating that any country which covers its women from head to toe in black and refuses to recognize their intellectual ability and equal status is not worthy of being considered a nation state in today’s world, and should be feared because of this ignorance. He concluded, opining that United States foreign policy errs in being too compromising in quest of world stability.

These two major events, the beginning of postcolonial era and the liberation of women in the West, are closely linked one to another and together have begat an era, the age of terrorism, which is now emerging in the twenty first century. An episodic change is beginning to take place.

Ralph Peters comments, particularly in that they followed a relatively homey speech by former president Bill Clinton, and he in turn followed the very stimulating remarks by Paul Volker, a former chairman of the FED, made Peters statements all the more riveting.

Woody Brock indeed presented ideas espousing the economics of uncertainty, or I might rather put it as the uncertainty of our economic predictions and projections in the world today. Such is my job.