

“ZUGZWANG”

c. 1932 – 1966: Foundations of Real Growth

c. 1966 – 1980: Stagflation = Temporal State Between Outcomes

c. 1980 – 2008: World Debt Bubble

Highest Ratios of Debt to Net GDP in History

Debt Grows Exponentially – Everyone is a Winner

Real Estate, Stocks, Commodities, Metals, Bonds, Debt in Myriad Structured/Hypothecated Forms

“Globalized” Demand Structure built on this Debt = Virtuous Circle

Valuations Rise BASED on this Debt until they Exceed Economically Sustainable Metrics

2008 “Crisis” = Outer Parameters of Debt Saturation Point Reached = Debt is GDP Negative

2008 – 2014 to Social and Political Upheaval =

ALL Major Governments Respond by ‘Printing Money’ to Sustain Debt Bubble

Printing Money aka “Monetization” Causes Higher Prices

Structural Unemployment and “Globalization” (*Wage Arbitrage*) Prevents Rising Wages –

The Mantra of “Inflating away the Debt” cannot work Without Wage Inflation.

Higher Prices absent Rising Wages = Falling Demand

2008 – 2014 to Social and Political Upheaval =

Corporations & Businesses Respond to Falling Demand by Cutting Jobs

Cutting Jobs = Falling Demand = Less Real Growth

Less Jobs & Less Demand & Less Real Growth = Less Government Revenue

Less Government Revenues = Higher Deficits

Higher Deficits = More Interest Compounding

Higher Deficits & Interest = More Money Printing

More Money Printing = Higher Prices

Higher Prices = Less Demand

Less Demand = More Job Losses = Less Real Growth = *Slow Strangulation of the Economies*

The “*Smoking Gun*” as it were are the 2011-2014 Prints in GDP WorldWide:

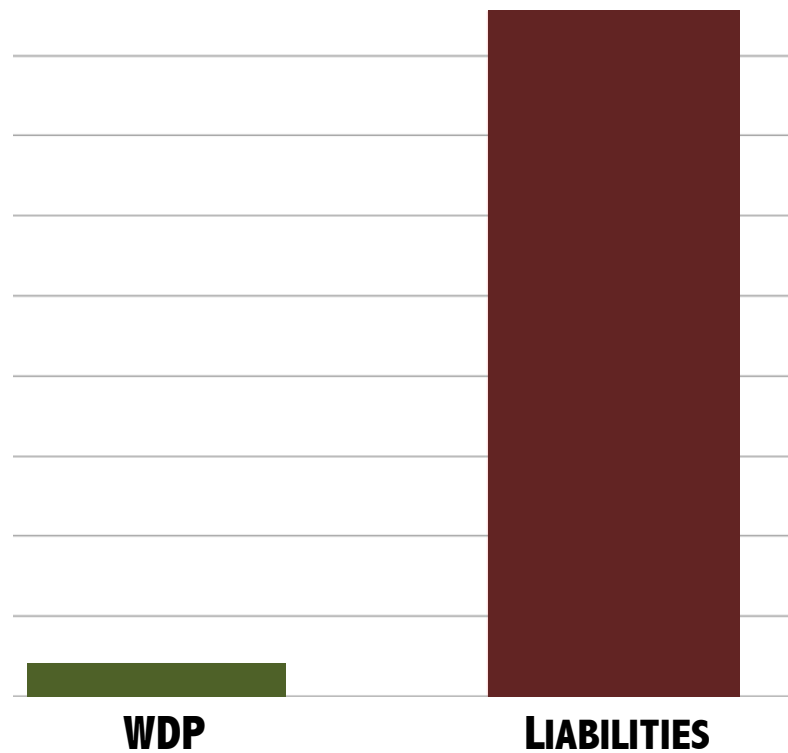
Inflationary Policies cannot create Wage Inflation +

METRICAL DEBT SATURATION = *Deflation occurs by Choice or Collapse.*

The Mathematical Imperative: GROSS Debt Divided by NET GDP.

“RES IPSA LOQUITUR”

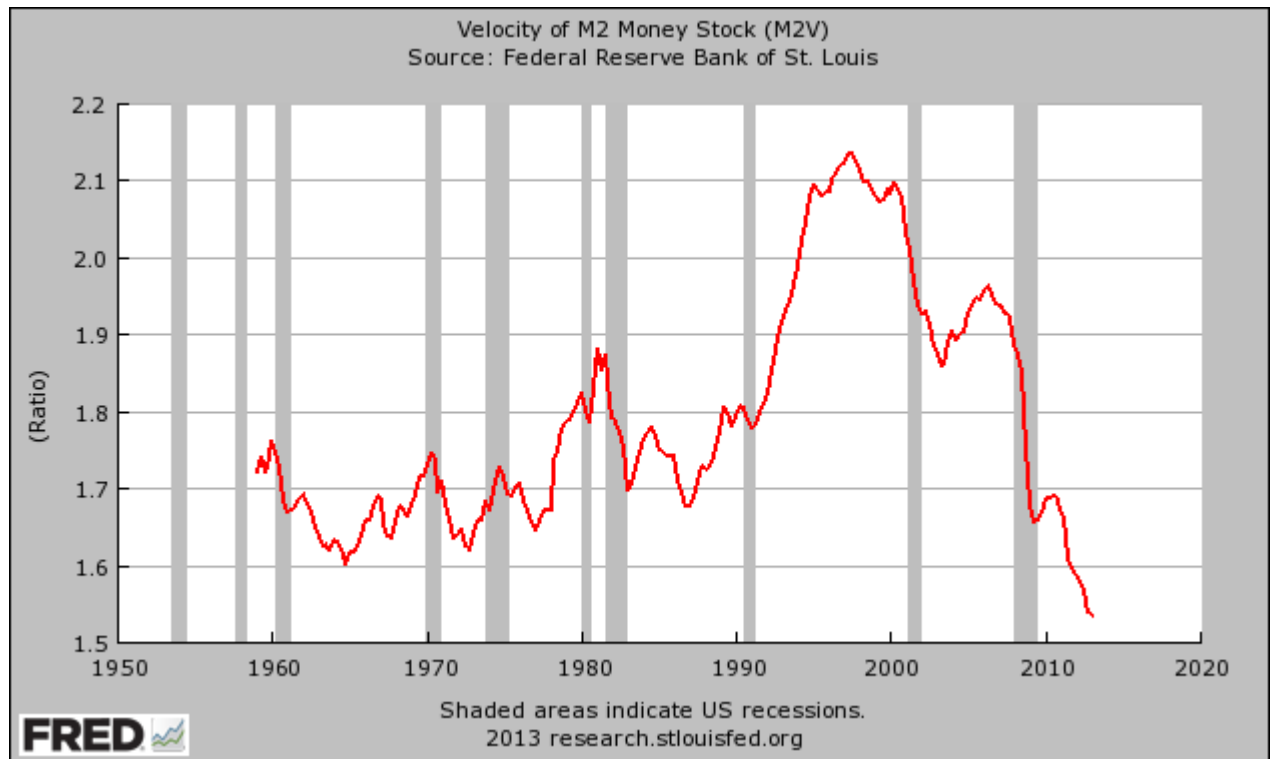
**WORLD NET GROWTH v. LIABILITIES
2008-2012**



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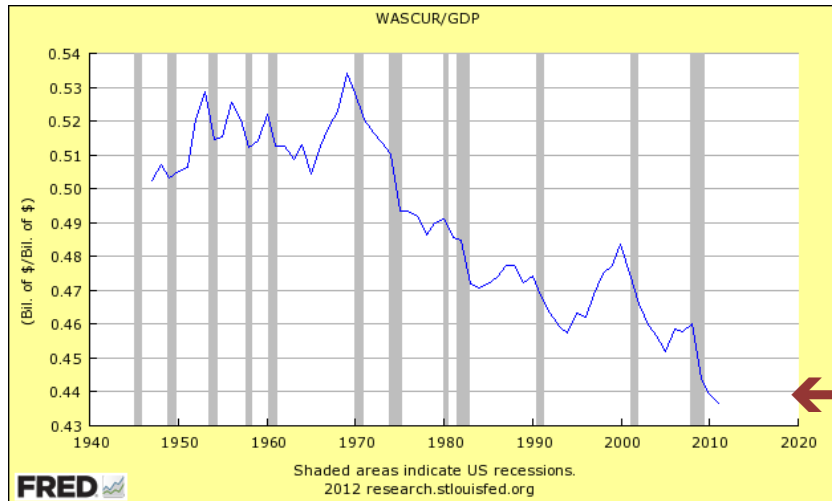
MATHEMATICAL IMPERATIVES

“THE SMOKING GUN”

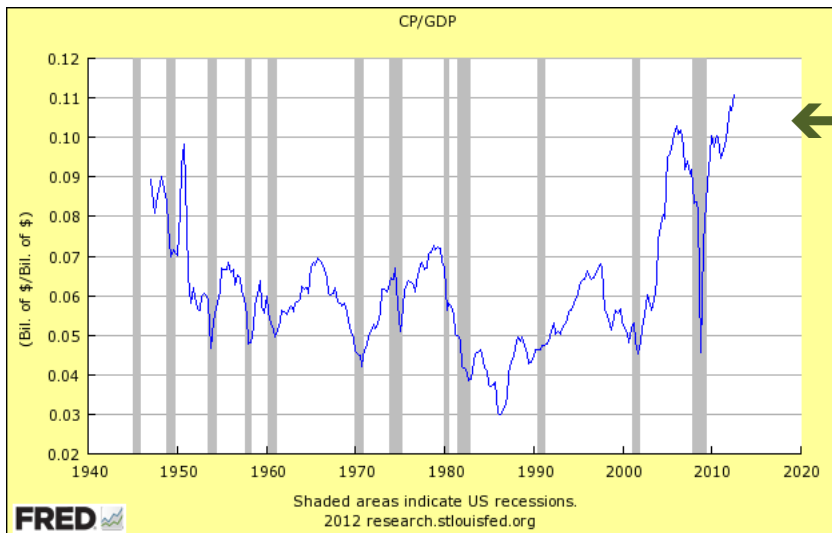


GENERATIONAL PEAK

1940 – 2012



LABOR



CAPITAL

**“RATE OF CHANGE”
IS
MATH SAYING
“THIS IS PEAKING”**