CHAPTER 10

Phase III: A Look Ahead to the Post-Dollar-Bubble World

We'd love to say that after Phase I (the Bubblequake) and Phase II (the coming Aftershock), the worst will be behind us. Unfortunately, our analysis does not bear that out. In fact, there will be no way to avoid the miseries of Phase III: the post-dollar-bubble world.

Preparing for Phase III will be the subject of our next book, but we thought you might like a bit of a look now to see what we're in for. It isn't pretty. There won't be much to like about the post-dollar-bubble world (other than the wild profits you can make if you follow our advice now in Chapter 6). Once the dollar has fallen in Phase II, life in these United States and around the world will be profoundly changed in Phase III. Before you get too depressed, it's good to know that we will surely pull ourselves out of this mess in Phase IV when we start to make some of the changes that will lead us to real prosperity; even more than we had before.

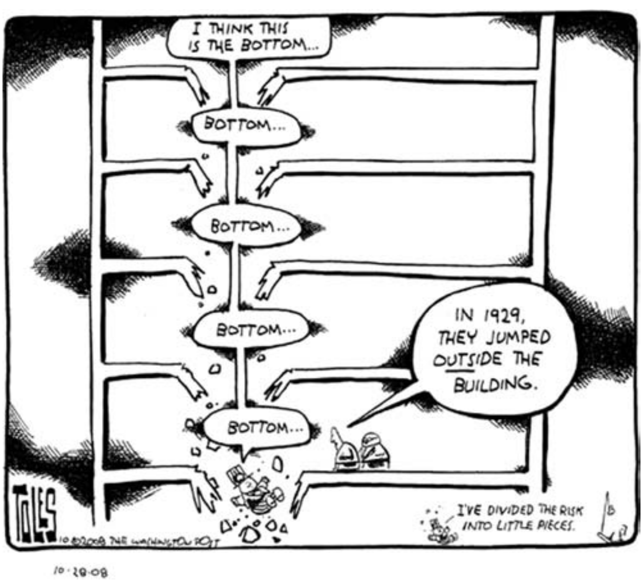
But first, Phase III.

Before we go on, we have to say, like a disclaimer before a disturbing television program, "Reader discretion is advised." This is scary stuff: massive unemployment well above Great Depression levels, skyrocketing home foreclosures, bank failures, bankrupt businesses, and swelling welfare rolls. On the other hand, we are not about to face Armageddon, either. There will be no terrible wars, no dictators rising to power, no mass violence in the streets. That stuff is purely for the movies and will not happen (unless you are watching

The Terminator.) The post-dollar-bubble world is quite real and that is what makes it so bad. It is real and we will have to deal with it. It's a lot like going bankrupt—really terrible, but hardly the end of the world.

So if you want more cheerleading and someone telling you that everything will be fine as we quickly pull out of the current recession, this chapter is not for you. It's for people who really want to understand where the economy is headed. Part of the reason for including this chapter here, rather than saving it for our next book, is to test publicly our predictive analysis. Our first book hit the mark two years ahead of the validation. Now we are going out on a limb again by putting this on paper so we can be held accountable. We're very interested to see how closely the results of our predictive analysis will match future reality.

Although we might avoid Phase III, we don't think it is very likely. At this point, there simply aren't many other plausible ways for the economy to go. Once you give up the need to think the status quo cannot change, it frees your mind to see basic facts. There simply is no reasonable scenario in which the dollar bubble will not eventually fall (see Chapter 3 to understand why). We know this last chapter of the book won't make us many friends right now. However, to the extent we are right in the next few years, our future credibility



should increase. To the extent we are wrong, our future credibility should decrease. You be the judge.

The Most Striking Change in a Post-Dollar-Bubble World: The U.S. Government Can't Borrow More Money

When the dollar bubble collapses, the huge government debt bubble will fall, too. That means the falling value of the dollar will have caused enough foreign investors to become concerned enough about the value of their dollar-denominated investments that they will no longer be willing to buy U.S. government bonds at a reasonable price. This means the government will not be able to refinance its debt (just like a company that loses the faith of its creditors) and instead the government will have to resort to inflation, tax increases, and budget cuts to deal with the situation.

Like a family without their credit cards, the U.S. government will be forced to live within the constraints of its actual income, which at this point will be a rapidly declining tax base, much like what California is now facing, but far worse because the U.S. government became very comfortable receiving so much income from deficit financing. Inflation would normally be an additional tool for the government to raise money, but inflation can only be raised so far without destroying a modern industrial economy, such as that in the United States. The amount of inflation the government can feasibly run was discussed in Chapter 3 (about 50 to 100 percent in the long term and far higher for a short period).

That means the government will not be able to create any big stimulus packages or tax cuts or anything of the sort. It will have to cut, cut, cut spending so it can live on its income. Some may see this as a refreshing change—a government that lives within its means. But it will not feel very refreshing. Many things we take for granted, like large pensions, will have to be curtailed. We have gotten very comfortable with a government that always has money and never has to worry about running out; a government that never has to raise taxes to fund wars or stimulus packages; a government with unlimited credit. That's over.

Even during the Great Depression the government's finances were rock solid and it could certainly borrow money, if needed. But, in the post-dollar-bubble world, the government will be like the rest of us, only worse. It will have its credit cards cut off and a much lower income while still having a massive debt that it can't possibly make payments on or even pay interest on (and eventually it won't make principal or interest payments as we discussed in Chapter 3). So, it will have to live within its means.

With No Ability to Borrow, the United States Will Have to Make Massive Spending Cuts

When the U.S. government can no longer borrow and has a rapidly declining tax base, the first action will be to make up the difference by massively increasing the money supply and creating horrendous multi-hundred percent inflation. However, this will be a short-term solution as the devastating effects of that level of inflation on our economy will fairly quickly force the government to make massive cuts in spending (just like the rest of us). These will be very unpopular to say the least, but when the alternative is raising taxes on a populace that is reeling under the pressures of the falling economy, the government will be forced to make lots of unpopular cuts.

Key cuts will hit both the "guns and butter" of the government budget. On the guns side, the military budget will be reduced over several years by 50 to 70 percent with a disproportionate share of the cuts falling on the Navy and Air Force (more details in our next book about where that will be).

On the "butter" side, the most important cut will be to make Social Security means tested, making Social Security essentially a welfare program. For those who have little or no income or assets, Social Security will definitely be there to help. However, for those who have income or assets, forget it.

In addition, Medicare (medical care for older people) reimbursements to doctors and hospitals will be reduced. Since huge numbers of unemployed people and retirees with no more retirement money will qualify for Medicaid (medical care for poor people), Medicaid will explode in size so reimbursements to doctors and hospitals will have to be cut from their already abysmally low levels, and there will be tougher rules on what gets reimbursed. A large percentage of doctors today won't even accept Medicaid payments because the reimbursements are too low. But Medicaid will grow to be so important that doctors won't have any choice but to accept its payments. Essentially, in a post-dollar-bubble world, Medicaid will become our national health care program.

High inflation will do much of the dirty work in cutting budgets. Remember, when inflation is high, budget cuts are accomplished simply by not raising budgets to match inflation. So, inflation will be blamed for much of the government budget cutting.

The cuts to the military, Social Security, Medicare, and Medicaid will produce a large share of the cuts needed to make the U.S. government budget match its greatly lowered income and inability to borrow. But the biggest cut will be the elimination of interest payments. Like the automakers' restructuring, a key part of the government's restructuring of its cost structure will be the elimination of debt payments. Other cuts will be made to programs such as Agriculture and Commerce. User fees will increasingly fund programs in these and similar areas in government. Whatever can't be funded by user fees will likely be cut. Any subsidy programs in the government will be gone almost completely.

Federal and military pensions will also be cut, primarily through lack of increases large enough to offset inflation. Fairly quickly, pensions will not be very valuable. Of course, this only affects workers who get federal funding for their pensions. To the extent that an employee's government pension is dependent upon the stock market, those employees will see their pensions destroyed by the same economic forces that destroy normal pension funds. Needless to say, the government will not be able to make good on any guarantees of public or private pensions. But, fortunately, as many pensioners get poorer, they will qualify for Social Security, welfare, and Medicaid.

Again, all these cuts will be highly unpopular, but with no ability to borrow money anymore and a rapidly shrinking tax base, the government will simply have no choice but to cut spending—a situation many states are already facing now in the Bubblequake.

Big Spending Cuts Will Need to Be Coupled with Big Increases in Taxes

Probably the only thing more unpopular than big spending cuts will be big tax increases. Many people will be out of work and those who are working will see their incomes lowered by their employers and their standard of living squeezed down dramatically by the collapse of real estate and stock market values. So they will *not* be happy about tax increases.

But, the same problems that make increasing taxes so unpopular also make it very necessary. With a massively declining tax base, the government cannot fund even its drastically reduced spending program. And inflation alone will not be enough. The amount of inflation needed to erase the need to raise taxes would destroy our modern economy and would be counterproductive.

Total tax rates on working individuals will range from 30 to 70 percent of total income. Better enforcement of tax collections will also be key to the government increasing its revenues to live within its means. Withholding will become increasingly common on all types of income, including interest, dividends, capital gains and 1099 income. There will also be more requirements for electronic reporting of items such as withholding and relevant bank account information, making quick, cheap and effective electronic auditing much easier.

A Big Change in the Post-Dollar-Bubble World: Not Enough Jobs

The most important difference in the post-dollar bubble world from the pre-dollar bubble world won't be drastically lower stock or real estate prices, but interestingly, jobs. On a day-to-day level, the lack of jobs will be what affects people the most. Many people lucky enough to have jobs will move down the ladder, not up. For example, a former senior accountant at an accounting firm might have to take a job as a bookkeeper or very junior accountant at a business, and at much lower pay, rather than at an accounting firm. Employees will work longer hours for less pay and in less appealing conditions. Benefits will be gone or reduced and competition for jobs will be fierce. Just about everyone will know they could be easily replaced.

However, it won't be anything like the Great Depression of 1929 because of two important differences:

1. The nation will be much wealthier, so few will suffer like they did in the Great Depression.
2. Paradoxically, because we are much wealthier, unemployment will be much higher, likely in the 40 to 60 percent range, when counting the discouraged unemployed.

Unemployment can be much higher when the nation is wealthier because people don't have to have jobs. Unemployed people can live with parents, children, relatives, or friends. Plus, there will be a solid safety net of welfare from the government, although people who are used to today's prosperity will consider the net abysmally low.

In the Depression, if there were a job paying pennies for picking oranges (as in *The Grapes of Wrath*) you'd take it because you had to. In our much wealthier society, the people who do have jobs will be much better paid and will help support friends and relatives who are unemployed.

As is normal, high unemployment will hit disproportionately hard on new entrants into the work force and older workers. So unemployment will be very high for those under 30. However, in the post-dollar-bubble world, unemployment will also be exceptionally high for older workers, since they will have an especially difficult time finding a new job if they lose their current one. This will mean extremely high unemployment for those over 55. We are already seeing some of these trends in Phase I of the Bubblequake.

With unemployment in the 40 to 60 percent range, GDP will also drop by a similar amount, but again, even with a 50 percent drop, that would still be a $7 trillion economy in today's dollars. That's still pretty big bucks. However, it won't feel like big bucks. And that is another big difference between the post-dollar-bubble world and the Great Depression: The psychological pain will be much greater for us today.

The Post-Dollar-Bubble World versus The Great Depression of 1929

In many ways, our coming troubles will be far easier on us than what folks had to endure 80 years ago. But it will actually feel a whole lot worse to us because, compared to the heights of the high-flying bubble economy, life in the post-dollar-bubble world will be quite a fall. Following are the key differences between the coming global mega-depression and the Great Depression.

(*Continued*)

Great Depression of 1929	Mega-Depression Ahead
Lasted 10 years	Will last more than 20 years
GNP down 25 percent	GNP down 50 percent (but still *way* above 1929 level)
25-percent unemployment	40 to 60 percent unemployment
Real estate, stocks, bonds down 50 percent from peak values	Real estate, stocks, bonds down 90 percent from peak values
For most, living standards already low and became even lower	In developed world, living standards very high and will drop to moderate
Survival-level living	A bigger drop than in 1929, but not survival-level living
Inadequate, limited welfare	Universal and adequate welfare
Limited basic government services	Decline from peak, but adequate government services
Moderate public distress	High public distress due to big drop compared to life in bubble economy

The Loss of Businesses Will Be a Dramatic Change for the Business Community

With a 50-percent drop in GDP, at least half of the businesses in the United States will close their doors. Many of those that stay open will have gone through bankruptcy. Part of the reason for the high bankruptcy rate is that bankruptcy will become an important competitive tool for lowering business costs. Once many competitors do it, a firm may have no choice but to file for bankruptcy to remain competitive, too. We expect to see this kind of competitive bankruptcy to begin happening long before the dollar and government debt bubbles burst in Phase II, the Aftershock.

Small businesses will be hit disproportionately hard and new small business opportunities will be quite limited. Entrepreneurship will be extremely difficult due to a lack of demand for goods and services, especially new goods and services. The lack of small businesses will greatly change the face of the local business community.

Of course, the financial industry, which will have been badly battered prior to the dollar bubble pop, will be hit hard by high interest rates, high inflation rates, and the lack of any government support or guarantees. Needless to say, if the government can't pay its own debts, it can hardly guarantee the debts of anyone else. Nearly all banks and insurance companies will be insolvent in such a situation.

This is another striking difference between the post-dollar-bubble world and the Great Depression. Although many banks failed during the Depression, many banks survived as did major insurance companies and stock brokerage firms. Even in Phase I, we have already seen many financial institutions that survived the Depression unable to survive the first popping of the bubbles. When the biggest bubble pops—the dollar bubble—the survival rate will be exceptionally low.

Banks will still be able to process transactions, but their ability to make anything more than basic inventory loans (and similar asset-based loans) will be severely limited. Even inventory loans will be difficult to come by. Whole life insurance companies will be insolvent but term life insurance will be available as will property and casualty insurance for basic needs. Of course, the value of most real property will greatly decrease so not as much casualty insurance will be needed.

Longer Term Impacts of the Dollar Bubble Collapse—Economy Gets a Bit Chaotic for a While

The high unemployment and high bankruptcy rates of the post-dollar-bubble economy, combined with a greatly pared down government will, for a while, create an unusual set of economic conditions. For example, in such a chaotic economic situation, there will be little incentive for people to pay their mortgages or other debts. Many of their creditors will be insolvent and there will be no significant market for selling the properties. Much of the management of these debts will be handed over to an overwhelmed government with little interest in foreclosure. Even if it did foreclose, who would it possibly sell the properties to? And there will be no serious financing available for buyers at that point, anyway. Certainly, the government won't be able to provide financing.

A good decision for many people will be to simply stop paying their debts. Even rent may not be worth paying as evictions could become increasingly politically difficult for elected sheriffs to carry out. Plus, it will be difficult for landlords to find good tenants to replace the bad ones. Debt repayment will become a bit lawless during this period.

Businesses will follow a similar path as individuals. They will stop paying mortgages and other debts and even limit the rent they pay to what is needed to fund basic utilities and maintenance. They won't be making much money and if they have to pay rent above basic costs, in many cases, they will go under—something the landlord doesn't want to see either since there are no good tenants to replace them.

As a result of all this, squatters will be increasingly common for businesses, and even more common for individuals since it will be politically difficult, and of little economic advantage, to throw tenants out. Local governments will have very tight budgets and won't have the resources to spend on throwing people (and voters) out of their homes so that the landlord can have a vacant property with no prospects of rental. This situation will not last forever, but in the meantime, people will take advantage of it.

Eventually, big reforms will be made to resolve these and other problems (see Appendix B), but that is still a ways off.

No New "New Deal"

While some people now say they are worried about drifting toward socialism or "sharing the wealth," in fact there won't be much wealth to share. Instead of the rich funding the poor, the middle class will shoulder most of that burden by paying very high taxes to fund nearly all of the enormous number of people on welfare. Instead of shared wealth we will have "shared poverty."

With the government essentially in default on its loans, it will have no way to raise money for its welfare programs, other than through taxes. And since there will be so few wealthy people left to tax, that leaves only the middle class and the much smaller upper-middle class to carry the load. Still, working and paying very high taxes, averaging 50 percent of total income, will be better than not working at all.

Like the Great Fire of London

In 1666, 90 percent of London burned. There are similarities between that massive fire, and today's economy—how it got to where it is today, and where it is going. The buildings in London at that time had serious problems with how they were constructed. Fire prevention had not been a priority, and building codes were non-existent or not enforced. Like the rising bubble economy, there was little in place to impede a disaster.

When the fire first started, only minimal and ineffectual efforts were made at early fire-fighting. People didn't think it would become that much of a problem (think home price declines in 2006 and 2007). Later, the growing blaze began to consume more and more of London (think financial crisis in the 2008). Finally, substantially more effort was made to try to contain the growing blaze (think Obama in 2009). But, at this later stage, the London fire proved impossible to put out, and the city all but burnt to the ground (think the dollar bubble collapse). Finally, after many years, London was rebuilt, better and safer than ever before, with all the changes necessary to keep it safe from having such a devastating fire again.

We, too, will rebuild an economy better and safer than ever before.

Foreign Investors Will Slowly Come Back to the United States

With the dollar so low, investments in U.S. companies and real estate will eventually become attractively priced. In this environment, foreigners will once again become an attractive source of capital for the United States—only at much lower levels. The bad economy will scare away most foreign investors. Still, some will be drawn in by the extremely low prices.

However, unlike today, purchases of U.S. companies will not necessarily be made via the stock market, but more as direct purchases of companies out of liquidation and further direct investments to repair and improve those companies. The United States will need to work hard to lure foreign investors. The key will be attractive tax incentives for business investments and major reforms in the enforcement of foreclosure and eviction for real estate investments, and bankruptcy. These will be highly unpopular moves by the government and, hence, it could take some time to garner the necessary political support. Of course, without these investments, the United States will continue to suffer so there is a strong incentive to encourage such investments.

The Difficult Economy Will Create Social Unrest, but Not Social Chaos

There won't be a massive level of violence in the streets but there will be dramatically increased stresses on individuals due to the immense economic pressures. Divorces will increase and domestic violence will increase. Expect more killings of family and friends by distraught people who have lost so much economically, but still have plenty of guns handy to express their anger and depression. We are already seeing the early signs of this in late 2008. The number of killings could ultimately increase enough that there is a backlash against guns, similar to the after effects of the Long Island Railroad killings, but much stronger. So, there won't be a lot of violence in the streets against the government, but plenty of violence at home and in the workplace.

But that doesn't mean that people will be happy with government. Quite the opposite. Enormous anger at government will break down some partisan barriers. For a while, there won't be a partisan direction so much as just enormous anger at government and government officials. Government officials will likely react by becoming more reclusive and less interactive with their constituents. No matter what they do, people won't like it. And people won't like their elected officials either, who will be voted in and out of office fairly quickly. It will be a very uncomfortable time for elected officials.

Eventually, a new political direction will evolve that will be quite partisan, just like past changes in the United States, such as the Revolutionary War or the Civil War, only that this one certainly will not require a war. The focus of this change will be rather mild, relative to the violent wars of our past. This time, the focus will be on improving economic productivity and reforming the economy.

We're Gonna Need Bigger Barrels

A common caricature of the Great Depression was a drawing of someone so poor they couldn't afford clothes, so they hung a wooden barrel around themselves instead. It became a symbol of poverty in the Depression. Well, in the post-dollar-bubble collapse we're gonna need some barrels, too, but they will have to be bigger barrels because, unlike the Great Depression, this time everyone will be very well fed. In fact, *too* well fed. After the dollar bubble pops, obesity will be a major problem. It already is now, and it's going to get a lot worse. There will be no lack of money for cheap, high calorie, food. And there will be no lack of stresses that will cause many people to overeat.

Hanging around the house with no job, eating chips, and playing stolen video games, and watching stolen movies is not a recipe for physical fitness. And the stresses from both finances and strained interpersonal relations caused by problematic finances will drive many people to the refrigerator. It doesn't take much stress to push someone to overeat with all the low-cost, high-calorie foods we now have available to us. In the post-dollar-bubble world, there will be high stress and high-calorie food in abundance, and a whopping obesity epidemic to match.

Life Will Be Much Better Than in the Great Depression, but It Will Feel Much Worse

As mentioned earlier, the psychological pain will be much greater than the Great Depression, even though the physical conditions will be much better. This is because expectations were so very high prior to the Bubblequake; much higher than before the Great Depression. Real estate had gone up phenomenally, stock values had gone up phenomenally, and money was easy, not only in the United States but overseas, as well. It seemed like a new billionaire was born every minute.

Long-term blue chip stocks, like Apple, could still rise 3,000 percent in a few years, even after the tech bubble burst. Life was good, very good and, except for a few bumps, it had been very good for decades, since the dollar bubble began in 1982. As many people liked to crow, it was the longest boom in post World War II history.

And people expected it to continue, even if not at quite the same levels as before. They wouldn't need to save for retirement, the booming stock market and the booming real estate market would take care of that. Most people felt they didn't really need to save at all. The economy would never go down much and certainly the job market would always remain relatively strong.

When all that comes to a screeching halt, Americans will be reeling with a tremendous feeling of shock and awe. In addition to the rise in divorces, family fights, killings, and so on, that we mentioned earlier, it will also lead to more clinical depression.

Yes, one of the biggest differences between the Great Depression and the post-dollar-bubble world will be depression! There will be much more of it after the Aftershock. Fortunately for those suffering from depression, the medicines to treat it are much better now and we will see a large increase in the use of anti-depressants. We will also see an increase in the use of that age-old remedy for depression: alcohol. However, many of the alcohol providers, especially the vintners, will also be depressed because the increase will be entirely in low-cost alcohol. High-cost alcohol in every form will see a dramatic decline, forcing many vintners and other high-end alcohol producers into bankruptcy, along with many other high-end goods makers (remember, the discretionary spending bubble will be fully popped at this point).

Former Wall Street titans will be depressed, too. A lot of these guys have no idea what it takes to build wealth without a rising bubble economy. To get a feel for what it was like to make big money prior to the bubble economy, we suggest readers take a look at *From Wall Street to Main Street* (Cambridge University Press, 1999) about how Charlie Merrill and other very impressive individuals created Merrill Lynch. It was quite difficult and risky and required a lot of very good judgment. It was not a *Master of the Universe* story or *Barbarians at the Gate*, as during the rising bubble economy. It took tremendously hard work and it paid off very well. But it certainly was not easy money.

The Friends and Family Plan

There's no question there will be a lot of anger and social unrest in the post-dollar-bubble economy. Many people have asked if there will be a great deal of political unrest and political violence, even possibly a dictator. We do not think there will be much political violence. Political anger will mostly drive voters to the polls and drive politicians out of office more frequently (no more 97-percent re-election rates for Congress), with a great deal of criticism being leveled at all politicians, even those who are doing a good job under the circumstances.

However, we do think there will be a sharp rise in violence against one particular group: friends and family (including co-workers). We are already seeing an up-tick in that today. In March 2009, four separate families were massacred, not by a stranger but by the man of the house. We also expect to see more workplace violence. Friends and family are obvious targets for people who are angry and distressed over finances and work, because they are convenient and don't take precautions against being shot, unlike the politicians who will take precautions. So, although an armed uprising is highly unlikely, a great deal of violence against friends and family is almost certain.

The only silver lining to this dreadful situation may be that, after a while, people will become unhappy enough with the high levels of violence that they consider ways of reducing it that were previously unthinkable in the United States, such as gun control. Given the lack of guns in Europe and Japan, we would not expect to see such a large amount of lethal violence against friends and family there, although it may increase somewhat over today's levels. The anger will be there, like the United States, but the tools to convert that anger into quick and easy killings are not.

The Good News: Increased Productivity in our Service Sector (Health Care, Education, Government Services) Will Make the United States Far Wealthier than Before

The good news is that we can, and ultimately will, transform the economy by increasing real productivity. This massive potential increase in productivity can bring us out of the Bubblequake as fast as we will make the changes to increase productivity. The faster and more fundamental the changes are, the faster the economy and our wealth will grow. But it will require some very basic changes that will take some time to become politically feasible.

The productivity changes we are talking about will have to focus on the service sector of our economy—because it is the largest part of our economy—and not the manufacturing sector, which has so often been the primary focus of productivity improvements. Not that there aren't some productivity improvements to be made in manufacturing, but since it is only 10 to 15 percent of the economy, improvements there won't have the same transformative impact. The primary focus of productivity improvements will have to be on our three largest service areas:

1. Health care
2. Education
3. Government Services, including the military, police, prisons, and so forth

Also important will be other major service sectors, such as transportation services, retailing, financial services, food services, travel services, and utilities. The key to our future growth will be dramatic improvements in these key service areas of the economy. The faster we can make these improvements, the faster we can get out of the post-dollar-bubble mess. It's that simple.

Our future books will provide details on how to improve productivity in each of the key sectors of the economy. We are fully prepared to write such a book right now, but few people would be interested in reading it. Once the dollar and government debt bubbles pop, our audience will likely widen. We'd like these books to stimulate conversation on how to move productivity forward. We would expect these to be "fierce conversations" as Susan Scott put it in her excellent book of the same name. There will be lots of disagreement and resistance to any change but the net result of these national conversations, which could last many years due to their controversial nature, will be greatly improved economic productivity, leading to tremendous non-bubble economic growth.

So that's the silver lining to the post-dollar-bubble world. The collapse of the bubble economy will force us to confront our fundamental problems and make changes to our government and society to improve productivity. We would have to do this in any event to improve the economy even if we didn't have a bubble economy. The only difference is that we wouldn't have gone through all the suffering created by the bubble economy if we had focused instead on improving productivity and not focused on blowing economic bubbles.

On the other hand, those rising bubbles were sure fun while they lasted. However, people in the post-dollar-bubble world will quickly forget all the fun when faced with the grim realities of a post-bubble-economy America. It's important to remember that during this time, the entire world will suffer, more than we will here. They, too, will have to confront the realities of improving their productivity in a post-bubble-economy world. In fact, for many countries, like those in Africa, this will be far more urgent than in the United States. Once productivity improvements are made, life will be much better for everyone, indeed.

For more information on the post-dollar-bubble world of the mega depression, go to www.aftershock.economy.com/chapter10.