Crashonomics: the hidden patterns of collapses

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18. Februar, Kiwanis, Zürich
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1. Dollar Bubble
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About Schmidt
0. Bubble Cybernetics: Driving Bubble Forces

Moore’s Law, Gilder’s Law, Metcalfe’s Law, Coase’s Law, Ashby’s Law
0. Bubble Cybernetics: Bubble Economy

Cybernetic Systems tend to have positive and negative feedback loops.
0. Bubble Cybernetics: Hidden Patterns

Cybernetic Systems act different as many people think.

Antoine de Saint-Exupéry: "Um klar zu sehen, genüg oft ein Wechsel der Blickrichtung"
0. Bubble Cybernetics: Hidden Patterns

Cybernetic Systems act different as many people think.
0. Bubble Cybernetics: War Economics

Potential Costs of an Irak War: 1.000 Billion US-Dollars
1. Dollar Bubble

Euro Strength: US-Money borrowing from the rest of the world is over

Money Over Supply
3. Stock Market Bubble

Stock Price Inflation 90s
3. Stock Market Bubble

Price/Earning Ratios are still on a high level
3. Stock Market Bubble

Millisecound Bankruptcies
3. Stock Market Bubble

Comparison to 1929

The Rise and Fall
Nasdaq vs. 1929

Nasdaq 2000-2003 Bear vs. 1929 Dow

http://www.LowRisk.com

http://www.LowRisk.com
3. Stock Market Bubble

Nasdaq Bear Markets and Crash Recovery

Nasdaq Bear Markets

Nasdaq Bear vs. 1929 Dow

http://www.LowRisk.com
4. Debt Bubble

Trade and Investment Balances 90s

![Chart showing Trade and Investment Balances from 1974 to 1999](image)
4. Debt Bubble

The corporate debt problem could increase and cause a deflation.

![Debt Bubble Chart]

- GDP: 37.76%
- Consumer Debt: 53.25%
- Corp Debt: 79.14%

1994 to 2000
4. Debt Bubble

The Enron collapse.
4. Debt Bubble

American Debt Clock

$6,409,918,222,046.78

U.S. National Debt Clock
The Outstanding Public Debt as of 17 Feb 2003 at 10:48:11 PM GMT is:

The estimated population of the United States is 289,166,365 so each citizen's share of this debt is $22,166.81.
The National Debt has continued to increase an average of $1.29 billion per day since September 30, 2002!
Concerned? Then tell Congress and the White House!
4. Debt Bubble

America’s Total Debt

$32 Trillion = $32,000,000,000,000.00
4. Debt Bubble

Components of Total America Debt

[Dollars of Debt per Dollar of National Income]

For each dollar of national income:
- In 1957 there was $1.86 of debt.
- But, in 2001 there was $3.96 of debt.

[Dollars of Debt per Billion of National Income]

Grandfather Economic Reports
http://mwhodges.home.att.net/

Components of Total America Debt
Grandfather National Debt Report
found at: http://mwhodges.home.att.net/
data Fed Reserve

- State & Local Gov. debt
- Household debt
- Business debt
- Domestic financial sector debt
- Federal debt - incl. to trust funds

[Graph showing the components of total America debt over time]
### 5. Housing Bubble

House P/E ratios for 9 metro areas

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Boston</td>
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<td>San Diego</td>
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<td>Los Angeles</td>
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<td>Denver</td>
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<td>23.7</td>
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<tr>
<td>New York</td>
<td>21.2</td>
<td>22.5</td>
</tr>
<tr>
<td>Chicago</td>
<td>17.2</td>
<td>20.8</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td>17.1</td>
<td>20.4</td>
</tr>
</tbody>
</table>
5. Housing Bubble

House P/E ratios for 9 metro areas
6. Pax Americana: US-Wisdom - After the war is before the war

New business opportunities

Afghanistan after the war

200,000 sq mi of pure American asphalt

- Territory held by northern alliance
- Parking space
- New McDonald's location
6. Pax Americana: We fuck the world!
About Schmidt: www.wissensnavigator.com

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