



# The Economic Crisis



# The Tyranny of \$Trillions

By: **Chuck Vollmer**

President, VII Inc.

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# Executive Summary

- The “Great Recession” is showing signs of bottoming but significant risks remain . Neither economic recovery or permanent damage can be ruled out.
- \$50 trillion (\$T) have been loss and \$13T are being committed to bailouts, buy-outs and incentives. Recovery can only be achieved when the infusion of \$T worth of stimuli end and the economy operates on its own power.
- The tyranny of \$trillions (\$T) cannot be adequately be planned in current economic models. We are in uncharted territory.
- Tax revenues are declining to the \$2T level and expenditures increasing to \$4T. The fiscal balance between spending and revenue is not sustainable.
- The national debt may soon exceed our ability to pay. Stagflation is likely. Major new crises could trigger hyper-inflation.
- US business productivity is key to recovery. Most business leaders are currently dispirited and risk adverse. Entrepreneurial spirit needs stimulation.
- There are a number of factors (current, new foreign and domestic, and potential or unknown ) that need to be managed in order for economic recovery. This presentation addresses these factors.

***The **tyranny** from spending \$Ts will last many decades to come.***

## *Presentation Outline*

**\$Trillions**

**Definitions**

**National Debt**

**Stock Market**

**Derivatives**

**Other Factors**

**Recovery Scenarios**

# What Is Trillion Dollars (\$T)?

- A trillion is a million million.
- Spending \$1000 per minute since the birth of Jesus equals a trillion dollars (\$T).
- End-to-end, a trillion \$1 bills is 95 million miles long or 400 trips to the moon.
- A packet of one hundred \$100 bills is about 1/2" thick and contains \$10,000. A \$T is 3 feet high and covers several foot ball fields (see illustration below).

**\$10,000**

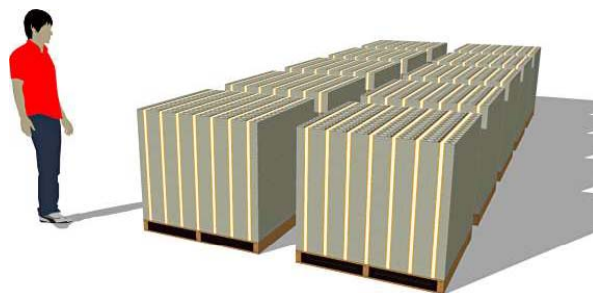


**\$1 million**

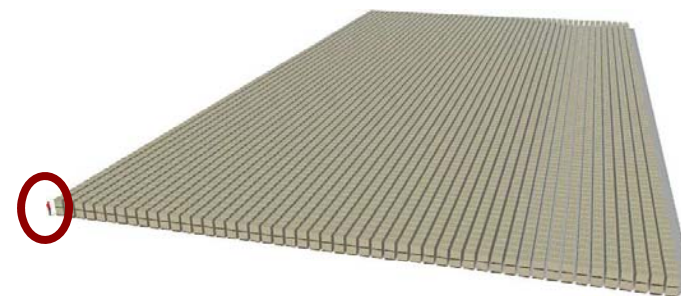
*100 stacks  
of \$10,000*



**\$1 billion**



**\$1 trillion (\$T)**



Source: [www.pagetutor.com](http://www.pagetutor.com)

*A \$T is hard to conceive, and harder to elucidate.*

# The Tyranny of Trillions (Ts)

## Status Quo Financial Forces

■ US 2009 Federal Budget Outlays	\$3.5 Trillion
● <i>Project Receipts (Taxes)</i>	\$2.5 Trillion
● <i>Deficit</i>	\$1 Trillion
■ US National Debt	\$12.6 Trillion
■ US Gross Domestic Product (GDP)	\$14 Trillion
■ US Equity Markets (Stocks, bonds...)	\$50 Trillion
■ World Gross Domestic Product (GDP)	\$54 Trillion

## New Disruptive Financial Forces

■ World Derivatives Market (source: BIS)	\$680 Trillion
● US Derivatives Market (source: BIS)	\$182 Trillion
■ Global Financial Assets Losses (2008)	\$50 Trillion
● Global Stock Losses (2008 + Q1 2009)	\$35 Trillion
● US Stock & Mortgage Losses	\$14 Trillion
■ USG Bailouts/Buyouts/Incentives Pledges	\$12.8 Trillion
■ USG Deficit Spending (10 year Obama Budget)	\$9 Trillion
■ US Consumer Credit Debt	\$3 Trillion

***New disruptive forces, with little transparency or oversight, have dramatically changed the global economic environment.***

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# Definitions: Recessions, Depressions

- **Recession:** a significant decline in economic activity lasting more than a few months, normally visible in real GDP growth (more than two quarters), personal income, employment, production, and wholesale-retail sales.
  - Major recent US recessions and duration:
    - ✓ 1973-74, Oil crisis and stock market crash, 2 years
    - ✓ 1980-82, Energy crisis and high inflation, 2 years
    - ✓ 2001-03, Dot.com crash, 9/11, accounting scandals, 2 years
    - ✓ 2008-Present, “Great Recession”, Exotic financial instruments, TBD
  
- **Depression:** a severe recession characterized by extreme unemployment (10%+), restriction of credit and loans, reduced output and investment, numerous bankruptcies, reduced amounts of trade and commerce, highly volatile currency fluctuations and devaluations, price deflation often followed by hyperinflation.
  - US depressions and duration:
    - ✓ 1807-14, Embargos and trade crisis, 7 years
    - ✓ 1873-96, European stock market crash, 23 years
    - ✓ 1929-39, US stock market and banking crash, 10 years

*The US is in a recession and taking action to avoid a depression.*

# Definitions: Deflation, Inflation

- **Deflation** is a persistent decrease (negative inflation) in the price level of goods and services.
  - US is currently in a period of deflation where lower prices lead to lower levels of production, consumption and employment.
  - The US inflation rate in August 2008 rate was 5.4% which decreased monthly to about 0% in January 2009.
  
- **Inflation** is a rise in prices of goods/services and a decrease in the real value of money.
  - Many economists favor low (1% -2%) inflation rates.
  - The highest US annual inflation rate in the last 50 years was 14% in 1980.

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2007	2.08%	2.42%	2.78%	2.57%	2.69%	2.69%	2.36%	1.97%	2.76%	3.54%	4.31%	4.08%
2008	4.28%	4.03%	3.98%	3.94%	4.18%	5.02%	5.60%	5.37%	4.94%	3.66%	1.07%	0.09%
2009	0.03%	0.24%	-0.38%	-0.74%								

Key: Good      Inflation      Deflation

*The US is in a deflationary cycle. However, the enormous increases in money supply is potentially very inflationary.*

# Definitions: Stagflation, Hyper-Inflation

- **Stagflation** is economic condition of both continuing inflation and stagnant business activity, together with an increasing unemployment rate.
  - Stagflation as a combination of inflation and recession, once thought as mutually exclusive.
  - Stagflation can occur when:
    - ✓ Inappropriate or excessive economic policies are enacted.
    - ✓ An economy is slowed by an unfavorable supply shocks.
  - Stagflation of the 1970's was caused by oil prices and government stimuli.
  
- **Hyper-Inflation** is out-of-control inflation where prices increase drastically as currency loses value.
  - The root cause of hyperinflation is a massive increase money supply not supported by growth in the output of goods and services.
  - Hyperinflation is often triggered by economic depressions, wars, and/or loss of confidence in a nation's paper currency.
  - Hyperinflation destroys purchasing power, savings and retirement accounts. However, it also eliminates public debt.
  - Over 20 countries have undergone hyperinflation in the last 20 years.

*Stagflation is likely. Major new crises could trigger hyper-inflation.* 9



# Great Depression/Recession Comparison

## Great Depression 1929-1932

## Great Recession 2008-Present

<b>Stock Market</b>	-85%	-50%
<b>Capital investments</b>	-97%	Credit/loans/investments hard to get
<b>Bank failures</b>	-40%	<1% (government support working)
<b>Unemployment rate</b>	-29%	-8.1% (10% projected this year)
<b>Jobs lost</b>	-13 million	-4.4 million (population twice the size)
<b>US GDP slide</b>	-32%	-6%
<b>Real estate</b>	-53% farms	-31% (national home prices from '06 peak)
<b>Inflation/deflation rate</b>	-10%	0%
<b>Top tax rate raised</b>	25% to 63% (79% in 1936)	35% (39% projected)

*The impact from today's Great Recession and current economic policies could be as profound as the Great Depression*

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\$Trillions

Definitions

**National Debt**

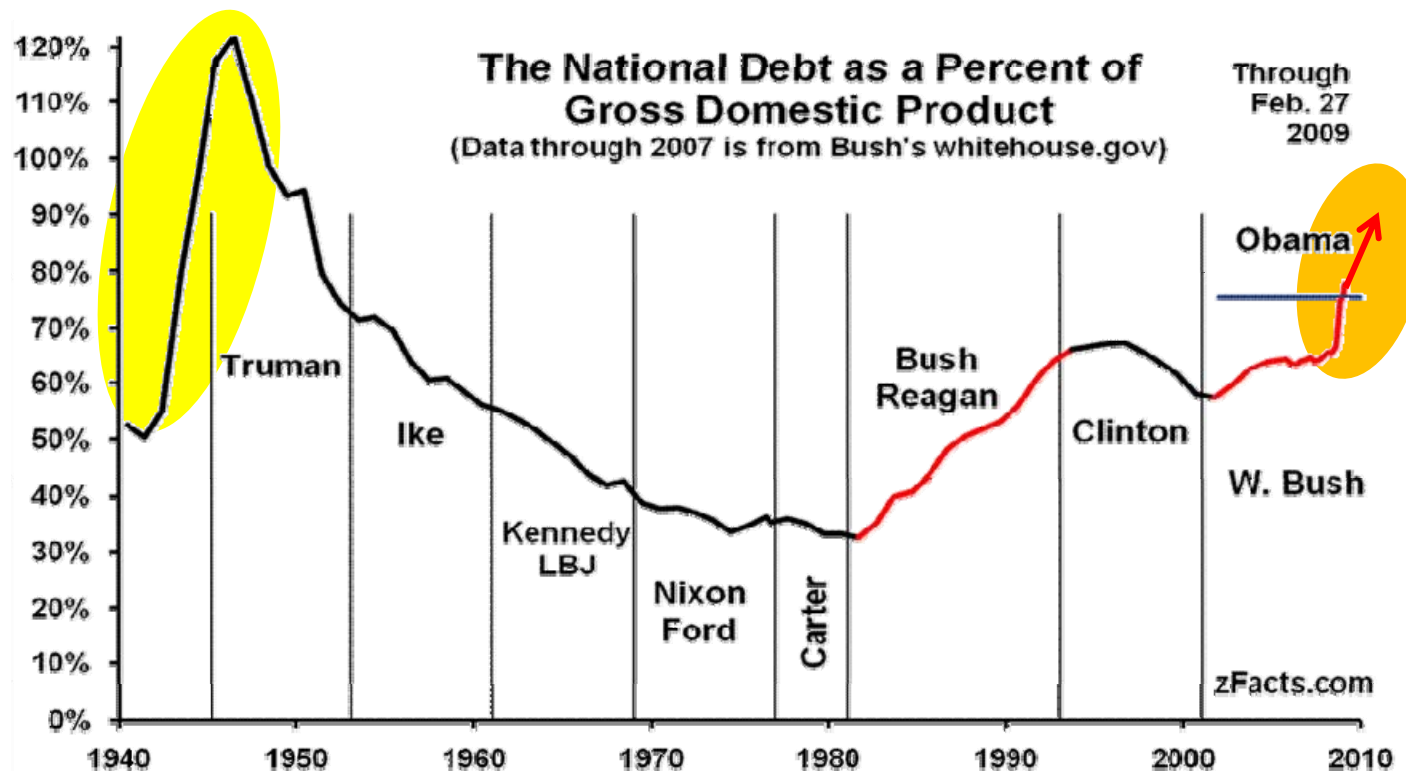
Stock Market

Derivatives

Other Factors

Recovery Scenarios

# Historical National Debt Graph

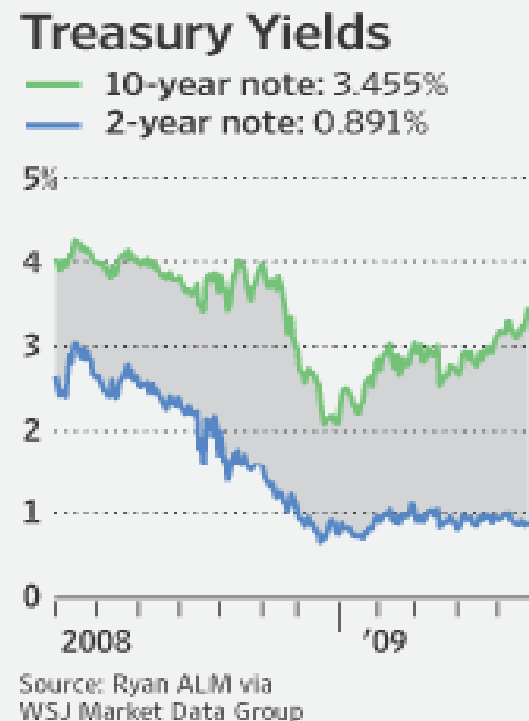


- Some experts believe that massive debt spending starting in 1942 (yellow highlighted area) lifted the US out of the Great Depression. The Bush and Obama stimulus packages intend to do the same (orange area).
- Other experts believe that times are different and excessive spending will lead to the devaluation of the dollar and significant inflation or hyperinflation.

*National (public) debt is a major issue.*

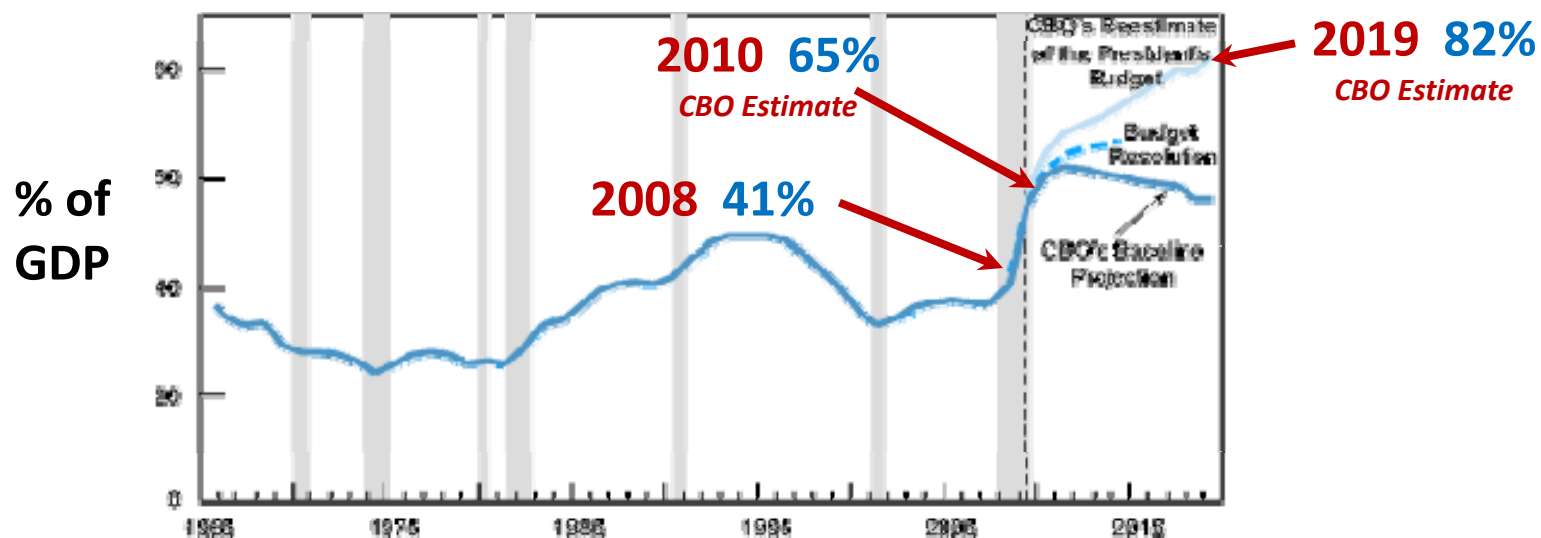
# US Treasures Help Finance Public Debt

- A United States Treasury security is a government debt issued by the United States Department of the Treasury:
  - Treasury bills (or T-Bills) mature in 1 year or less
  - Treasury notes (or T-Notes) mature in 1 to 10 years
  - Treasury bonds (T-Bonds or the long bond) mature in 20 to 30 years
  - Treasury Inflation-Protected Securities (or TIPS) are the inflation-indexed bonds issued by the U.S. Treasury
  
- Interest in long-term US government debt is waning, causing the USG to increase long-term interest rates. Most investors are moving from the long term (10+ year) to short term Treasuries.
  
- The declining US dollar discourages foreign investors because the dollar's weakness shrinks the value of bonds in foreign-currency terms.
  
- Top foreign holders of US Treasuries:
  - China                                 \$740 Billion
  - Japan                                   \$635 Billion
  - OPEC                                    \$186 Billion



*Interest in financing long-term US government debt is waning.*

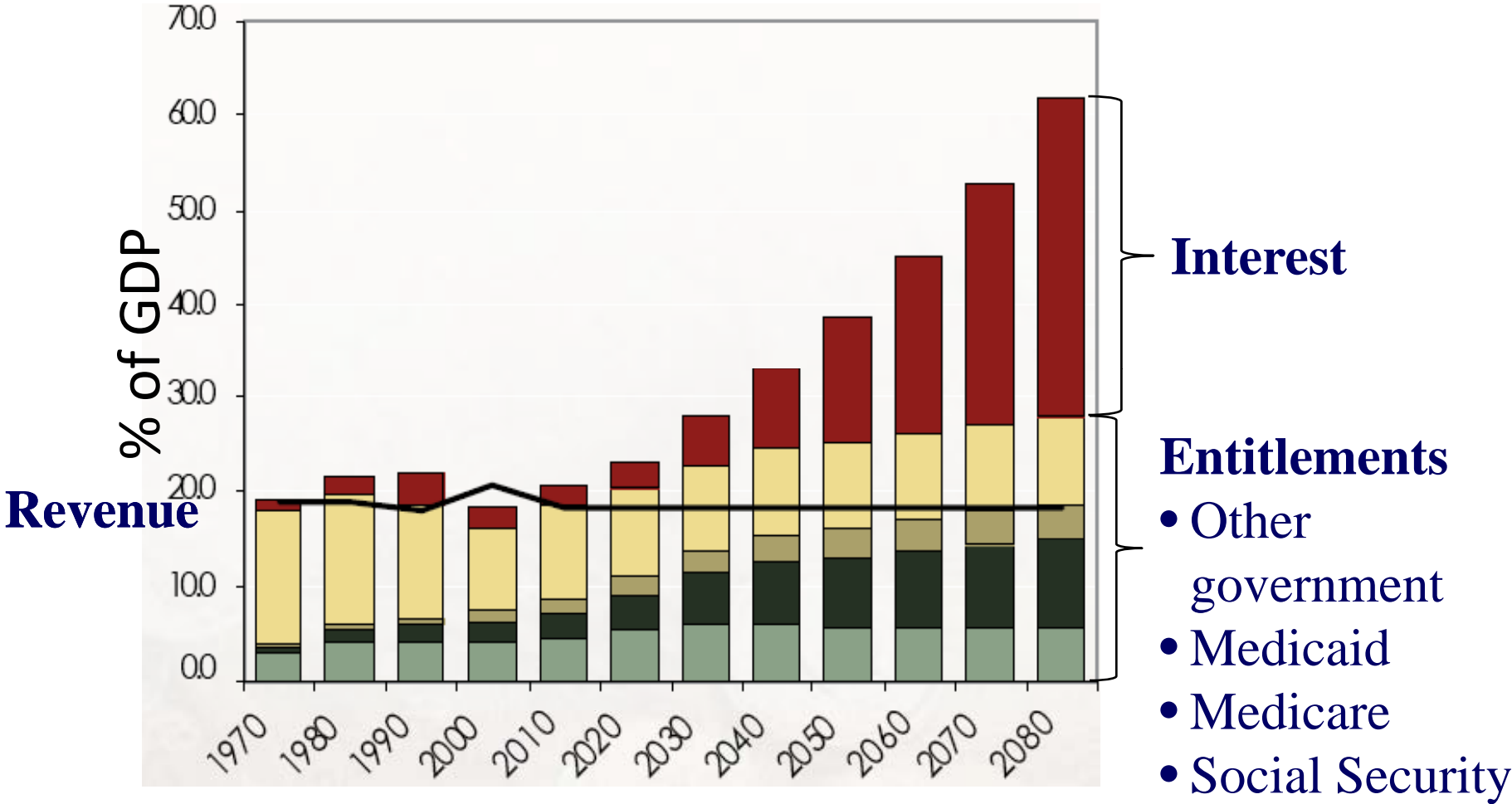
# Public Debt Moving To 82% Of GDP



- Budget deficits slow economic growth due to the reduction of capital and the **economy's capacity to produce**.
- Given the significant projected **shortfall of federal revenues relative to outlays** will have long-term consequences.
- If investors **lose confidence** in the government's debt (Treasury securities) as a safe haven, the US economy could be **damaged permanently**. The UK's national debt is 55% of GDP and the UK is in danger of **losing its AAA rating**. Global financial markets take this message as much for the US as the UK.

*According to CBO, debt could permanently damage our economy.*

# \$12.6T National Debt



Source: GAO Citizen's Guide 2008

*US fiscal balance between spending and revenue is not sustainable and is increasing rapidly.*

# \$12.8T USG Bailouts & Other Pledges

*Source: Bloomberg, 31 Mar 09, Major Agencies and Programs*



## ■ \$7.8T Federal Reserve (“The Fed”)

- \$1.8T Net Portfolio Commercial Paper Funding
- \$1.6T GSE debt and mortgage backed securities purchases
- \$900B Term Asset-Backed Loan Program
- \$900B Term Auction Facility



## ■ \$2.7T Treasury

- \$1T Stimulus packages
- \$700B Troubled Asset Relief Program (TARP)
- \$400B Fannie/Freddie support



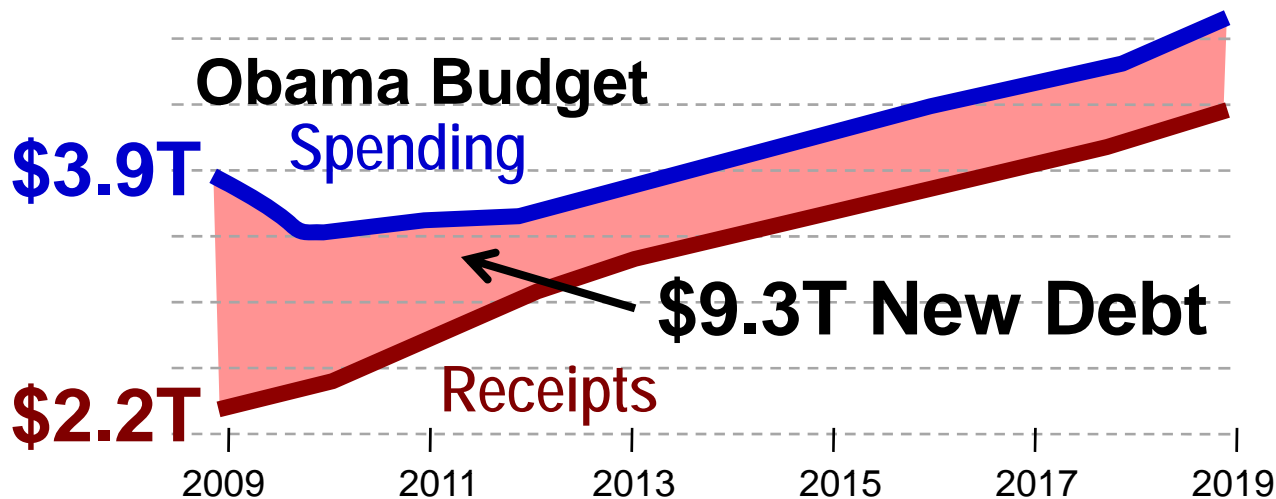
## ■ \$2.0T FDIC

- \$1.4T Liquidity Guarantees
- \$500B Public-Private Investment Program

*The Fed's printing of vast sums of cash dilutes the dollar's value.*



# 10 Year Budget Adds \$9.3T New Debt



US Federal Budget Figures	2010 Obama (\$Trillions)	2009 Bush (\$Trillions)	Δ 2010/09	2001 Clinton (\$T)
Federal budget	3.90	3.10	21%	1.99
Tax Receipts	2.20	2.70	-23%	1.86
Deficit	1.75	0.46	74%	Surplus
National Debt	12.62	10.87	14%	5.90

Source: OMB

*CBO Estimates: By 2019, national debt increases from \$12.6T to over \$20T, and annual interest payments from \$170B to \$806B.*

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Derivatives

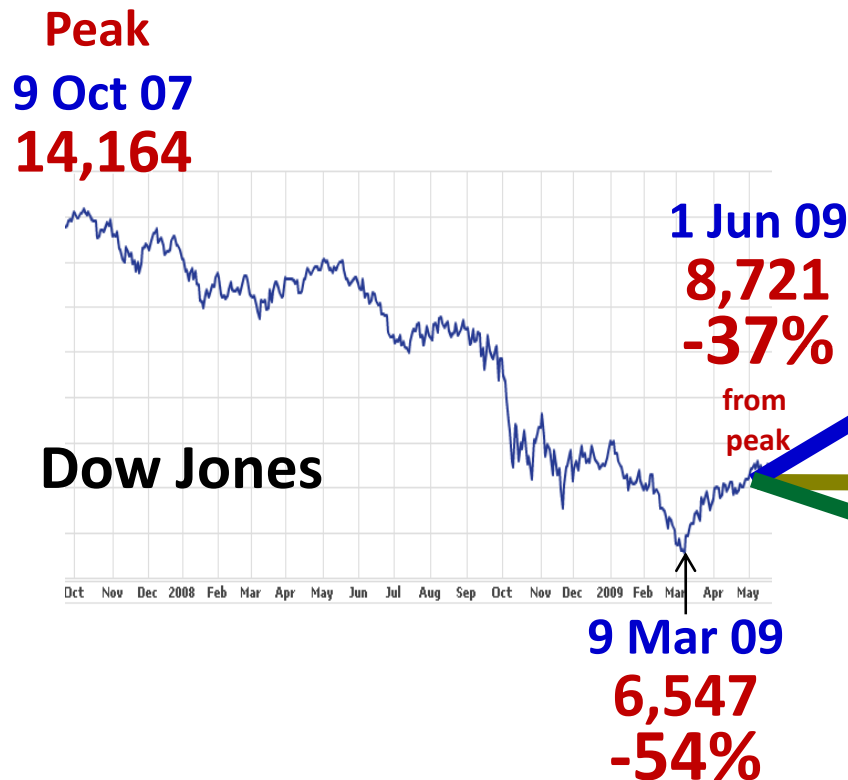
Other Factors

Recovery Scenarios



# \$50T Global Stock Market Crisis

*Which way ahead? Up or down?*



## Historical Scenario (Up)

- Inertia
- Good leadership
- \$12.8T Incentives/bailout
- Reinvested cash
- US stock desirability

## Turbulent Scenario

- Political partisanship
- Investor panic

## Catastrophic Scenario (Down)

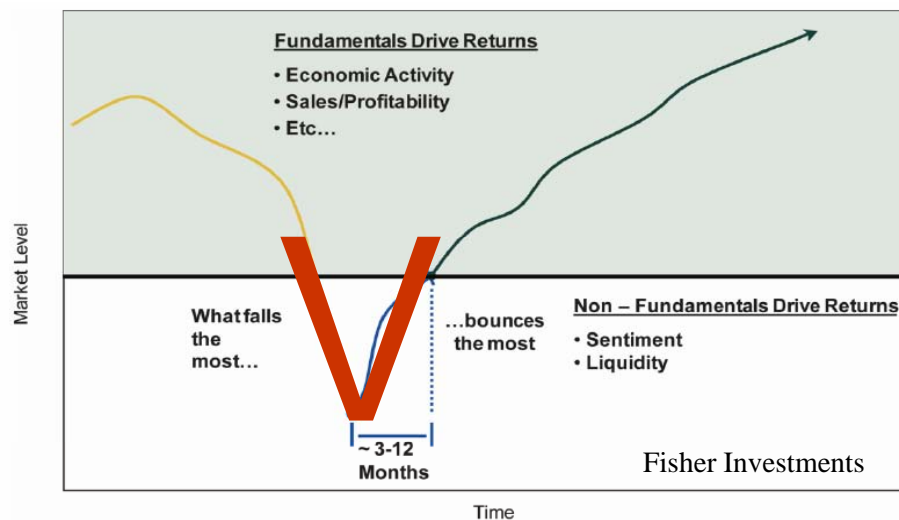
- Derivatives problems
- Business/bank failures
- Major unemployment
- Consumer credit crisis
- Israel/Iran conflict (nuclear)
- Major disaster/attack
- Foreign manipulation

*Over \$50T of global financial assets were lost in this recession.  
 Question: Where did it go? Answer: Simply away (i.e., vanished.)*

# Historic “V” versus Nikkei Experience?

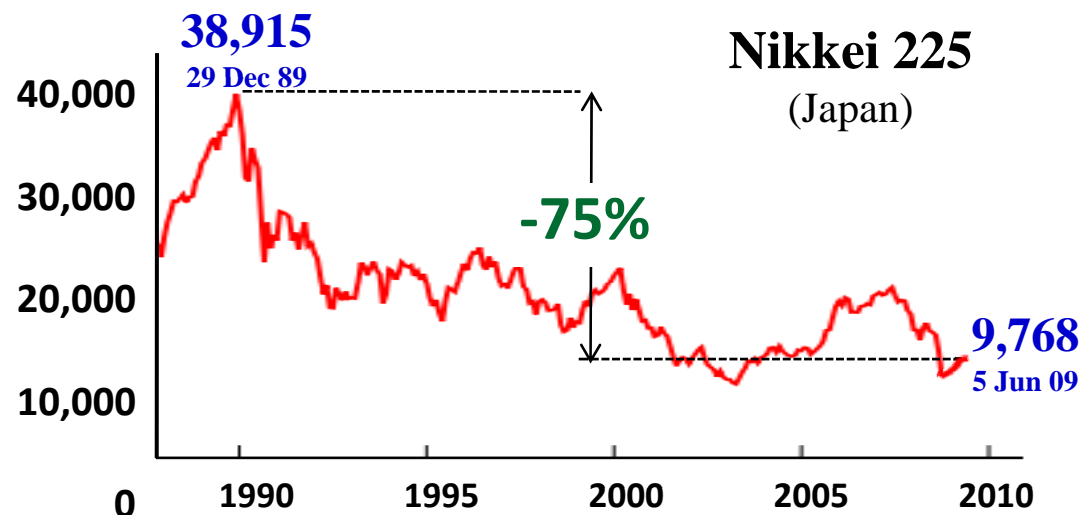
## ■ Historical “V”

- Bounce is coming
- \$12.8T bailout will work
- Lots of good stocks
- Bears become bulls



## ■ Nikkei Experience

- Greed bubble burst
- 75% to 90% loss
- 20 year bear market
- No bottom to worst



*Nobody knows. Experts disagree. We are in uncharted waters.*

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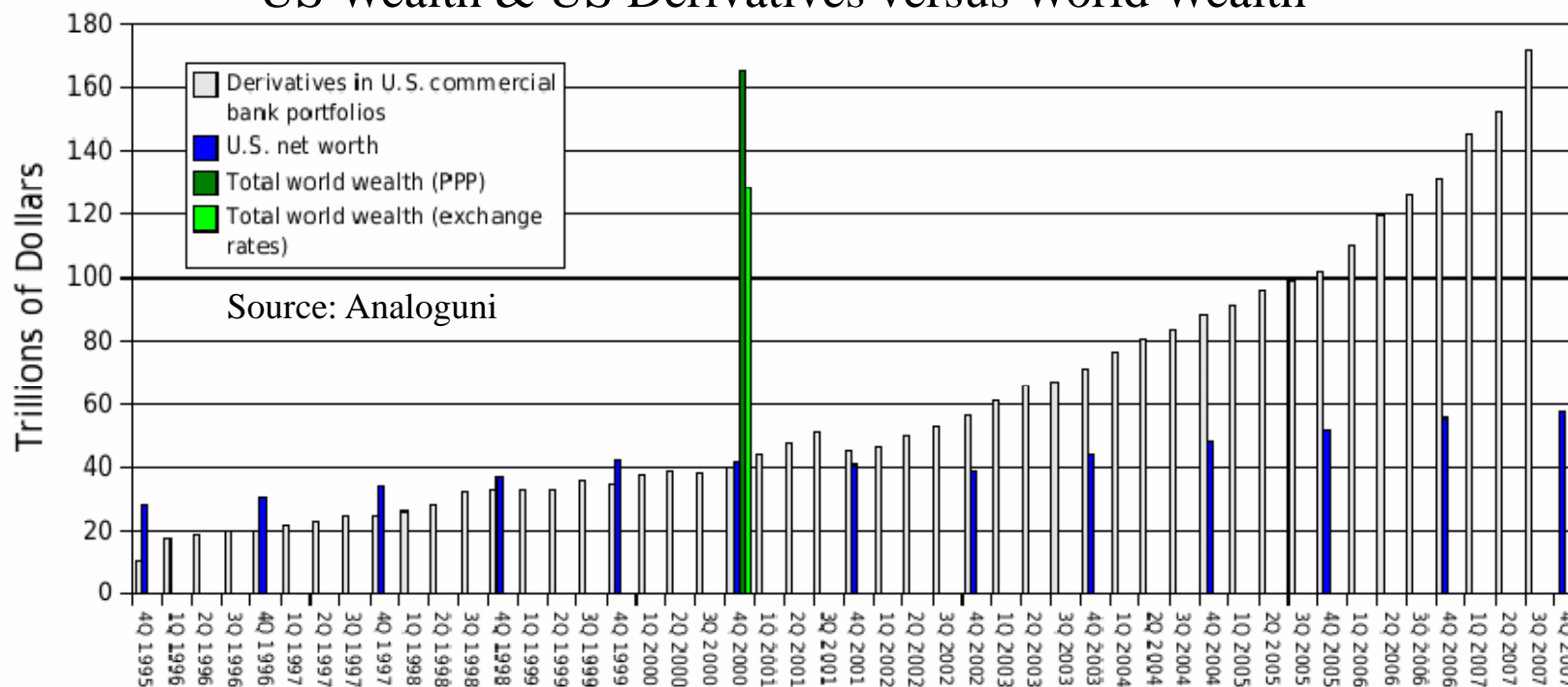
**Derivatives**

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# \$182T US Derivatives

US Wealth & US Derivatives versus World Wealth



- World Derivatives are approximately \$680 trillion (not shown).
- US Derivatives have grown in 15 years from \$0 to \$182 trillion.
- US Derivatives are worth more than the world's total wealth.
- US Derivatives are worth three times the total US wealth.

*Derivatives are relatively new and defy historical trends/cycles.*

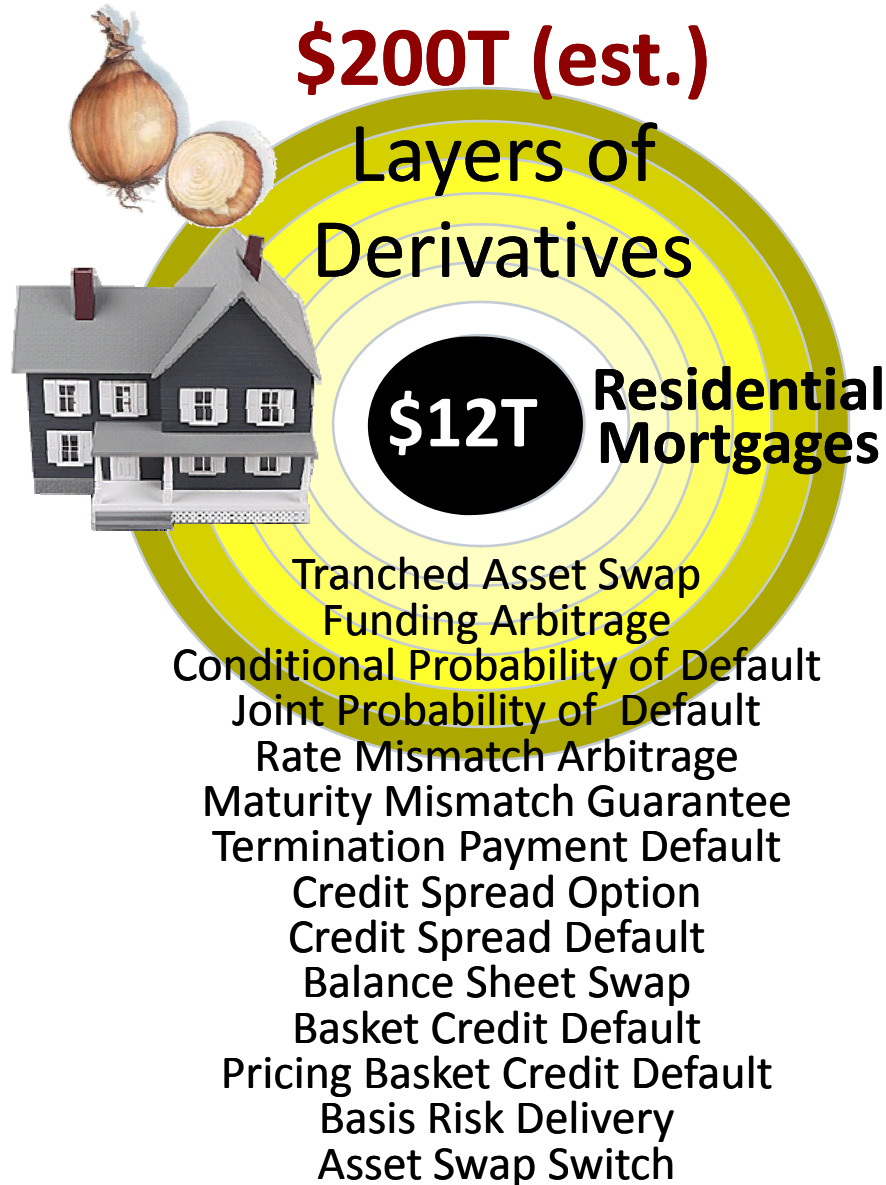
# What Are Derivatives?

- Derivatives are financial instruments created to permit the risk associated with the underlying security to be sold and/or partitioned away from the primary holder of the underlying security.
- Derivatives started as hedges against risk (agricultural example: hedging against future grain/corn prices).
- Other underlying financial instruments include: commodities, mortgages, equities (stocks), loans, bonds, interest rates, exchange rates, indices, and even weather.

*Warren Buffett calls derivatives “financial weapons of mass destruction”.*

Financial Markets	
<b>Bond market</b>	
Fixed income	
Corporate bond	
Government bond	
Municipal bond	
Bond valuation	
High-yield debt	
<b>Stock market</b>	
Stock	
Preferred stock	
Common stock	
Registered share	
Voting share	
Stock exchange	
<b>Other Markets</b>	
Commodity market	
Money market	
OTC market	
Real estate market	
Spot market	
Foreign exchange market	
<b>Derivatives market</b>	
Credit derivative	
Hybrid security	
Options	
Futures	
Forwards	
Swaps	

# Derivatives Greater Than Underlying Assets



## ■ Mortgage Backed Securities

- **Residential**
  - ✓ Sub prime
  - ✓ Alt-A, ARMs
- Home equity loans
- Commercial



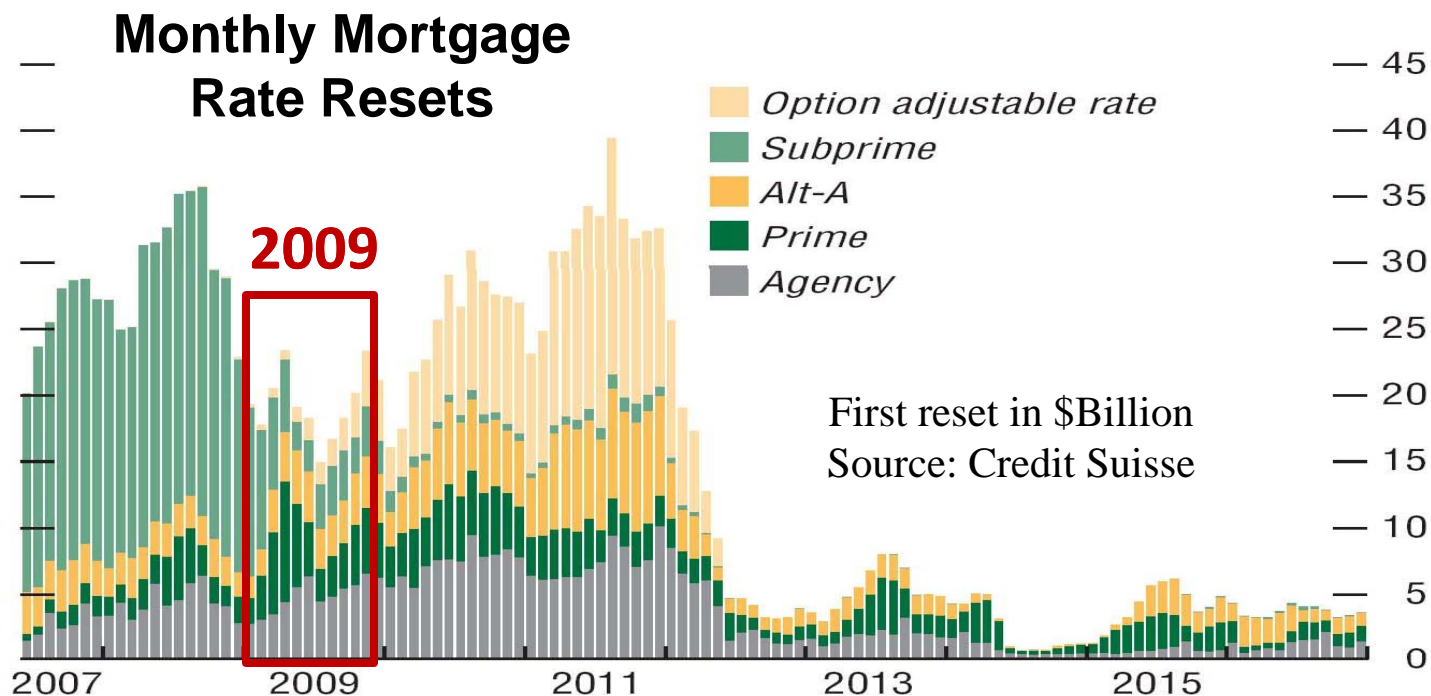
## ■ Asset Backed Securities

- Credit card receivables
- Auto loans
- Student loans
- Others

**Next To Fall?**

*Our exposure to derivative losses is less, but not over yet.*

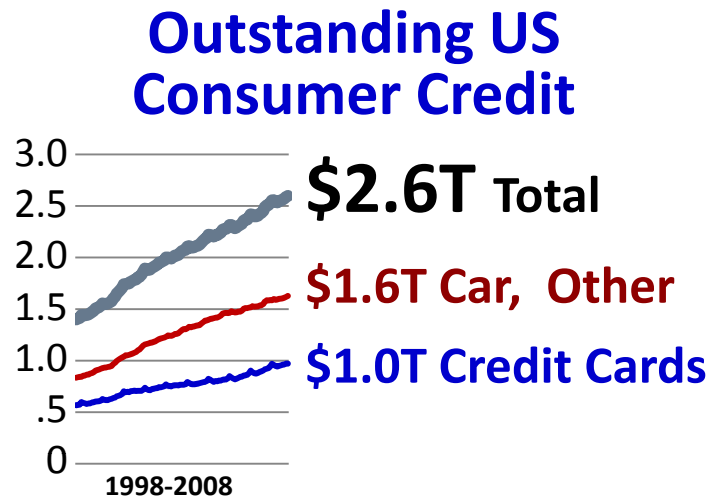
## 2<sup>nd</sup> Residential Mortgage Crisis Looms



- **Alt-A (Alternative A-paper)** mortgage is a mortgage that is considered riskier than A-paper, or prime, and less risky than subprime. During the last decade, banks issued Alt-A to many unqualified lenders.
- **An adjustable rate mortgage (ARM)** is a mortgage where the interest rate is periodically adjusted based. ARMs were knowingly sold to consumers who could not make payments when the interest rates increased.

*Some experts predict that 50% of ARMs could default.*

# \$3T Consumer Credit Crisis



- Consumer credit debt (\$2.6T) is about one-quarter of the size the \$12T mortgage market, but is potentially as lethal due to short terms and the unsecured nature of most loans.
- Consumer credit doubled in ten years, and is exploding as people use credit cards to buy necessities and maintain lifestyles. Over the last decade, personal savings dropped to nearly zero leaving many people no reserves. Loss of jobs, equity and retirement plans leave many vulnerable.
- A consumer credit crisis is the next major event to hit debt-laden banks and lending institutions. Banks are boosting credit card interest rates to cover increased risk and defaults. Congress is regulating these efforts.

*Mortgages were the 1<sup>st</sup> tsunami. Credit cards maybe next.*

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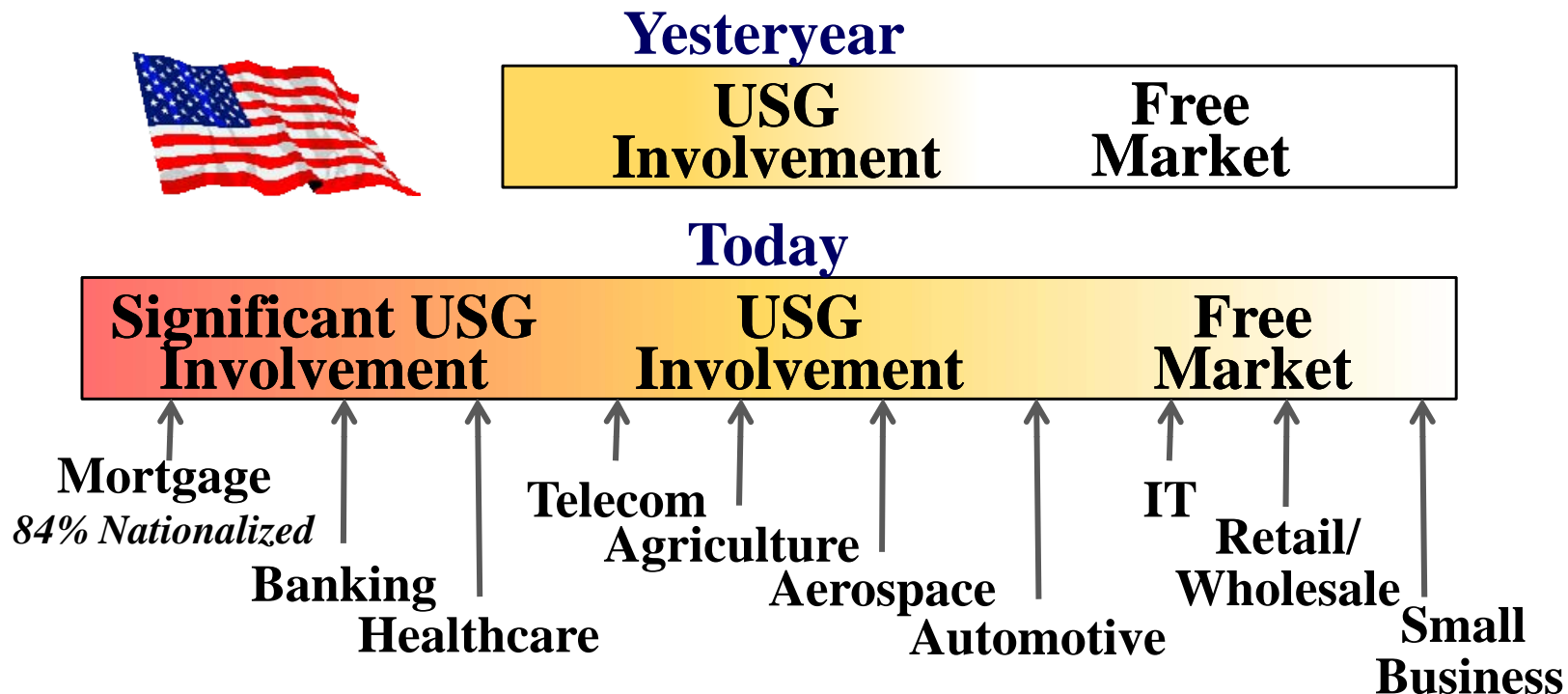
**Recovery Scenarios**

# US Business Productivity

- Tax revenues are declining to the \$2T level and expenditures increasing to \$4T. If these trends are not reversed, the US economy will collapse. We need to **produce** our way back to prosperity. Only the business sector can do this.
- The **anti-business sentiment** held by many Americans and Washington needs to change. Washington must adopt business friendly incentives, including allowing people to get rich, to motivate business enterprises.
- **Small businesses** are the key to success. Small businesses employ the vast majority of Americans. Retail is especially weak as well as retail shopping malls. Protecting and stimulating this sector is key to economic recovery.
- **Large businesses** are the key to mass production and mass services. While some may need government partners (bailouts), most do not. The current environment emphasizes timidity over entrepreneurship.
- Bold **national initiatives** that produce value-added goods and services are needed. The military and information technology revolutions of the Cold War Era and the 1980/90s produced 10s of millions of new jobs.
- The US must win the emerging **global energy technology revolution**. All forms of energy (fossil, nuclear, renewable, etc.) must be included.

*We need to produce our way back to prosperity and economic security.*

# Free-Market vs. State-Sponsored Capitalism

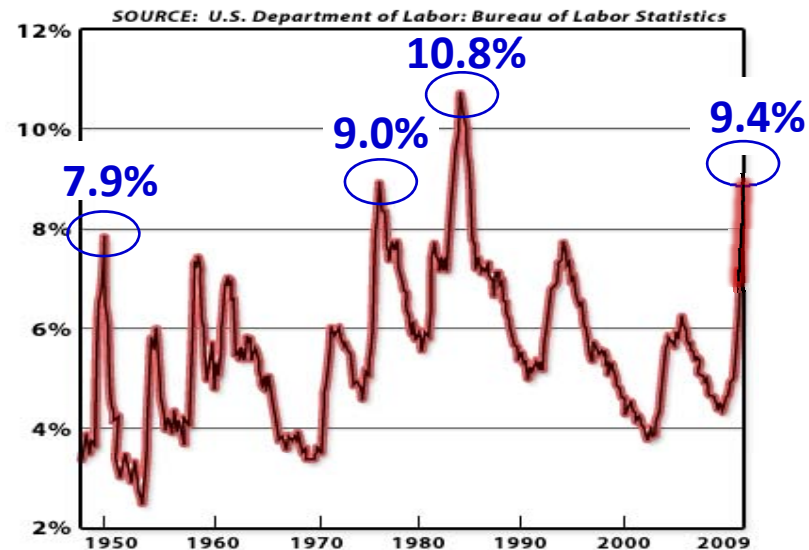


- **State-sponsored capitalism** is replacing **free-market capitalism**.
- State-sponsored capitalism emphasizes public-private partnership over free enterprise with limited government regulation and oversight.
- Free-market fundamentalists are opposed to state involvement. If involved at all, the state should set and enforce rules as opposed to being a market player.

*The US is moving from an economy driven by the consumer to one driven by government.*

# Higher Unemployment

- Unemployment rate:
  - Nov 2007: 4.7%
  - **May 2009: 9.4%**
  - *If underemployed were included: **May 2009: 16.4%***
  - *End of 2009: 10-12% projected*
- The pace of layoffs eased, with employers cutting 345,000 jobs, the fewest since last September.
- 14.5M now unemployed. 7M jobs lost since start of recession. Job losses are in every industry.
- Largest increases in joblessness are with Hispanics, blacks, and adult men (including white).



*New stimulus packages are aimed at jobs creation but should focus on jobs that increase real productivity rather than make-work.*

# Dollar Devaluation

- Key warning signs that often precede decline in the dollar: (1) interest rate cuts by the Federal Reserve, (2) surge in the national debt, (3) rising commodity prices, especially gold and oil, (4) inflation.

## US Dollar Index



**Basket of 6 currencies**

## Trade Weighted US Dollar Index



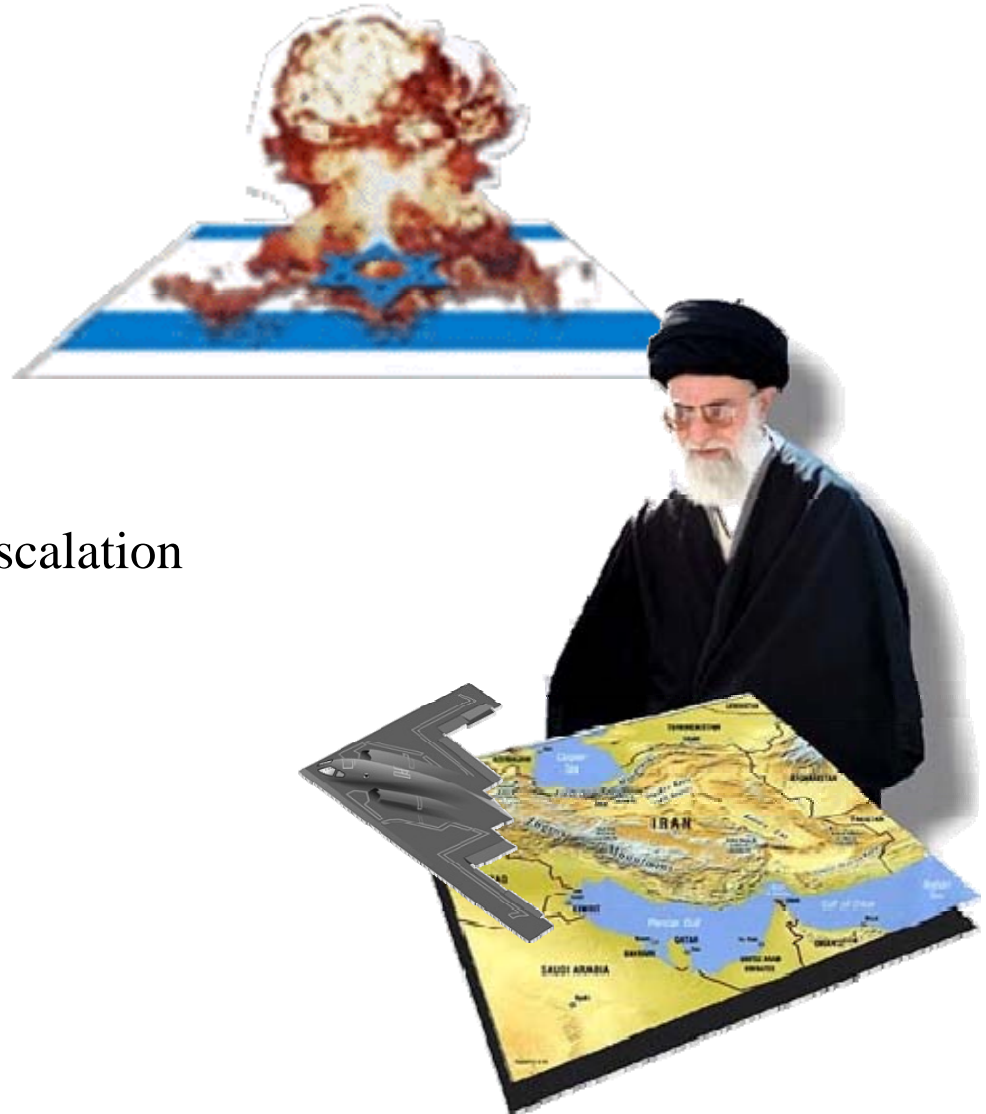
**Basket of 26 currencies**

- In May 2009, the US Dollar Index measuring the dollar against 6 leading currencies closed at its lowest level of the year. Oil gained nearly \$2 to close above \$62 a barrel while gold hit an eight-week high.
- A weaker dollars means that it is harder to compete for foreign capital.
- If investors perceive inflation and a devalued dollar as inevitable, they could sell-off of stocks/bonds, and move their capital to other assets and currencies.

*Currencies act like stocks or other financial instruments.*

# Conflicts/Wars

- Potential nuclear exchanges:
  - Israel – Iran
  - Pakistan – India
  - North Korea – NE Asia
  
- Conventional conflicts:
  - Current
    - ✓ Iraq war (OIF) escalation
    - ✓ Afghanistan war (OEF) escalation
    - ✓ War on Kurdistan
  - Civil wars
    - ✓ Mexican drug war
    - ✓ Pakistan
    - ✓ Sudan/Darfur
    - ✓ Somalia
  - Israel
    - ✓ Israel – Palestine
    - ✓ Israel – Arab
    - ✓ Israel – Hezbollah/Syria/Iran



*The world is more dangerous today than at the height of the Cold War.*

# Other Menacing Possibilities



- **EconoWar:** Fund withdrawal, new reserve currency, currency/commodity manipulation, US dollar devaluation...
- **State bankruptcies:** 47 States are nearing bankruptcy, California being the largest...
- **Energy crisis:** \$200+/bbl oil...
- **Cyber warfare:** Malware, critical infrastructure attack, EMP event...
- **Terrorist attack:** Bio/chem attack, second 9/11 type suicide bombings...
- **Natural disaster/Medical crisis:** California earthquake, hurricane (Katrina II), pandemic, Swine flu...
- **Political upheaval/Civil unrest:** Protests, riots, assassinations...
- **Eschatological event:** Spiritual warfare, Messianic-inclined leaders...



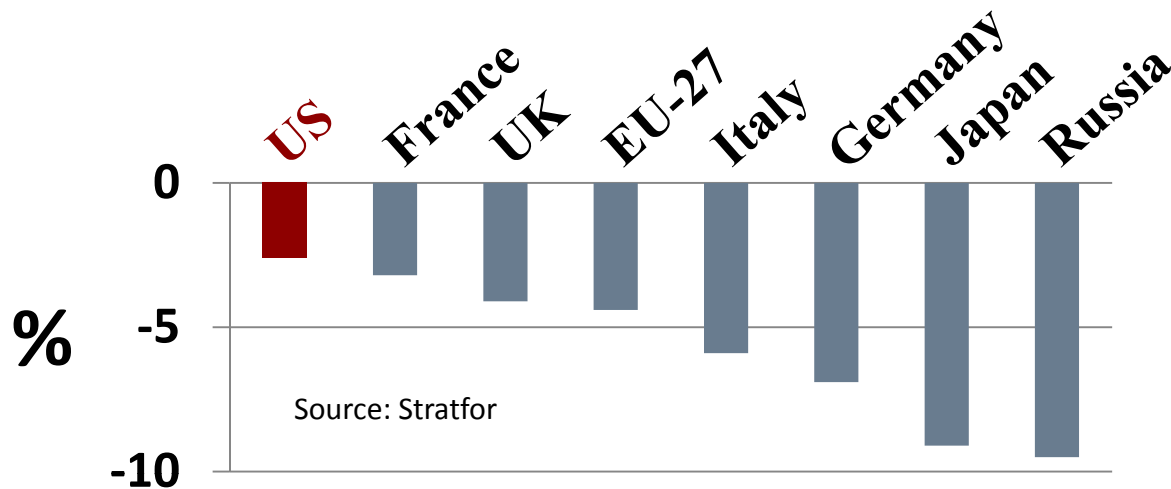
*We live in a very turbulent and unpredictable time.*

# Hopeful Factors And Trends

- **Recession bottoming:** The Great Recession's decline is declining. Housing bottoming. Markets up. Lending increasing. Financial system stabilizing.
- **Best of the troubled:** To the extent that the Great Recession is bad on the USA, it is worse for other countries, which gives us tremendous leverage.
- **Stimulus working:** \$12.8 trillion is a powerful economic force.
- **American confidence:** Consumers are more confident about the future.
- **American ingenuity:** American culture is a competitive advantage.
- **Strength of US dollar:** While weakening, the US dollar is relatively strong. Creating a new international reserve currency would take years.
- **Attractiveness of US stock:** US stocks are still the most desirable.
- **Neutralized partisan politics:** Single party dominance largely negates partisan politics which often impede decision-making and action.
- **Religious remnant:** To the extent that one believes in divine involvement, America's devout religious remnant remains vibrant and a significant force.
- **Underlying US assets:** In a worse case scenario, the US has \$trillions of mineral, agricultural and other assets that it could sell to reduce debt.

*Sage advice: hope for the best, plan for the worst.*

# The Best Of The Troubled



## GDP Losses (Apr 08 to Apr 09)

- For the time being, the US remains in a dominant position vis-à-vis the major countries shown. This position allows the US to print money, borrow heavily, and leverage ourselves, treasuries and stocks from a position of strength.
- Other countries include: the Chinese, who's elite have a legacy dependence on the dollar (rather than the renminbi), and Arab OPEC, who benefit from the US military umbrella. The Chinese and Arabs are the top investors in the US.

*Being in a position of strength has been very advantageous to the US in this global recession. However, this position may not last.*



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# Four Economic Recovery Scenarios



## ■ Traditional “V”

- Historical viewpoint.
- Market bottoms out and rebounds to historical levels.
- **Probability: Low** (Now discounted by most experts due to uniqueness and depth of this recession.)

## ■ “U” Shaped

- An optimistic twist on the traditional “V”.
- After a while at the bottom the market rebounds.
- **Probability: Med** (Popular with those who believe in the strength of the stimuli and US economy.)

## ■ “L” Shaped

- A growing view that the economy may take decades to recover.
- The market may not rebound.
- **Probability: Med** (Expressed by analysts who say global disruptive forces changed the status quo.)

## ■ “Declining L”

- A view that the US economy will stagnate, decline or even collapse.
- The market may get worse.
- **Probability: Low** (Multiple US and foreign crises, wars and attacks undermine all recovery efforts.)

*Since we are in uncharted territory, “experts” can make plausible arguments for each of the U, L and Declining L scenarios.*

# The Self-Stabilizing Paradigm



- Most economists believe that the economy is a **self-stabilizing** system that will right itself eventually.

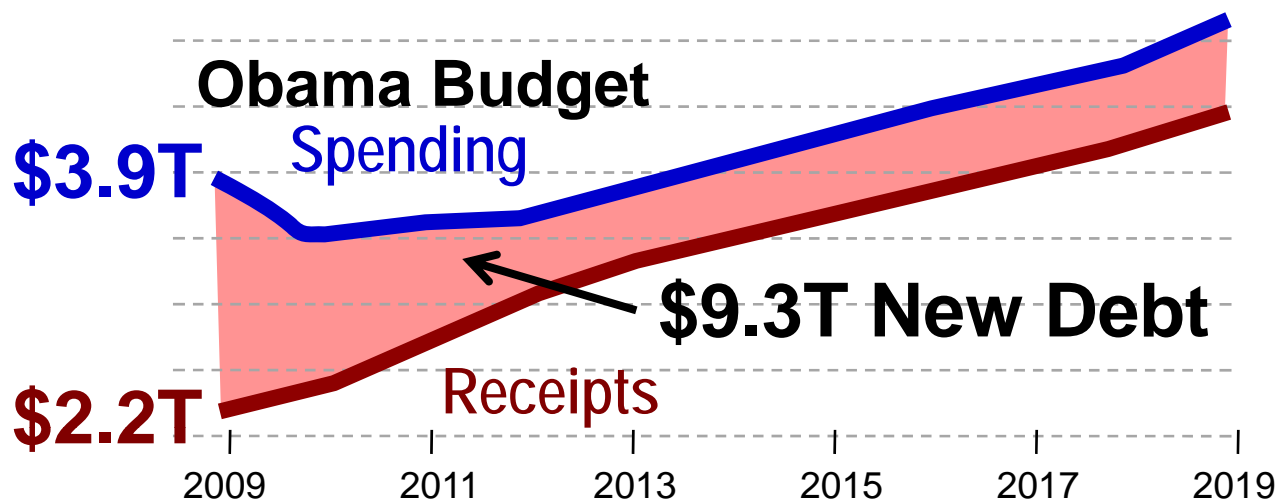
- A growing number of economists reject the self-stabilizing paradigm and predict no near-term recovery due to the following factors:

- The tyranny of \$T trumps historical prescient. The future is unknown.
- \$12.8T worth of stimuli/incentives is an “all-in” play. There is no more.
- Last year, the global economy contracted 1.0% and developed countries 3%. This is the first reversal in modern economic history.
- Unemployment, poverty and conflict will cripple recovery efforts (IMF).
- Many banks are insolvent due to bad management, bad assets and toxic investments (derivatives). Many more bailouts will be needed. Until the financial sector recovers, economic recovery is not likely (Bernanke).
- Millions of households are financially ruined by loss of home equity and stocks. Many baby boomers now have to depend on Social Security and Medicare thereby increasing the debt burden and making recovery harder.

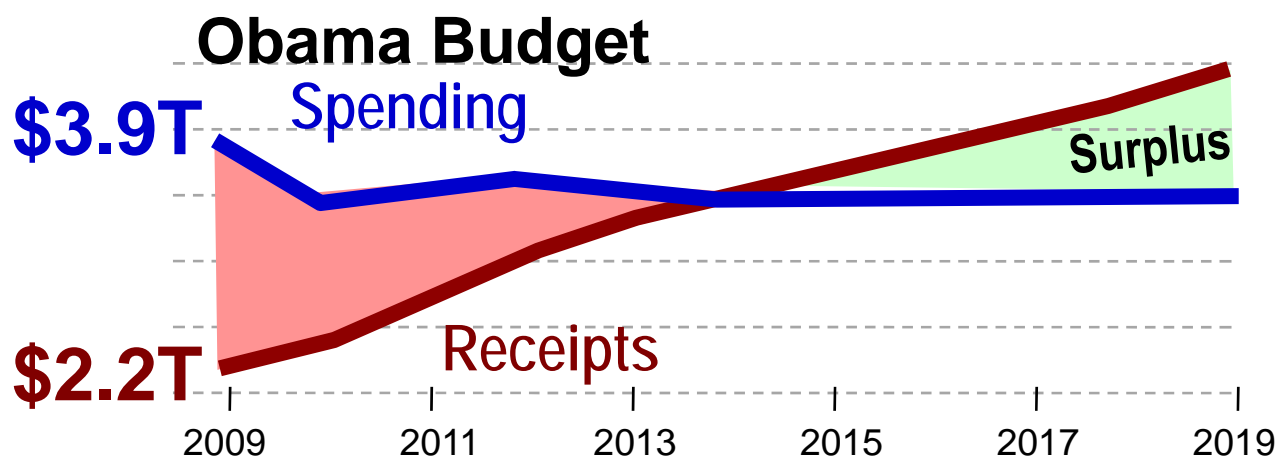
*The USG may not be able to close the spending versus receipts gap.* 39

# Major Imperative: Close the Gap

**Current Situation**

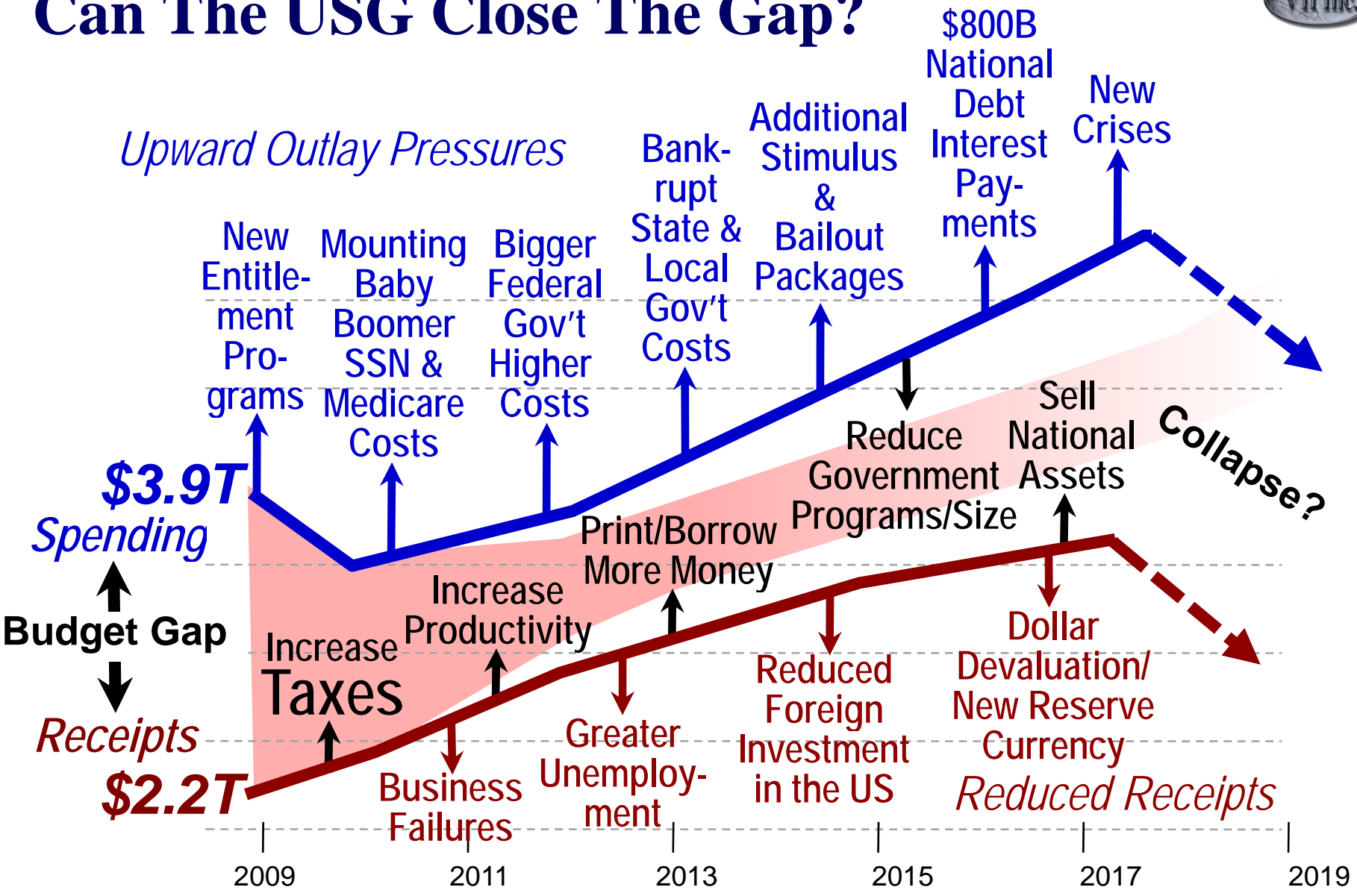


**Desired Situation**



*Ending the recession and securing the future are the top imperatives.*

# Can The USG Close The Gap?



*Hopefully, fiscal prudence will trump political largess.*

# Increased Taxes

- The tyranny of \$T will force governments increase taxes to cover shortfalls:
  - Federal taxes on businesses, high and middle income will increase. It may be necessary to institute a new tax system, like a national sales tax or flat tax.
  - Insolvent states will increase or impose new income, real estate and sales taxes.
  - City/municipal taxes (licensing, registration, utility) will increase.
- Negative factors of increased taxation:
  - Can limit or curtail the impact of stimulus programs.
  - Redistribution of capital via taxation contributes to the inflation equation.
  - Decreases economic incentive and motivates businesses to move jobs offshore.
  - Tax cheating, evasion and hostilities could increase like the Great Depression.



During the Great Depression, a dozen of the wealthiest Americans, who hated President Roosevelt's New Deal programs and high taxes on the rich, developed a plan to overthrow the president and install a fascist government. They approached MajGen Butler to lead a coup d'état with an army of 500,000 men. Butler exposed the plot to Congress who quietly broke up the conspiracy.

***Increased taxes have a negative impact on corporate expansion and jobs creation which are critical for a sustained economic recovery.***

# Concluding Thoughts

- **Genuine recovery:** Recovery can only be achieved when the infusion of \$trillions worth of stimuli end and the economy operates on its own power.
- **Good management:** Current, new foreign and domestic, potential and unknown factors all need to be successfully managed in order for economic recovery.
  - A comprehensive, system-of-systems, approach is needed.
  - We can handle one crisis at a time. Multiple simultaneous crises could create an economic perfect storm that could shipwreck our nation.
- **Productivity:** The most important factor for future recovery is closing the gap between spending and revenues via increased productivity, innovation, and efficiency. Of these three, productivity is the most important.
  - Revenues are mainly collected by taxation on productive businesses that employ individuals.
  - Since small businesses employ the majority of Americans, these enterprises must be bolstered and incentivized to a greater extent than currently planned.
  - The US government needs to oversee, not manage, big businesses.
  - Business needs to be viewed as an answer not as a problem or checkbook.

*The Obama Administration has the imperative, the talent and political clout to achieve a genuine recovery.*



# Questions?

## *Contact Data:*

Chuck Vollmer

President VII Inc.

1645 White Pine Drive

Vienna, VA 22182

[www.viiinc.com](http://www.viiinc.com)

[chuck.vollmer@viiinc.com](mailto:chuck.vollmer@viiinc.com)

703-319-2090