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THE MALARIAL ECONOMY

You can`t make good investment decisions without a model of the economy, a theoretical structure that has stood the test of time. Scientists have been developing, refining, modifying and testing such a model for ten years, and it works. They call it the Malarial Economy, malaria being a disease characterized by chills and fever.

The malarial economy consists of alternating bouts of inflation (fever) and recession (chills), with each inflation phase reaching new highs, and each recession deeper than the previous one. As this is written, we are between phases and about to begin a new bout of fever.

Initially we became infected whit economic malaria in World War Two, but we got a really massive dose during the Vietnam War, when Lyndon Johnson went for guns and butter at the same time, creating inflationary money to fund what were then considered to be huge deficits, although they would be penny ante stuff today.

The root cause of the malaria is inflation, which in all times and in all places has always been a monetary phenomenon – an expansion in the supply of money, and/ora deterioration in its value, combined with an increase in the speed with which it moves through the economy.

The Germans experienced the most dramatic inflation in modern history when they began printing money in 1919 until, by 1923, it proliferated to the point where it wasn`t worth anything.

The French tried to create wealth and prosperity by printing money in the 1790s. They too created a spectacular inflation which eventually resulted in the total destruction of the value of their currency.

The Romans created a massive inflation by increasing the number of coins in circulation, or by diluting their value when they added base metals or made them smaller. They eventually issued coins that were just made of base metals. They even tried wooden coins and ordered them to be accepted upon pain of death. Even then, the coins were rejected, and the disintegration of the currency, and the accompanying inflation, demoralized the Roman Empire and contributed to its final collapse.

Inflation can even be caused by gold. The Spanish conquistadors brought back huge quantities of gold from the New World. This more than doubled the money supply, which were strictly gold and silver coins. The resulting European inflation lasted a hundred years.

The mechanism is often different, but the process is the same. Inflation is not raising princes. It is diluted, shrinking money. It is watering the milk. The supply is expanded, and the value of each unit shrinks. And it almost always results from a desire to create wealth out of nothing by going into debt and "monetizing" that debt (printing money to cover it, a process I will explain in more detail later).

The Malarial Cycle is rooted in one basic fundamental – people want benefits that they are not willing to pay for now. They create debts that don`t come due until the next generation, than monetize them and spend the money now.

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UBEZPIECZENIE ŻYCIA NA UKRAINIE: KORZYŚCI I PROBLEMY ROZWOJU

Ubezpieczenie na życie jest strategicznie ważnym elementem ochrony ubezpieczeniowej ludności kraju. Zapewnia długoterminowe inwestycje w