

Dear Liz, something to cheer you up, when all is dark.

By Nick Ray Ball Oct 20<sup>th</sup>, 2022.

(+ Slight update on Oct 24, 2022, and Jan 12, 2023)

Dear Liz Truss,

**I thought your actions today were brave**, indeed I thought — after your victory over Richie, that your strategy was brave.

I agree that traditional economics is not enough to create the growth England needs what with the ageing population, IT skills gap vs China et al., and given the cards, you were given, what with the UK leaving Europe — **Something adventurous was necessary.**

**Unfortunately, in macroeconomics, there is a 3<sup>rd</sup> key factor, expectations!** And with the **loss-averse media only showing negative messages**, and traders being imperfect humans, they reacted to the loss-averse negative media messaging and your bold, but incomplete growth strategy, was scuppered by media-fuelled negative expectations.

**For example, inflation.**

1. The narrative is that inflation is bad, particularly for the poorest, but they don't include the exception that inflation is bad for the poorest, except for the poorest who have considerable debt, who one can reason is quite a lot, not that's it's a good argument for inflation, but it would cushion the blow for some.
2. No one has aired the point that if GDP rises close to inflation, which of course is far from certain, but in theory, if everything costs 10% more, then if you increase the money supply by say; lowering taxes, then GDP could, in theory, rise with inflation.  
And if so given 3 years of 10% inflation, even with zero real growth but 10% inflated growth, then the Debt-to-GDP ratio would lower by 30%, so making the cost of borrowing, in theory, and historically in practice — significantly lower.

For sure the national debt would cost 30% less, and that could be spent on infrastructure projects — with a more than 2:1 Keynesian Multiplier.

Which I appreciate is a high benchmark, but really it isn't if you have the right **dynamic comparative advantage strategy** — and can attract 3:1 investment (commercial £300b and gov £100b).

If so then government invests £100 billion, and private investment adds £300 billion, then you have £400 billion, and if the government, by all local and federal taxes rakes in say 35% then you have £400 billion x 35% = £140 billion in taxes in, for a £100 billion outlay that in any case will have built something that they own 25% of. (See later T9. Grand Spin Networks), whereafter the government could carry on doing the same, every year, for so long as their dynamic comparative advantage strategy can attract 3:1 investment — and that is a good 'growth theory.'

As for inflation and the value of the pound:

3. Stiglitz, or was it, Roderick, (hmm I'll have to check that), but one made an argument that countries like Spain, Italy and Portugal are hamstrung by the Euro, because whereas we, the US and countries, not in the Euro, with respected currencies could devalue their currency on purpose, to make their exports more competitive (the argument was specific to against Germany but why not use it generally).

Such an action lowers the cost of salaries without the workers having to take a pay cut, or be laid off, if necessary. Sure, this is controversial, but it's written by either a US Democratic Nobel Prize winner who in my reading has been cited more than any other economist, or a Turkish American who should and probably will a Nobel prize in the future.

4. Further on both inflation and the value of the pound, following criticism from the BOE, I thought that was a bit rich considering they (and to be fair) most other western economies followed the Japanese model of QE which artificially kept interest rates so low for so long by creating money and buying their bonds back, which is kind of against the gravity of money, which is in my opinion as much to blame for market instability as anything else. But you never hear about that.

Except for the last, all good arguments to take away the doom and gloom, but these arguments are not made, let alone debated on mainstream television or radio.

Instead following the idea of **Loss Aversion** by **Kahneman and Tversky** (1971) made mainstream in economics by Noble prize winner **Richard Thaler** in *Misbehaving* in his and Cass Sunstein's classic *Nudge* (2008) — The media, and let's face it, politics has adopted loss aversion.

**Loss Aversion:** That the pain of loss is twice as motivating as the joy of gain, and so chasing popularity the media shows the pain of loss is twice as much as the joy of gain and yep, your strategy got no good press and as **Harvard's David A. Moss** points out **the third rule of macroeconomics is expectations** and if the world is flooded with negative expectations by the media and politicians then well, **grand ideas can unravel, and this was your bad luck.**

For my part, even though I was sceptical when you announced your candidacy, I reacted in the way I hoped the rest of the country would, I showed my support, in fact, I joined the Conservative Party that day.

I received my acceptance letter yesterday; **I am Nick Ball member #5300 73501** (Epsom and Ewell).

**This was mostly due to** my recent US allegiance **swopping from Democratic to Republican** (*You can thank Peter Theil for that*), but still I joined, but when I saw the media storm a week later, I knew there was trouble, a bold strategy, and a risky strategy, that unfortunately, did not play out.

You played your best hand, given the Brexit catastrophe, that no one is talking about, but **you were unlucky.**

I thought your decision today was brave, having played and lost, you knew it was in the best interest of the country to leave the game. **That took guts and intelligence.**

I'll not say that I can turn your worst day into your best day as I wrote to Kwasi Kwarteng just a week ago because your day is far worse than his.

But you are clever, that was your main attribute, so you should be able to follow what I am presenting. **You need luck of course, as the gatekeeper who reads your emails, will need to understand what I'm saying,** and feel that this may cheer you up — that's your luck or not.

But if you do receive this luck, you will have hope for our country and having just completed one heck of a turnaround journey myself, **I can coach you on how not to survive, but how to thrive, in the face of utter defeat.**

Whilst you need a login to see it, and I'm not giving that in an email — that will be read by either — no one — or many people — before it gets to you, you can see an interesting figure in the following URL: [www.s-world.org/\\$1039\\_Trillion\\_BASIC.php](http://www.s-world.org/$1039_Trillion_BASIC.php)

In fact, for this, Jan 12, 2023 edit, I can now give a public link to that document and some introductory text.

[https://nickrayball.com/#3\\_\\$1039\\_Trillion\\_BASIC](https://nickrayball.com/#3_$1039_Trillion_BASIC)

And the original is [https://nickrayball.com/\\$1039\\_Trillion\\_BASIC.php](https://nickrayball.com/$1039_Trillion_BASIC.php)

## **\$1039 Trillion BASIC**

**So, to clarify, that's \$1039 trillion discounted to today's value of money, to see**

As you can see, I started with development economics, and the world's poorest country by GDP per capita in 2018 — Malawi and build them up from — Zero to One percent of GDP by 2080, or in History 2 (see video at the bottom of the page) by 2051, when including trade.

Then, I discount this to today's value of money, and because in History 3 there is no trade (as most would understand it) it's a non-zero-sum game and so without any losers, as the increase to GDP is 90% to 99.5% **created and consumed in the host country** one can, in theory, replicate the model in the world's poorest 100 countries creating the \$1039 trillion discounted cash flow figure.

Inflation, in the host country, is not a factor as I worked in USD, not local currency, and the initial GDP figures are so low relative to how many dollars there are there is no problem when the money/output supply is **sped up** 32 times (32x)

However, the model is costly to start (maybe \$50 or \$100 billion) (5x the host country's (Malawi's) 2018 GDP), as we needed to build 99% of the infrastructure from scratch. And this is a lot of money even for the Gates's, Buffett's, and Branson's of the world.

But **importantly**, the **T8. Net-Zero DCA Soft.** — Dynamic Comparative Advantage (software component) and the **T9. Grand Špin Network's** (Cities) **solve two of the world's biggest problems, global warming in future developing nations and economic immigration.**

So if adapted to western economies which already have the infrastructure, or at least enough of it, the timeframe could be sped up from 10 years to make a significant financial splash, to about one or two years — and so, **if I could solve the inflation problem in western economies**, it would, in theory, prove the model and assist the world, just like the original plan I set out my first economic work American Butterfly.org in 2012 – [The Theory of Every Business](#) and follow up books based on [quantum mechanics](#) and [string theory](#), from which the original T7. Š-ŘÉŠ™ and The City, and later Š-ŘÉŠ™2021—⊃≥ÉL monetary/production velocity (= growth) idea was created.

So, **about 18 months back**, I started to sketch out **UK Butterfly** ahead of a US adoption, a prototype if you like.

### **So how did I solve the inflation problem?**

Well, I actually did this back in 2016, but did not have the words to describe it until — inspired in large part by the simple book; 'Can't We Just Print More Money?' by: Rupal Patel, The Bank of England and Jack Meaning.

As I wrote a postscript to my premiere work **the S-World Algorithms** — Introduction Aug 1<sup>st</sup>, 2022, with the title:

When The Ten 10 Technologies Pivoted on Price and How This Makes Inflation Our Bitch!

<https://www.s-world.org/The-S-World-Algorithms.php#Introduction-Postscript-3>. But sorry, you need a login to read this.

And I'm sorry about the title, it was an exuberant moment.

What I have not disclosed so far is that **my economic system Š-ŘÉŠ™2021—⊃≥ÉL is but one of The 10 Technologies.** Which in laymen's terms are collectively (As if it were) **AGI.**

AGI is Artificial General Intelligence, theorised by ML and infra developers — as the

technology that will change the world in immeasurable beneficial ways a few decades from now. (Maybe, maybe not (if in the wrong hands)).

'As-if' AGI is my design/interpretation — The 10 Technologies are a combinatorial AI, and critically combine human and AI technology to create as-if AGI which is achievable now, no new breakthroughs in technologies are required to complete the design, and the punchline in terms of inflation is that in 2016 after 5 years of solid work, I had to throw the entire design in the trash due to the diminishing returns of using third party software in API systems (server to database connections) — and when I restarted...

I started with only one common factor - **price**, and over the next six years I rebuilt the system (inspired by quantum mechanics, string theory and more recently LQG) upon price, **so above all, it can control prices, within its economy.**

And so we can use T7 (the seventh of the 10 technologies) Š-RÉŠ™2021—□≥ÉL in western economies and create determined economics (monopoly economics, but as it is so beneficial (see SuEc book 3 - [Sixty-Four Reasons Why](#) Summary (as sent to Kate Raworth and thrown in the bin by her gatekeeper in February 2020) — no one will mind the monopoly element,

Because the GDP created is mostly created for the people and consumed by the people who exist in the host country, and to top that off — my first economic idea from 2011 - POP (financial gravity) — as the economy expands its ownership is by default spread out more and more amongst its personnel (its workforce, who by the way would lose their equity if they were to strike).

It's all part of T8. Net-Zero DCA. Which is best presented in my 406-page 2018 to 2020 SuEc Book 3. [Sixty-Four Reasons Why - Book](#) which you can read, without a login.

Further, you can also read the two books from 2020/2021 on Technology 7 S-RES here: ~~S-RES and The City~~[S-RES and The City](#) and here; [S-RES and The City — Addendums and Underlying Assumptions](#)

Best Regards, and Chin Up

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Other websites:

[www.S-World.org](http://www.S-World.org) (+ 12 others) (2021 2023)

[www.CapeVillas.com](http://www.CapeVillas.com) (+19 others) (2000 to 2023)

[www.AmericanButterfly.org](http://www.AmericanButterfly.org) (2012)

[www.AngelTheory.org](http://www.AngelTheory.org) (2017)

[www.Supereconomics.ai](http://www.Supereconomics.ai) (2021)