The Jubilee Period and the Kondratieff Wave

If one superimposes the last five Jubilees on the Kondratieff wave, it becomes apparent that there is a strong correlation. Compare the Kondratieff wave bottoms to the Jubilee cycle. The amazing result is detailed in the chart, with the red dashed lines marking the Jubilees.

At or near the bottom of every *long wave cycle* lies the actual time of the biblical year of Jubilee! Moreover, in those few cases where the Kondratieff wave did not end at a Jubilee, there is usually a severe downturn. This is in the cases for which we have data, such as the **1987** to **1992** recession.

I also note some data that are not on the chart. The Tulip bubble crashed in **1637** in the **43**rd year of the Jubilee cycle, just six years before the Jubilee. Prechter shows a minor dip in **1740** in the **48**th year of the Jubilee (pg. **451**). As noted above, the **1987** stock market crash (a Jubilee year) did not really see the end of the cycle. It only produced a <u>severe recession</u>. Supposing the Kondratieff wave could be detected as far back as **1260**, this author has seen nothing to rule out further correlation with the timing of the biblical Jubilee cycle.

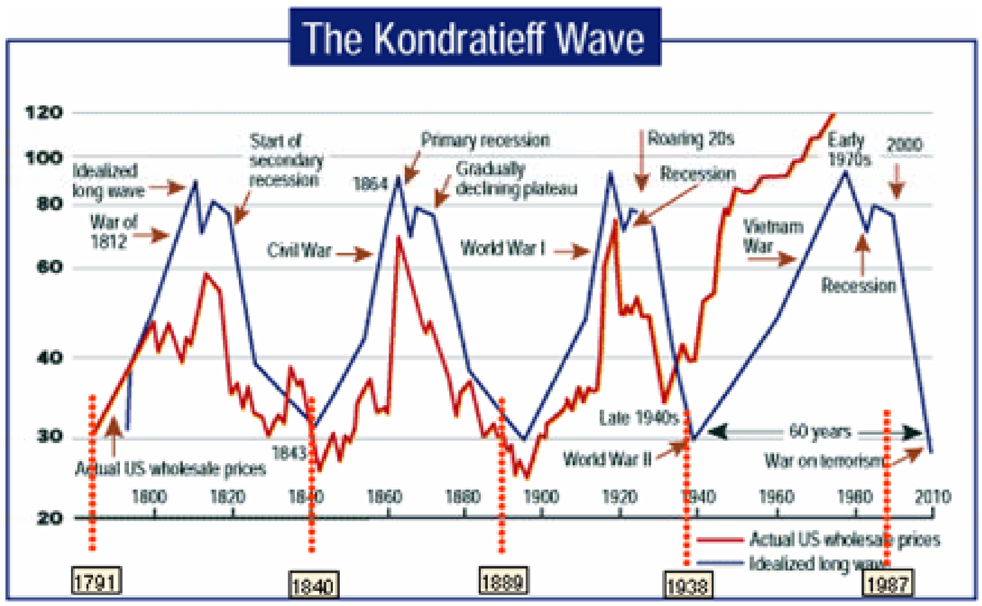
Not every economic downturn corresponds to a Jubilee. The cycle from **1720-22** ended in **1784**, some **62** years later. While the average is **50** years or so, there can be deviations in unusual circumstances, such as was the case with the unusual speculation of the South Sea Bubble.[408] By observing the unusual factors that might drive a particular long credit/debt cycle to extremes we can explain the anomalies. This **62**-year long cycle compares to the present cycle very well, and the reasons it is longer than usual are not hard to find.

If we start in **1949**, the last bottom, and add **62,** we end up on **2011**. By his calculation, Robert Prechter predicts a bottom between **2003** and **2011**. I believe we will hit bottom in **2007**. The prolonging of the current cycle is explained by the discovery of cheap oil in the **1930's** in the Middle East, and the Central Bank's exploitation of this asset via *fractional-reserve banking* to prolong their credit expansion until Peak Oil is reached. The Banking system that would have collapsed much sooner has been saved by cheap energy prices.

No one really knows when the end of the next credit cycle after this one may occur. It is likely that the crash will be so severe that there will be a long delay before the worldwide economy rebalances itself after washing out excess debt and unbalanced trade. Naturally, one could probably time a **50** year period from the start of the next expansion, but a long deep bottom is going to occur which will rival the economic bottom after the fall of the Roman Empire. It could be that the depression is continuous and lasts until the next Jubilee in **2035**.

The depression will begin in **2007**, and the world will never recover from it. In fact, the world may have to give up their trust in *fiat* paper currency for a time. They will turn to gold and silver, and the middle east will be revalued, where there will be a local recovery.

The government managed to depress oil prices once



more in late **2006** by getting a major brokerage company to change its index weighting of unleaded gasoline futures. This caused the net selling of oil futures in a situation where the fundamental supply and demand outlook did not warrant it. The world is simply consuming its stockpiles.

Stephen Leeb, *The Coming Economic Collapse,* predicts that oil will reach $**200** per barrel. Certainly, the occurrence of Peak Oil, Peak Debt, and the end of the Kondratieff cycle portend an ill forecast for the world.[409]

408 The **54**-year average itself may be in error, since the modern data upon which it is based only goes back to **1784**, or it may be the average in the last three centuries, while the average in preceding centuries may have been a bit shorter, say **48** years allowing for an overall average of **49** years.

409 There is much controversy about Peak Oil. Peak Oil is not the exhaustion of oil supplies or production. It is the moment of maximum output. Actual supplies will go into a very slow decline after the maximum, and abundant coal supplies provide the necessary resources for the world to transition to alterative energy. Peak Debt, and a pessimistic and disruptive transition period will result in war and depression. Oil prices may rise dramatically as long as world industry believes it is not in a depression, just long enough to trigger the unwinding of the Kondratieff wave in a Grand Supercycle Depression. The resultant depression will make it impossible for the energy resources to get to the market, even if it is agreed that they are abundant. The Peak Oil chart is from Richard Duncan's Olduvai Theory paper (cf. www.dieoff.org).

Master Index Webpage For This book
www.torahtimes.org/book/