Preface [1]

<div align="right">7 April 2015</div>

Actual data in this world come from statistics research. Nobody denies that statistics data always change and never repeat the same results. Despite this, researchers and economists suppose there exists a constant situation in equilibrium and they look for rules and principles. Results in the long run clearly constitute some cyclical stream. These phenomena continue and human sciences extend and progress little by little in reality. In science, physics and chemistry are expressed in multi-dimensional planes but our social and economic sciences clearly remain within two- or three- dimensional planes with time transition.

This book is entitled, "*Hyperbola Economics towards A Utopian Economy in Reality*," (hereunder the *HEU*). Data used for the *HEU* originally are 'purely endogenous.' The purely endogenous data have produced their own database since 2007. The version (expressed by V) applied to actual data has progressed little by little. The *HEU*, 2015, uses V9.15, published in 2015 and covering from 1960 to 2013. Note: (1) the year difference between publishing and formulating is two years and also (2) the planes in V series are two-dimensional, where (1) and (2) are held definitely in the future.

The author presents mechanical structure questions following the above background and also, perceiving history=practice=theory, which are rich in culture and civilization diversity by country.

Primary and Essential Question: Is the current economic policy wrong in Japan, where the real wage rate falls into minus growth continuously over years and , the proportion of consumption in GDP has never increased since 1991?
Ideas and philosophical aspects:
(Q1) Is this true that democracy and capitalism have reach a dead end?
(Q2) Is this world rapidly getting into unbalanced and disequilibrium-oriented state?
(Q3) Is this true that goodness on the earth must spread the universe into unlimited space helped by good humans and aliens?

(Q4) Is this true that behavior, actions, activities, and history commonly exist and unite throughout space, even beyond space and time?

Methodological questions:
(Q5) Why has the author taken up the case of economic analysis in Japan since 1991?
(Q6) Is this true that politics and economy are indispensably united as shown by 'Political Economy, Chicago' in literature?
(Q7) Does there exist a united methodology to tie statistics data with endogenous data in the representative databases and/or data-files?
(Q8) Is it possible for a science to be purely endogenous, where models and systems hold each its own assumptions set by the author?
(Q9) Is it possible for any methodology to be commonly comparable to all other models and systems?

The author here answers each question, A1 to A9, as modestly and precisely as the author could express understandably with no equation and no assumption but by abbreviating corresponding measurements.

Answer to Primary and Essential Question: Seemingly, to some extent, but not essentially.   Ultimate answer is yes -- we enjoy our life, beyond space and time. Why? All the actual data are always within a certain range of purely endogenous data, as shown empirically since 1960 to 2013 for 86 countries.   The years for convergence typically show this fact.   Shocks make an instant unbalance and disequilibrium recovers immediately.   Why?   Earth endogenous system (the *EES*, 2013, 2014) presents and proves that ten thousand equations hold under no assumptions algebraically and the *HEU* evidences the same results=causes geometrically and consistently with the *EES*.

(A1): The author perceives that any idea and method are right from their aspect and situation.   The author does not make any enemy based on agriculture that make humans live on rice seeds.   We perceive that political democracy is naturally votes- and money-oriented, which are both indispensable.   The author proves that a maxed rate of return/profits was achieved with minimum net investment under full-employment and with no inflation/deflation.   As a result,

democracy and capitalism go together and march thankfully and happily, where body and mind are mostly composed in an individual's life by family.

(A2): No, never.   The hyperbola philosophy implies that the less balance (or less equilibrium) the more robustness in reversed balance and equilibrium.   Note: this fact simply holds by using hyperbola in two-dimensional plane.

(A3): The hyperbola philosophy implies that the less goodness (seen) the more robustness in reversed goodness (unseen).   We cannot be afraid of the dark side of human life.   Badness is essentially required for goodness reaction, regardless of seen or unseen.   This fact intuitively holds by using hyperbola in two-dimensional plane.

(A4): Yes, it is definitely true.   This is because the *EES* and the *HEU* have verified this truth, beyond space and time.

(A5): This is because Japan has spent as much as possible government consumption in budgeting since 1991-- the worst country in the world compared with GDP=Y.   Why?   A unique reason is that the rate of return/profits is maximized when deficit is zero with corresponding GDP growth.   It implies that reversed side of the worst appears in individual endless desires. Or the difference between public consensus of individuals and government policies is enlarged. This difference is balanced instantly and strongly makes up people's righteousness.   Democracy never dies for, of, and by people.   Nature always pays attention to individual life-system.

(A6): Political economy makes sense but, under the hyperbola philosophy.   The *EES* and the *HEU* are neutral to politics and spirituality, where individuals enjoy happy life time with faithful confidence (see six neutralities by aspect).

(A7): No.   Not, except for the *EES* and the *HEU*.   Why not?   This is indispensable since the market principles are vertical by goods and services, each using the price level.   We must accept it obediently and modestly.   We need an organic system that ties vertical with horizontal parallel and simultaneously, by reinforcing the market principles.

(A8): There are a lot of endogenous substitutes, from purely endogenous to least endogenous.   Natural sciences are clearly closer to Nature/God while social and economic sciences are least close to Nature/God or absolute existence. Absolute existence might have a rule for humans to have space and time to execute whatever learning by doing.   Assumptions are a means or excuse for justifying social and economic sciences.   Learning by doing is an extended goal to individuals.   We perceive horizontal thread.   When social and economic science turns closer to Nature, we see, this science runs along Utopian roads and paths, under spiritual neutrality.

(A9): Yes, ultimately.   The GDP-based database of V9.15 contributes to a new try and error economic analysis.   Why?   All the databases and data-files in the world are available and, all the papers and books by numerous authors are now comparable in ideas and methods, relying on statistics research hitherto, where actual and purely endogenous ones are completely united, as evidenced in the *HEU* by chapter.   Note: net (after depreciation) investment in the literature distinguishes quality (the price level) from quantity (the physical volume). Purely endogenous system expresses a tied--up unity of quality and quantity but consistently with quality and quantity in the literature due to the vertical character.

Therefore, there is no problem in the rate of return and GDP growth.   It implies that the higher the inflation rate, the higher the GDP growth but no others. In this sense, the author respects the discovery of the tie between returns/profits and GDP growth.   The author calls the tie an exogenous or endogenous coefficient.   Without fore-runners and pioneers, sciences do not progress.

Lastly, *perfect competition* cannot be an assumption even in literature. *Perfect competition* is another word of the market principles as 'next to Nature/God.'   We can accept assumptions of the market principles, except *perfect competition*.

Let us communicate with aliens in the universe for universe peaceful cooperation established by the good side of earthlings and aliens.

Table P-1 Three discoveries under the market principles

Classification by endogenous and exogenous	Mechanical characteristics
I. Consistency holds; purely endogenous with no assumption and under perfect competition	1. discrete=continuous differential causes=results, with no forecasting
II. Consistency holds; both endogenous and exogenous	2. average=marginal* (see Cases 1 to 12 below)
III. Consistency never holds; endogenous and/or external	3. exogenous results, particularly and also wholly

Note: * originally, Kamiryo, H., "Capital funds, flow and stock," (1968, Tokyo: JPC, 260p., one of three series)

The author has published 28 books, recorded as best sellers year by year in Tokyo, most of which were published by Kinzai Institute for Financial Affairs, Inc., which is a unique subsidy of the Ministry of Finance, Japan.   Our MIT graduation world trip was held in the fall of 1973, when the Minister was FUKUDA Takeo at that time.   Merry and warm-hearted FUKUDA treated us, 50 MS students in his meeting-room for three hours, neglecting the one hour set by his secretary.   Fukuda has loved me for my personality not for my best-sellers.

Table P-2

LHS: Average and marginal rates (%) of nominal, real, and inflation/deflation, by case

RHS: The same data as the LHS but, under inflation rate=deflation rate=zero

Inflation Average	nominal	real	inflation	nominal	real	Deflation inflation	Inflation Average	nominal	real	inflation	nominal	real	Deflation inflation
Case 1	4.000	2.000	2.000	2.000	3.500	-1.500	Case 1	4.000	4.000	0.000	2.000	2.000	0.000
Case 2	3.500	1.500	2.000	1.500	3.000	-1.500	Case 2	3.500	3.500	0.000	1.500	1.500	0.000
Case 3	3.000	1.000	2.000	1.000	2.500	-1.500	Case 3	3.000	3.000	0.000	1.000	1.000	0.000
Case 4	2.500	0.500	2.000	0.500	2.000	-1.500	Case 4	2.500	2.500	0.000	0.500	0.500	0.000
Case 5	2.000	0.000	2.000	0.000	1.500	-1.500	Case 5	2.000	2.000	0.000	0.000	0.000	0.000
Case 6	1.500	-0.500	2.000	-0.500	1.000	-1.500	Case 6	1.500	1.500	0.000	-0.500	-0.500	0.000
Case 7	1.000	-1.000	2.000	-1.000	0.500	-1.500	Case 7	1.000	1.000	0.000	-1.000	-1.000	0.000
Case 8	0.500	-1.500	2.000	-1.500	0.000	-1.500	Case 8	0.500	0.500	0.000	-1.500	-1.500	0.000
Case 9	0.000	-2.000	2.000	-2.000	-0.500	-1.500	Case 9	0.000	0.000	0.000	-2.000	-2.000	0.000
Case 10				-2.500	-1.000	-1.500	Case 10				-2.500	-2.500	0.000
Case 11				-3.000	-1.500	-1.500	Case 11				-3.000	-3.000	0.000
Case 12				-3.500	-2.000	-1.500	Case 12	A situation under no inflation/deflation			-3.500	-3.500	0.000

Marginal	nominal	real	inflation	nominal	real	inflation	Marginal	nominal	real	inflation	nominal	real	Deflation inflation
Case 1	-0.500	-0.500	0.000	-0.500	-0.500	0.000	Case 1	-0.500	-0.500	0.000	-0.500	-0.500	0.000
Case 2	-0.500	-0.500	0.000	-0.500	-0.500	0.000	Case 2	-0.500	-0.500	0.000	-0.500	-0.500	0.000
Case 3	-0.500	-0.500	0.000	-0.500	-0.500	0.000	Case 3	-0.500	-0.500	0.000	-0.500	-0.500	0.000
Case 4	-0.500	-0.500	0.000	-0.500	-0.500	0.000	Case 4	-0.500	-0.500	0.000	-0.500	-0.500	0.000
Case 5	-0.500	-0.500	0.000	-0.500	-0.500	0.000	Case 5	-0.500	-0.500	0.000	-0.500	-0.500	0.000
Case 6	-0.500	-0.500	0.000	-0.500	-0.500	0.000	Case 6	-0.500	-0.500	0.000	-0.500	-0.500	0.000
Case 7	-0.500	-0.500	0.000	-0.500	-0.500	0.000	Case 7	-0.500	-0.500	0.000	-0.500	-0.500	0.000
Case 8	-0.500	-0.500	0.000	-0.500	-0.500	0.000	Case 8	-0.500	-0.500	0.000	-0.500	-0.500	0.000
Case 9	-0.500	-0.500	0.000	-0.500	-0.500	0.000	Case 9	-0.500	-0.500	0.000	-0.500	-0.500	0.000
Case 10				-0.500	-0.500	0.000	Case 10				-0.500	-0.500	0.000
Case 11				-0.500	-0.500	0.000	Case 11				-0.500	-0.500	0.000
Case 12				-0.500	-0.500	0.000	Case 12	A situation under no inflation/deflation			-0.500	-0.500	0.000

Water color painting drawn by EmProf. of Arts, UDAGAWA, Kyushu Sangyo (Industrial) University, Fukuoka.   Last fall 2014, he was celebrated for 55 years of painting (as a student of Ryohei KOISO) and also for 30 years as President of this university.

This water color is a gift from Prof. and Mrs. Norito UDAGAWA, my teacher of painting since 1979, when they invited me to a 'paradise' lunch at their country cottage, Imajuku, on 5 April 2015.   Unbelievably, I knocked at KOISO's house and boldly I was able to enjoy invaluable talks for a few hours, when I was a one-year trainee of Japan Productivity Center (JPC, the current Social and Economic Center).   For details, see Table P-1 above.