

DIGITAL FRAUD AUDIT SERIES · DIVERGENCE REFERENCE — INTERACTIVE

**The Divergence:
Production vs. People**

Annotated Interactive Chart with Legislative Event Markers, 1948-2025

SOURCES	SEC FILING	DOCUMENT
EPI · FRED · BLS · ShadowStats	No. 17684-273-411-436 · Jan 14, 2026	Divergence Reference — Interactive
PUBLISHED		
March 2026		
	+261%	
	Productivity growth	
	1948 → 2024	
	+122%	
	Real compensation growth	
	1948 → 2024	
	139 pts	
	The Gap — value created, not returned to workers	
	122%	
	Debt-to-GDP in 2024 — the bill for The Gap	

PRIMARY EVIDENCE

The Annotated Divergence Chart

INTERACTIVE CHART — VIEW IN BROWSER

This document contains an interactive Chart.js visualization.
Open the HTML version to interact with the annotated Divergence chart, toggle data layers, and hover for exact values.

Chart Summary: Productivity Index rose 261% (1948-2024). Real Compensation rose 122%.
The Gap: 139 index points. U.S. Debt/GDP: 122%. Labor Force Participation: declining since 2000.
Five legislative inflection points marked: 1971 Nixon Shock · 1974 Trade Act §151 · 1994 NAFTA · 2000 CFMA · 2008 Bailout.

Hover over the chart to read exact values. Click the layer toggles above to isolate specific series. Vertical dashed lines mark five pivotal legislative events — click each event card below for detail. **Left axis:** Index (1948=100) for Productivity and Compensation. **Right axis:** Percentage (%) for Debt-to-GDP and Labor Force Participation.



LEGISLATIVE ANCHORS

The Five Inflection Points — Why the Lines Separated

The Divergence chart does not show a market outcome. It shows a policy sequence. Each inflection point in the data corresponds precisely to a legislative act — not a technological disruption, not globalization, not a demographic shift.

1948–1971

The Baseline — Bretton Woods

Dollar anchored to gold at \$35/oz. Productivity and compensation rise in lockstep. Workers capture the gains they produce. The Gap does not exist yet.

1971 — Nixon Shock

The Rupture — Gold Standard Abandoned

Nixon invokes the Trading with the Enemy Act to unilaterally abandon Bretton Woods. The external monetary constraint on extraction is removed. The Gap opens for the first time.

1974 — Trade Act §151

Fast Track — Labor Law Bypassed

Section 151 grants the Executive Branch authority to renegotiate domestic labor regulations through trade agreements, bypassing Congressional amendment. The mechanism for exporting the Gap is created.

1994 — NAFTA Chapter 11

ISDS — Pay-to-Regulate Regime

Investor-State Dispute Settlement creates a private arbitration layer above domestic courts. Governments may legislate for workers only if they can afford the arbitration damages corporations claim as "lost expected profits." The Gap is legally protected.

2000 — CFMA

Commodity Futures Modernization Act

Removes regulatory visibility from \$531 trillion in derivatives. The Shadow Ledger is created — a parallel financial system whose growth requires the Gap as its collateral base. Debt-to-GDP begins its vertical climb.

2008 — The Transfer

Bailout — Private Debt Becomes Public

Shadow banking losses transferred to the public balance sheet. The Gap does not close. Debt-to-GDP crosses 70% and begins accelerating toward 122%. Workers did not receive the sequestered value — they received the debt that financed it.



THE EVIDENCE

What the Chart Proves — and What It Cannot Prove Alone

The Divergence chart establishes three conclusions beyond reasonable statistical dispute:

The divergence is real and sustained. Productivity rose approximately 261% from 1948 to 2024; real hourly compensation rose approximately 122%. This is confirmed independently by the Economic Policy Institute, the Bureau of Labor Statistics, and the Federal Reserve using separate methodologies. The gap is not a measurement artifact.

The divergence is not explained by technology or globalization. Both metrics rose together during the post-war era when globalization was already underway and technological change was rapid. The separation begins at a specific year — 1971 — and accelerates at subsequent specific years that correspond to legislative events, not market conditions. Technology made workers more productive. The Post-1980 trend line (red dashed) shows productivity accelerating precisely as compensation stopped growing. Workers created more value per hour; they were paid less of it.

The 2008 bailout did not close the gap. The Debt-to-GDP line shows that the government absorbed the Shadow Ledger's losses — but the productivity-pay gap did not recover. The public took the liability. The sequestered value remained in the corporate sector.

CHART FEATURE	WHAT IT SHOWS	SUPPORTING DOCUMENT
Lines converge 1948-1971	Workers captured the gains they produced — this is what a functional labor market looks like	Chapter 1, Part I — Historical Template
Gap opens at 1971	Monetary constraint on extraction removed; Nixon Shock	Chapter 1, Part II — Phase 1 (1971)
Post-1980 trend acceleration	Productivity accelerates precisely as compensation stops growing — disproves "technology replaced workers" narrative	Chapter 1, Section 3.3; EPI Productivity-Pay Gap
Gap reaches 87 pts by 2000	CFMA eliminates regulatory visibility; the Shadow Ledger is created with the Gap as its collateral base	Chapter 1, Part II — Phase 3; Index B
Debt/GDP climbs post-2008	The Gap's debt transferred to public balance sheet; workers did not receive the sequestered value — they received the bill	Index B — Master Fraud Data Table
LFP declining post-2000	Workers exiting the labor market — the Gap becomes so wide that participation itself declines	FRED LBSSA41 (Oregon); BLS National LFP
Gap holds at 139 pts in 2024	No recovery. The Terminal State — the system has no path to equilibrium within its current architecture	Index B — SDI Phase 4 Terminal Classification

Table 1. Each visible chart feature, its forensic interpretation, and its supporting document in the audit series.

WHAT THIS CHART MEANS
The Gap Is the Shadow Ledger Made Visible

The gray shading between the two lines is not an abstraction. It is 139 index points of value created by American workers between 1948 and 2025 that did not appear in their paychecks. That value was not destroyed. It was rerouted — into corporate profits, into the financial sector, into the derivatives market that requires the Gap as its collateral base.

The Debt-to-GDP line on the right axis shows where the bill arrived: on the public balance sheet, transferred there in 2008 when the Shadow Ledger's private debts became too large to conceal. Workers did not receive the sequestered value — they received the debt that made the sequestration possible.

The Divergence chart is the empirical anchor for the entire audit series. Every legal argument, every legislative timeline, every case study of platform fraud traces back to this image: **the moment the lines separated, and the decades they refused to converge again.** The system did not fail. It extracted. This chart is the proof.