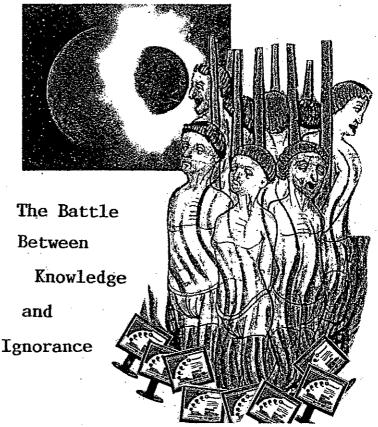


Bonfire of the Analysts

The Clash

of.

Two Worlds



Bonfire of the Analysts

By: Martin A. Armstrong

Former Chairman of Princeton Economics International, Ltd. and the Foundation For The Study of Cycles

HE GREATEST DIRTY LITTLE SECRET that appears to be untold in depths of the average American community, is the wholesale acceptance of CYCLES that define how the economy and the world at large functions. Perhaps because I was always an institutional advisor and not retail, I was not accustomed to anyone even questioning the existence of the complexity of cycles. For you see, in the professional world, cycles were just accepted and understood, but we did not make a big deal of them. Even Paul Volker wrote a book agreeing that the "business cycle" was 8 years (it use to be available for sale at the Foundation For The Study of Cycles). It was just not that big of a deal. I traveled over the whole globe giving lectures to the institutional audiences on every Continent. I would take questions and NEVER did I ever once get anyone

ask whether or not cycles existed. I just never considered that there was even such a possibility of whether cycles existed. To me, it was like asking if the earth did in fact rotate in a cycle orbiting the sun, or did the sun rotate around the earth? This was such a fundamental question, it was like being asked to explain the very existence of life itself and where did it come from?

Over 2009, what appears to have taken place is the Professional World has collided with the General World. I have received over perhaps 1,000 letters in 2009 (I have sought to answer each one) and upon reflecting on what has taken place, it appears that the atmosphere has become very contentious and for some reason, society may be stumbling

into another prelude to to fall. I did not appreciate fully why the New Yorker Magazine wanted to do a 10 page article on me and the concept of cycles. Being removed from the communication loop with the real world, I only saw snippets and the letters I was then getting were from former clients. I did not appreciate there were people who wanted to

nominate me for the Nobel Prize. I felt that this was only because what the Government had done to me rather than what I accomplished so I wrote back asking please do not make any such nominations.

When I began to get so many letters from former clients after 2007.15 predicted the precise day of the high in the US mortgage market and the Nekkei in Japan, the clamors for information and my opinion went nuts. I was told by David Glovin who reported for Bloomberg News covering legal matters, that everyone on the floors were talking about the model. He too asked me, How can this work to the day? He then told me their regular staff wanted to interview me. The Government never input the number for me to make that interview.

I asked for permission to write. The government could not prevent that, so they approved me writing, but said I could not make any money. No doubt, they thought who would do something for free? But I decided to write again because they did not want me to do so.

The letters started pouring in, and I read every letter that arrived and answered whatever questions I could. There were by now people writing calling the accuracy of the model once more "Armstrong's Revenge." For you see, the whole hatred projected by the Commodity Futures Trading Commission and the SEC as well as the Justice Department was centered around this notion that because the model worked to the day, nobody could do that and this was the evidence that established I was manipulating the world economy and if they could, they would kill me in a second. You cannot imagine the primitive hatred that emanates from the glaring eyes of such people because of their ignorance. I clearly felt like some Christian being sacrificed to the lions or some heretic in the middle ages who is going to be burned at the stake for having anything to do with the devil's work known in those days as that black art - mathematics (that's no joke).

It's commonly known that Jews became the bankers because lending money was not a sin for them. However, what is not widely known, when the Jews fled Spain due to the Spanish Inquisition migrating to Holland and Germany, they began the insurance industry as well. Pre-1453 and the Fall of Byzantium, those

who were captains of ships were Jews since it required the use of mathematics that no decent Christian would dare play with for that was a "black art" and the devil's work.

For you see, living inside the world of professionals, there was never a question about the existence of cycles. Not until the New Yorker Magazine article on me in October 2009, did I realize the seriousness of the clash between the Professional and the General World. Interviewing professionals, they had conceded that all the big fund managers look at cycles. I found the same at the corporate finance level. 90% of the CFOs I met tended to have engineering backgrounds. There was just an unspoken acceptance of cycles.

One of the biggest companies in the corporate world in Australia, instructed the CFO to meet with me after they lost a fortune on hedging the A\$. This was the only time I ever had any confrontation about cycles at all. He was well aware of our forecasts and even right down to the day. He argued each one merely saying prove it was not a coincidence. Finally, I asked him what his background was. He was taken off-guard and now was hesitant. He thought I would attack him for not having a degree in finance or economics. He finally looked at me, and then admitted he had a degree in Nuclear Physics. I then said great. "Let's now look at this through the eyes of the Laws of Thermodynamics." He looked at me in total amazement. He replied: "Oh my God. There has to be a cycle." I now smiled, and the confrontation was over.

Firms are now hiring engineers who can write computer programs. This instinct that there must be cyclical behavior is the true and GREATEST DIRTY LITTLE SECRET that ever existed. The clash between the Professional World and the General World that I had in all honesty overlooked making the very false presumption that we had evolved beyond that primitive nonsense and emerged into the new enlightenment pursuing knowledge, was dead wrong. Because I lived in my bubble among professionals where everyone knew there was a "business cycle" and in fact the economic statistics were "seasonally adjusted" in an effort to remove the cycle that up to 40% of retail sales take place in the 4th quarter due to holidays, it never dawned on me that this was something that needed to be defended. It was this contact with the "general world" and the world of "regulators" where this idea of cycles being the devil's magic appeared.

# Bonfire of the Analysts

The fall of Rome in 476AD set in motion a collapse in knowledge that was so profound that the key ramifications are still with us even today. When I look at history, I truly lament for the destruction of knowledge that has constantly taken place. I feel that if Star Trek were possible, we surely would have been there 200 years ago but for our storming the walls of knowledge and setting on fire yelling its the "Devil's work!" We have pertetually extinguished knowledge.

The collapse of Rome set in motion two fundamental trends. FIRST, there was the invasion of the barbarians who initially tried to be Roman, but could only mimic what was going on. I went behind the Berlin Wall before it fell and eat at the huge state hotel for foreigners. It was so decadent, it was like having lunch inside the Palace of Versailes and I was king for a day. There were two men per patron standing over you as you eat and did not leave. They put the napkin down on your lap. The food came out and was picture perfect, but that was where it ended. It did not taste real, but it mimics what they saw perhaps in a magazine.

The barbarians were just like that. At first, they issued coins in Roman style. Yet soon, this imitation degraded quickly and within 26 years, this imitation coinage had vanished. They devolved into their tribal origins.

SECOND, the collapse of religion in the 3rd Century that led to the rise in Christianity because of force by the new government under Constantine I (306-337AD) and that they blamed their gods for what took place assuming Constantine's victory was a sign of a more powerful god than the many they worshiped. This led not to a pure teaching of Christianity as many would like people to believe. But instead, this led to a blending with pagan traditions. This is evident in Christmas that was the feast of Sol (Sun god) December 25th. Then there is Halloween that the Church turned into "All Souls Day" because it was a pagan ritual and then the next day they declared "All Saints Day" in an effort to Christianize the Pagan rituals that were unstoppable. The problems that emerged were created by these two forces, driven by a third and more mysterious force — the age of moving away from a Public Wave toward a Private Wave meaning, it was the disbursement of civilization. The Romans called this the "suburbanization" of society — the flight from cities to the country—side. This set the stage for the implosion of civilization and the rise of feudalism lacking a national state. The collapse of the Roman Empire.

Perhaps because of the 3rd Century crisis, it appears many turned from paganism toward Christianity because they felt their gods had forsaken them. Others feared the Christian God would punish them if they dared looked at any other god. During this medieval period, prejudice, bias, and superstition flourished. Science and mathematics knowledge was lost and those who possessed it were burned as heretics or witches. This became a self-inflicted wound for it cut off trade. It require math to sail a ship, and that was the devil's work. This is why the Jews became the captains of ships during the Dark Ages.

To a large extent, knowledge has been concentrated into a few hands it appears from the dawn of time. It was the high priests who were the educated timekeepers, surveyors, and astronomers. They were the scientists who developed math to track the cyclical movement of the heavens. This concentration of knowledge that goes back to the **Chaldaean** priests of Babylon set the stage for the clash between the main mass of the ignorant and the knowledgeable.

The followers of Pythagoras (580-500BC) were effectively a cult centered on math. They were vegetarians because they had also believed in the metempsychosis meaning that people had a soul and it was immortal, yet it could be reborn or transmigrated into other human or animal incarnations.

Mathematics thus remained as a strange practice of cults and priests. As we ended up in the middle ages, being smart was then somehow attributed to witchcraft and being the devil's work. God wanted man to pray, not look at the heavens, and stare at his feet all day. This was a pious man.

Beacuse in ancient times the priests were the learned men, they also realized that KNOWLEDGE IS POWER. About 5,000 years ago the Chaldaean priests knew how to predict one of the most startling natural occurrences to the uneducated person — an ECLIPSE. The Egyptian high priests developed science so they could predict the rise and fall of the Nile River to the astonishment of the uneducated. This early development of science yielded raw and significant power over the ignorant people.

It appears that this initial merger of science and religion even was self-evident among the Maya. If the heavens are revealing the mysteries of life, then clearly we owe a debt of thanks to these early priests who looked upward and asked - WHY? Their natural investigative curiosity gave birth to the science of mathematics.

Nevertheless, the merger of religion & science built upon the shoulders of true and enduring acquisition of knowledge, split into two fields. (1) We had the inquisitive mind that fueled the thirst for answers to that very nagging word - WHY? (2) The possession of knowledge produced power, and thus those who were interested in elevating themselves over others clamoring for their worship that elevated their self-worth, and merely the raw power over others out of a deep seeded hate for others and society. This thirst for raw power and raw knowledge split creating two fields that now opposed each other - religion and science. It may be 5,000 years later, but we are still tainted by this eternal battle between knowledge and power.

Pythagoras created what still to this very day is the practice of NUMEROLOGY where people believe that specific numbers contain different powers. Odd numbers were now male and even female. The Pythagoreans would even chant "Bless us, divine number, who generatest Gods and men, O holy tetraktys, that conatinest the root and source of the eternally flowing creation."

While the Pythagoreans developed a sort of hybrid cult worshiping mathematics, most of the countless religions that emerged were now focusing upon power, not science. This power translated into raw wealth. The plain uneducated masses were led to helieve that they could appease the gods by making what became sacrifices.

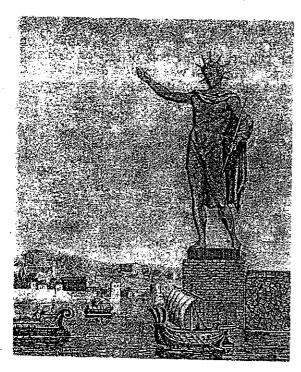
These sacrifices took the form of the slaughter of animals. This was even very dominant in the Jewish religion. The Aztec shocked the invading Europeans for they sacrificed humans. This obviously presented the problem of whose child was to be now sacrificed? The answer to this was captives. This had the effect of making the Aztecs ruthless warriors, but it also provided the seeds of their downfall. For you see, in battle, they did not try to kill the enemy but capture them. This provided a fresh new crop for sacrifice. The Spanish were able to conquer them so easily because they were not trying to kill the Spanish, just take them for religious sacrifice;

While science and religion began to split so we find two branches, there was no hatred yet between the two in ancient times. Aristotle (384-322BC) wrote in his Metaphysics: "The so-called Pythagoreans applied themselves to mathematics, and were the first to develop this science; and through penetrating it, they came to fancy that its principles are principles of all things."

What the Pythagoreans represented to science, was the birth of mathematics that was now being taught outside of the priesthood. Therefore, Pythagoras (580-500BC) represents the beginning of the split of science from the priesthood class. While it appears that this turned into a massive community worshiping numbers, it brought mathematics to a wider class of people. It was Pythagoras who is credited with coining the term "philosophy" meaning in Greek "phil" to love and then "sophist" meaning a wise man that we still use today "sophisticated."
Thus, Philosophy means "to love wisdom." This began the idea of schools that we then see famous scholars such as Socrates (470-399BC), Plato (428-348BC) who had inscribed over the doorway to his school/academy "Let no one destitute of geometry enter my doors," and then of course Aristotle (384-322BC) who became the teacher of Alexander the Great.

The reason why Julius Caesar (100-44BC) revised the calendar and usurped the office of the high priest Pontifex Maximus, was that the high priest was still in charge of the mathematics behind the calendar who were being bribed by politicians to insert days to delay elections. After 3,000 yrs by 44BC, we still see the priest is the astronomer.

Despite the propaganda against the Romans, they were quite benevolent in all matters concerning religion. The Romans did not force their religion upon those they had conquered. Instead, we tend to find a whole plethora of gods. The Romans often not only respected the various gods not wanting to offend them, but they often incorporated the gods of those they conquered.



Colossus of Rhodes

For example, the Greek god of the sun was named Helios, who was adopted by the Romans under the name "Sol" who not merely is found on Roman coins, but served as the very model for the Statue of Liberty with the same spikes arising from the head that are sunbeams. The Colossus of Rhodes was one of the 7 Wonders of the Ancient World and was constructed between 292-280BC.

Another example of how the Romans in fact tolerated many religions is also illustrated by the events after the fall & end of the Julio-Claudian Dynasty that ended with the murder of Nero in 68AD. At first the civil war that broke out now saw the throne pass to various Romans who were Senators or Generals, with the latter tending to win. But as we move into the 3rd Century AD, the emperor himself was starting to be provincials in the same manner that we began to see the Pope be someone other than an Italian and the election of President Obama.



As these provincial emperors came to Rome, they often now brought with them their gods. Pictured above, you will see a Roman silver denarius of the Emperor Elagabalus (218-222AD) and on the reverse you will see a chariot drawn by 4 horses and in there is no person, but a giant black stone. This was a meteor that fell to earth in the area of Iraq today that became known as the famous Stone of Emesa. This was seen as a stone that god himself gave to mankind. They built a temple to it, and once each year it would be carried around like in a New Years Day parade. The uneducated worshiped this stone as being a devine gift from god personally.

It was with the fall of Rome that we enter the Dark Ages where all knowledge just evaporates and emerging a deep division between religion and science. The ability to read has now vanished and is retained once more only by the priests. There was a rise in superstition and this is where we begin to find that people with knowledge became those who were possessed by the devil. Even in the purge of Stalin, the estimated number of people he had killed is between 20 and 40 million whose crime was being intelligent.

As early as 373AD, the Roman Emperor of the House of Constantine, Valens (328-378 AD), ordered that all non-Christian books were to be burned. During the first Crusade, they burned over 100,000 books on knowledge. In 1204, the Crusaders sacked the Christian city of Constantinople and also set fire to the library. In this single event, the loss of knowledge may have been the greatest of crimes against mankind. The burning of the Library of Alexandria was an accident when they set fire to Caesar's ships.

### The Separation between Religion & Science That Still Dominates Modern Man

We have still not climbed out of the depths of the Dark Ages. Living in the world that was clearly a Professional Bubble, my clients were not retail. I did not write for the masses. There was never a need to defend the existence of cycles even to central banks around the world. There was just this quiet acceptance that indeed there was a "business cycle" through which the economy moved. To even predict a depression is the implicit act of accepting there are in fact cycles.

Forgive me for being a bit slow on this subject. When Nick Paumgarten at the New Yorker Magazine asked me why I did not reveal the existence of Pi until 1999? That's when they were seizing the Princeton Economic Institute and placed armed guards at the doors to prevent me from entering the office ever again. It became clear to me they were now after the model. I revealed the existence of Pi at that time because I felt they should not be able to seize that knowledge for the corrupt forces behind the seizure. From the outside view, Nick asked: Did I believe that people would think I was nuts revealing the existence of Pi? I was surprised by that very question. I responded, No. It was a trade secret. I had intended to present governments worldwide with a working knowledge base that they could have consulted during any crisis to provide the proper solution. I did not think this was abnormal. You have computer programs into which you can input symptoms and it will give you a list of possible diseases. Why not do the same thing on how to manage the economy?

The more letters I have received and that magging question from Nick, I realized that this event dragged me out of my world and into a new one of the General World. I forgot my history of the battle against the possession of knowledge and how so many who pursued knowledge, ended up in prison, tortured into submission, beheaded, or burned at the stake. I had realized that the very allegations made against me by the deranged Commodity Futures Trading Commission that I manipulated the entire world economy was just nuts, but I hadn't looked at it as part of this world war against knowledge. To create a model that can predict to the day the major turns in the world economy to them was proof of overwhelming influence (=power).

Nick Paumgarten wrote in his piece he entitled "The Secret Cycle" interviewing many from the Professional World, that yes cycles exist, but:

"You don't talk to people about it, because they don't understand it.
... It's not something you can share openly with colleagues. It's not accepted."

### New Yorker Magazine, p69, 10/12/09

In the Professional World, the serious big hedge fund managers could care less what any model is based on. If it works, they will use it. For decades there were all sorts of correlations from which league wins the Super Bowl to the rise and fall of women's skirts'they rise in good times, and drop in periods of economic strife. Maybe it is just Show Me the Money mentality. But there is not this hang-up over the origin of knowledge as there appears to be in the General World.

Sir Walter Raleigh was put on trial and executed on trumped up charges of treason for the king didn't like his introduction of the tobacco from the Americas. People have been legally persecuted by every government and every religion for what they knew, believed, and taught. We can go back to the trial of Socrates who was sentenced to death for his belief effectively in one god. It was then characterized as corrupting the youth. In 1925, John T. Scopes was put on trial in the United States and convicted for teaching the theory of Evolution authored by Charles Darwin. Of course today, Evolution can be proven by DNA vet many will not state that fact for fear of the religious right. The extreme members of the religious right believe that dinosaurs are only 6,000 years old?

This attack upon knowledge as the devil's work is not limited to the Catholic Church. The story of Giordano Bruno (1548-2/17/1600) who was burned at the stake for his possession of knowledge by the Catholic Church, was also excommunicated by the Protestants for daring to embrace science. When he was sentenced to death for his intelligence and refusing the recant his scientific beliefs, he told the court:

"Perhaps your fear in passing judgment on me is greater than mine in receiving it."

Rome: February 8th, 1600



GIORDANO BRUNO (1548-1600)

The story of Bruno is rarely told. I believe he is a figure from the past that is in need of rescue because he basically pist-off everyone. In his early life, he began in 1562 going to Naples to study humanities and was greatly influenced by G.V. de Colle, whose lectures were themselves influenced by the Muslim philosopher Averroes (1126-1198) who had been in turn inspired by Aristotle.

In 1565, Bruno entered the Dominican convent in Naples and took the name at that time of Giordano. Because of his dynamic thinking process, he was soon suspected of being a heretic. Nevertheless, he was still ordained as a priest in 1572. He was sent to study theology, which they no doubt thought would turn his mind. He completed this major effort in July 1575, but this did more now to annoy him creating conflicts in his mind.

Bruno read two forbidden works by the noted scholar Erasmus (1466-1536) and began to freely discuss that Arian heresy that held Christ was a man. That crossed the line and he was now charged with heresy. He fled to Rome in 1576. There they trumped up charges of murder and a second excommunication trial was to take place. He again fled in April 1576 abandoning his priesthood and began to wander around northern Italy.

In 1578, Bruno went to Geneva, the city of refugees from religion. He became now a proofreader and embraced Calvanism. However, he quickly discovered that the Protestant

movement was no more tolerant about free ideas and science than was the Catholic Church in Rome. He was again arrested and excommunicated by the Calvinists, and he was now forced to retract his statements and thus he was "rehabilitated" and now allowed to just leave the city.

Bruno now departed for France. He went to Toulouse where he tried to be now absolved by the Catholic Church. He was not successful, but strangely appointed to a lectureship in philosophy. He then moved to Paris in 1581. It was in Paris that he found a congenial and more liberal place to work and teach where people now seemed to be embracing knowledge. The French Catholics were much more tolerant and were known as the Politiques. Bruno's ideas had found a home. In this environment Bruno published his first of many works now freely exploring a new means to obtain an intimate knowledge of reality. He also had published "The Candlemaker" (Candelaio) that was an expose on the society in Naples that amounted to a protest on the moral and social corruption of the times.

In 1583, Bruno traveled to London in his thirst to explore the world. He became attracted to Oxford and began to lecture on the theory of Copernicus (1473-1543). But the reception of those at Oxford was far from tolerant. He was effectively chased out and went back to London.

Frustrated by the stubbornness of the General World that was resisting knowledge, he began to write his first systematic exposition of what would become his philosophy that included 3 chapters on the universe and 3 on morality. In his 1584 work, "The Ash Wednesday Super" (Cena de le Ceneri), he now boldly reaffirms what he maintains is the heliocentric theory (sun is the center of the solar system not the earth) and that his view is that the universe is infinite and is now composed of innumerable worlds. He tries to reconcile the Bible stating that it should be followed for its moral teaching but NOT for any atronomical implications.

Bruno became a prolific writer and deals with a host of subjects from physics and form and matter are connected. He deals with superstitions and dignity of men, and proposes that man should strive for virtue and truth.

Bruno also wrote "On the Immeasurable and Innumerable" (De immenso, innumerabilibus et infigurabilibus), where he elaborates on the theory of an atomic basis of all matter and being. He went to Frankfurt am Main where he was denied the right to stay there. He again attempted to lecture to the Germans who gave him the reputation of being a "universal man" who they also said "did not possess a trace of religion" and who "was chiefly occupied in writing and in the vain and chimerical imagining of novelties."

It was in August 1591 that Bruno made his fatal mistake. He accepted an invitation from`the Venetian Geiovanni Mocenigo. Vėnice at the time was viewed as a liberal city in support of the arts and knowledge. He was in fact lured by the opening of an academic venue for his lectures and the chair at Padua University was open for mathematics. He went there and began to lecture German students. Bruno was not offered the chair. It was given to Galileo in 1592. Thus, Bruno returned to Venice. He was planning to go back to Germany when his patron, perhaps out of jealousy for lacking the ability of Bruno mentally, went to the religious police, the Venetian Inquisition in May 1592. Mocenigo accused Bruno of having heretical theories. Bruno defended himself and argued at trial that his theories were philosopical, not theological. Suddenly, the Roman Inquisition demanded his extradition and on January 23rd, 1593, he entered the jail at Rome. He was held for 7 years before trial.

Bruno again tried to separate theology from philosophy, but the Roman Inquisition would not buy it. Pope Clement VIII in the typical lack of a fair trial; demanded he be



GALILEO GALILEI (1564-1642)

found guilty. He was tired of fighting for knowledge's sake. He refused to recant and decided he would rather die for what he had come to understand than pretend it did not exist. On February 17th, 1600, Bruno was taken to the Camo de' Fior. His tongue was gaged so no would hear his screams. He was burned alive.

The fall of Constantinople in 1453, caused many to flee to Rome and Russia taking with them knowledge that would change the world, but many would regard still as the devil's work. Columbus sailed in 1492 using that knowledge of Ptolemy (2nd Cent. AD) the geographer Yet, the man who beat Bruno in Padua in 1592, was himself charged by the Roman Inquisition and forced in 1633 to sign the confession below or die as did Bruno. He died sentenced to life imprisonment where he spent the last 8 years of his life for his ideas as well.

I, Galileo Galilei, . . . aged seventy years, being brought personally to judgement, and kneeling before you Most Eminent and Most Reverend Lords Cardinals, General Inquisitors of the universal Christian republic against depravity . . . swear that . . . I will in future believe every article which the Holy Catholic and Apostolic Church of Rome holds, teaches, and preaches . . . I held and believed that the sun is the center of the universe and is immovable, and that the earth is not the center and is movable; willing, therefore, to remove from the minds of your Eminences, and of every Catholic Christian, this vehement suspicion [of heresyl rightfully entertained against me, ... I abjure, curse and detest the said errors and heresies, ... and I swear that I will never more in future say or assert anything verbally, or in writing, which may give rise to a similar suspicion of me . . . But if it shall happen that I violate any of my said promises, oaths and protestations (which God avertl), I subject myself to all the pain and punishments which have been decreed ... against delinquents of this description.

The hatred of knowledge has been so profound and relentless, it is shocking when one takes a step back and looks at what has transpired. Galileo not only died for his beliefs, he died blind and deliberately broken in spirit. This was a man who longed to just close his eyes and die. Yet, for everything that was done to him in the name of religion, they sought to destroy even the memory of the man after his life. They made a deliberate effort to destroy all of his written work, and they even disputed his right to be buried on consecrated ground. He was even denied a tombstone in an effort to ensure no one would ever remember this man. Such hatred of knowledge is beyond belief.

The superstition against science has lingered ever since. Europe finally crawled out of the Dark Ages at least looking at that devil's work known as mathematics, but they only reached where the Babylonians were nearly 2,500 years before. It was strangely the Muslim world that saved knowledge for this was the only source that was filtering into Europe. For the Muslims were in contact with the Hindus and they were in contact with China. The Europeans lost even the basic knowledge of Pi until it was an amateur mathematican who at last matched the level of understanding to whom we have bestowed the title "Father of Physics" Archmedes of Syracuse (287BC-212BC). This little known amateur was Francois Viete (1540-1603), who was a lawyer in Brittany (France) who was forced to flee during the persecution of the Huguenots. For 6 years, Viete was deprived of his profession and spent time pondering the mysteries of the world that were primarily mathematics. He was restored when the former Huguenot rose to the throne of France, Henry IV (1589-1610). Once restored as a Royal Privy Councillor in 1589, he won favor with the king by using his self taught math skills to break the Spanish code made up of 500 cyphers. The Spanish accused him of being in league with the devil otherwise, surely no man could have done that alone without supernatural assistance. It was Viete who coined the terms "negative" and "coefficient."

As crazy as it may sound, it was truly mathematics that even opened the door for Christoper Columbus (1451-1506). It was the chief librarian at Alexandria Erastosthenes (273-192BC) who first calculated the actual circumference of the earth to within 5% of the number we know today. That means he knew the world was round.

Posidonius (135-51BC) is also known to have calculated the circumference of the earth that was adopted nearly three centuries later by Ptolemy the renoun chart maker and it was his value that was used by Columbus. When Columbus died, he was still convinced that he had discovered a new route to India. It was Amerigo Vespucci (1454-1512) who had determined it was entirely a new world, which gave rise to the name America in his honor.

Yet, all of this knowledge had vanished. One of the parts of the cyclical changes in society is that it crawls from a barbaric state into the state where knowledge becomes more widely distributed rather than being concentrated in the hands of priests. As this takes place, the political state is now in a phase of enlightenment and that tends to suppress the barbaric nature. But this also leads to the desire to spend more time in the pursuit of knowledge giving rise to the new trend of importing labor (buying imports) made by the labor class.

This model of development has led to the fall usually to the invasion of barbarians from neighboring states. Babylon was wiped out by the militarisic Assyrians, who even the Egyptians feared. Athens found itself under seize first by the militaristic state of Sparta, which still dominates our language today; living a very "spartan" life style reflects the distinction between the life style of Athens compared to Sparta.

The Muslims and their thirst for know-ledge led to their downfall to the militaristic Turks, and the rise of the Ottoman Empire through conquest of Christian and Muslims alike. It was the Muslim philospher al-Ghazzali (1058-1111AD) who wrote that scientific study shakes men's faith in God and undermines religion, and that leads to the loss of belief in the origin of the world and the Creator.

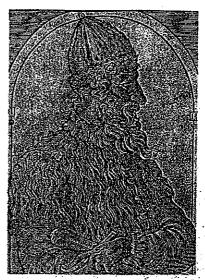
The clash between science and religion also appeared in the Muslim world and the extremists also burned libraries. The same trend appeared in China during also the 3rd Century BC when Emperor Tsin Shi Hwang-di was warned about the dangerous scholars who were being driven by books. He ordered the burning of all books except on medicine, divination, and husbandry.

It was the fall of Constantinople on may 29th, 1453 that reshaped the world and ended even feudalism. In the death of this

last of the Ancient cities, civilization was strangely born. For you see, the invention of gunpower made it from the Far East. This gave birth to the invention of the cannon that now appeared in the 1400s. The seiged began on April 6th, 1453. It ended when the cannon did what no other invading army could have done before. It breached the walls and its last Emperor, Constantine XII Palaeologus died defending the city in combat on the last The new conqueror was Mehmed II who was born on March 30th, 1432. He at first gave the order that his troops could sake the city for 6 days. But after the first day, he ordered the men to stand-down. He then rode into the city and went to the famous church Hagia Sophia and converted it to a mosque. He then provided for 14,000 gold ducats per annum for its upkeep. On January 6th, 1454, he restored the right to the Christians and the Jews to practice their religion.

The fact that it was cannon that made the fall of Constantinople possible, the world was turned upside down. No longer was there safety behind castle walls. The trend toward feudalism came to an end. This also coincided with the Black Death that was most likely both the bubonic and pneumonic plagues that mereged into a massive pandemic. This began in China and Inner Asia and migrated to Europe when a Kipchak army besieged a Genoese trading post in 1347 in the Crimea. They catapulted plague-infested corpses into the town. This had the effect of spreading the disease to the various ports in the Mediterranean. It hit Sicily that same year and by 1348, it was effecting North Africa to the south and to the north Italy and France. It had also spread to Spain and England due to the ports. It then spread throughout all of Europe. The children's rhyme ring around the rosy, a pocket full of possies ...we all fall down... comes from this period of the Black Death. By 1400, England lost about half of its entire population,

The Black Death created a shortage in labor that gave rise to the rebirth of wages and the invention of the cannon eliminated the sanctuary of protection behind the castle walls. The fall of Constantinople also had the impact of forcing scholars to flee and we also begin to see the rise of schools and the spread of knowledge into Europe. This led to profound changes in the thinking process of mankind. However, the Black Death also led to Protestant movements.



Ivan III Prince of Moscow (1462-1505)

The niece of the last Emperor of Constantinople, Zoe Palaeologus, had fled Byzantium and was married to Ivan III of Russia. She was said to have been fat and unattractive. Neverthless, she brought her court with her and this event was another wave that hit the shore of Russia setting in motion its true introduction to the ancient ways. Thus, the fall of Constantinople was the end of the ancient ways. But it was the birth of so many aspects that make us who we are today.

The Black Death had religiously the same impact that the 3rd Century economic collapse. Both events, about 1109 years apart, impacted religion by creating upheaval. In the first instance the collapse of the Roman economy during the reign of Gallienus (253-268AD) destroyed the faith in the pantheon of gods and led to the unification of the Empire back under one person, Constantine I, The Great (306-337AD) who destroyed paganism, sacked all its temples, and established Christianity as the state religion.

The Black Death had the similar impact. It shook the foundation of faith in the Catholic Church and gave rise to Protestant movements that saw it was the corruption in the Church rather than some new god. Martin Luther (1483-1546AD) nailed that famous Theses to the door of Wittenberg Castle Church on October 31st, 1517, that began the whole Reformation trend. But again, it was the massive loss of life that set in motion the questioning of religion once more. Dramatic events that change society have huge impact also upon religion.

The Black Death besides altering the economics, also had the impact of opening the minds of people and shaking their faith down to the roots. What we also begin to see is a surge in the desire for knowledge, and the reaction to suppress it by the religious.



Nicolas Copernique (1473-1543)

No one set in motion more profound change than Nicolas Copernicus (1753-1543). More than a mere rescue of lost knowledge that the earth moved around the sun, Copernicus introduced trigonomic tables introducing the secant. Yet science was getting started, and here too its was the thirst for money that also overrided religion.

We must respect the fact that science was a dangerous passion. The Italian burning of Bruno truly sent fear through the circles of science throught out Europe. Bruno was burned alive for his support of Copernicus. Galileo just 33 years later, was tortured and forced to sign a confression in 1633 to reduce his sentence from being burned alive to life imprisonment where he died in 1642. In 1685, Abraham Moivre (1667-1754) was then jailed by the French crown. When he was then released, he fled France and went to London. His contribution to analytical trigonometry and the theory of probability will always be remembered. Perhaps because of the fate of Bruno and Galileo, he never ventured back to Continental Europe.

The case of the reluctant scientist is illustrated best by Sir Isaac Newton (Dec 25, 1642 - 17270S). Newton was a late bloomer. While he was a bit of a dreamer taking in the world around him, he was also very much the moody-pessimist. Newton went to Cambridge and graduated in 1665 with a BA from Trinity College. The University was closed for 2 years due to the plague. Newton returned in 1667 as a fellow at Trinity College and in 1669 became the Lucasian professor of mathematics.

\* OS = Old Style New Style 1/4/43 - 3/31/1727



SIR ISAAC NEWTON

Newton's life was filled with very bitter controversies with many people that included Barnabus Smith, Robert Hooke, Gottfried Wilhelm Leibniz, John Flamsteed, and many others who found his arrogance and moody personality very offensive. Nevertheless, his work was without doubt monumental. However, the English were very biased. For this reason, they celebrated Newton in his lifetime, and hailed him as the smartest man of allitime. He was knighted in 1705. One of his friends and admirers was Alexander Pope (1688-1744) who arranged for his burial at Westminster Abbey. His body laid in state as if he were a sovereign and placed in the church among the highest nobility. Pope said:

> Nature and nature's laws lay hid in night, God said, Let Newton be, and all was light.



EDMOND HALLEY (1656-1742)

While celebrated in his lifetime, at first Newton was afraid to publish anything. It was Edmond Halley (1656-1742) who convinced Newton

# PHILOSOPHIÆ NATURALIS PRINCIPIA

MATHEMATICA.

AUCTORE
ISAACO NEWTONO E. Aur.

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to publish his Philosophiæ Naturalis Principia in 1687 (English translation was first published postumously in 1729). Newton was very pessimistic about publishing his work for fear of persecution. He dealt with the law of gravity that served as the foundation for Einstein's work centuries later, and his overall laws of motion. These are strictly valid only for motions relative to a reference frame attached to fixed stars (I will show that additional laws of motion must be expanded to new concepts in the Geometry of Time).

Oddly enough, it was Charles II (1660-1685) who was the Catholic king who came to power after expelling the Puritans who had beheaded his father in 1649 followed by the religious rule of Oilver Cromwell (1599-1658) that began the tolerance of science within England. Charles II authorized the charter of the Royal Society for the promotion of all natural knowledge founded in 1660. This began as a very informal group known originally as the "Invisible College" lacking recognition that had begun as an underground movement in science back in 1645.

The Royal Society thus began as simply a Puritan sympathizer that was inspired by Francis Bacon (1561-1626) who was a proponent of science. But Bacon was always a very questionable character who was desperate for power and glory. He rose to a higher station

under Elizabeth I ("The Virgin Queen")(1533-1603) who was also the Protestant, and was even counselor to her during the treason trial of Essex. He sought to get back into power with the next James I in 1603, but was from thereon rejected. He engaged in a conflict with Sir Edward Coke the famed jurist. He was desperate for power and persistently wrote his letters of self-recommendation seeking higher office. In the end, he fell from power in 1621 after being charged with bribery.

Where on the continent, the crown was hiring scientists, as was the case with the notorious Rudolf II of Hapsburg in Austria, Charles II formally chartered the Royal Society and did not interfer with their discussions, but at the same time, he did not fund them as did other monarchs.

It was Halley who became a famous astronomer and who sought to create a catalogue of the stars. He had access to the works of the ancients and observed that the stars had shifted considerably. We have Halley's Comet that passed by in November/December 1985 on its way toward the Sun and its return in March/April 1986. He argued that comets are part of the solar system. He showed that the comet sightings followed a CYCLE of 76 years and the sightings of 1531, 1607, and 1682 were all the same comet. Indeed, his calculations were in fact correct showing that this was the famous comet of the Norman invasion of England and may be the comet sighting back in 240BC.

Nevertheless, it was Halley that not just convinced Newton to publish his work, he even dared to fund it. This demonstrated that at least in London, there was a more independent feeling toward science compared to that in Continental Europe. But this illustrates also my point that science was developing as an underground movement that was very risky.



Johann Kepler (1571-1630)

Johann Kepler (1571-1630) was basically a kept man of the Emperor of Austria, Rudolf II of Hapsburg between 1600 and 1612. It was Rudolf II who hired many astrologers and alchemists whose job it was to obtain the "Stone of the Wise" where the property was to convert anything to gold. Effectively, the

man who created the laws of planetary movement was a play toy of the Austrian monarchy.



CHRISTIAAN HUYGENS (1629-1695)

The equal to Newton was Christiaan Huygens (1629-1695), who was a Dutch mathematician, astonomer, and physicist. Huygens was clearly overshadowed by Newton largely due to the fact that he was Dutch, and not English. In my opinion, Huygens discovered something far more imporatnt. He discovered that energy itself flows in a WAVE FORMATION that he began with his observation of light itself.

Huygens is also the person who made the discoverey of rings around Saturn and made the discovery of complexity (dynamics) in science — the study of action by force upon bodies. He developed a better method of even creating a lense improving upon the methods of grinding and polishing. This improved the telescope and enabled him to see Saturn in 1659 when he was 30 years old. But previously in March 1655, Huygens discovered that there was a satellite orbiting Saturn. In 1656, he distinguished compenents of the Orion Nebula.

Yet Huygens even dared to explore TIME ("horo") itself attempting to measure it considering the primary tool was then the sundial - "horologe" as it was known. This led him to discover the PENDULUM, the means to regulate TIME itself.

His contribution to discovering WAVE THEORY I believe was far more important than the contribution of Newton. His principle of WAVE MOTION, to this day is known as the Huygens' principle. It was this contribution that even today enabled the antennas of the radio stations tracking man's first flight to the moon would be calculated still using this principle.

Huygens' father was a friend of the renoun Rene Descartes (1596-1650) who was a great influence upon the young man. He followed Descartes' work Discource on Method and thus backed up everything with proof.

Huygens was not merely a contemporary of Newton, but he also met Blaise Pascal (1623-1662) while he was in Paris, where he lived between 1666 and 1681. Here he met a life-long friend, the German mathematician and philospher Gottfried Wilhelm Lebniz (1646-1716).

In 1689, Huygens visited London where he now met Sir Isaac Newton (1642-1727) and found him to be highly confrontational and arrogant. Nevertheless, Huygens was asked to lecture before the elite group known as the Royal Society. He discussed his theory of gravity, but not being English, he could not really make a dent against his contemporary Newton who had published his Principia just two years before in 1687.

It was this confrontation with Newton that appears to have inspired Huygens to now publish with earnest assuming the risks that were against all odds beging on the Continent and less than 100 years from the deaths of both Bruno and Galileo.

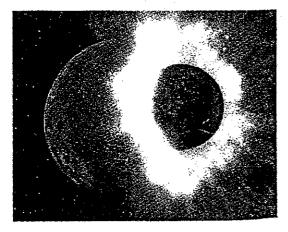
Huygens' correspondence with his friend Lebniz shows that while he respected the math of Newton, he did not agree with his theory of gravity that he regarded as being devoid of any mechanical proof or explanation. This, Huygens simply regarded as unacceptable.

Like Newton, Huygens' work on gravity also went back to 1669. He published this in 1690 as a rebuttal to Newton, entitled the Discourse of the Cause of Gravity, with the full proof built upon Cartesian vortices. He followed this that same year with his work entitled Treatise on Light that he too had completed in 1678, but did not publish the work for fear retribution as suffered by both Bruno and Galileo.

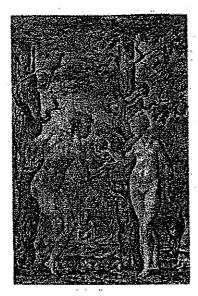
His Horologium Oscillatorium (1673) was a brilliant work providing the first theory in mathematics concerning curvatures. He then gave the full proofs and a complete solution.

In 1672, he even gave Lebniz lessons in mathematics. While overshadowed by Newton, he was by far the more diversified contributor to the knowledge of mankind.

### The Clash of Two Worlds



No matter what culture we look at and no matter what time frame in history, there is always the Clash of Two Worlds between knowledge and ignorance. Where this sinister view toward knowledge has come I do not know. Yet one thing for certain, it has been going on for a very long time.



Strangely enough, we find even the root idea that knowledge is the work of the devil burried deep in the story of Adam and Eve where the devil, in the incarnation of the snake that still instill fears today, tempts Eve to get Adam to eat the forbidden fruit from the Tree of Knowledge. Ever since, this story has been used to keep women subservient beneath men for they destroyed the Garden of Eden. This story appears to be the root cause of not only the travails of women, but of the pursuit of knowledge. This one story may be a verablization of the prejudice in ancient times against women and knowledge to ensure that both remained suppressed and in place.

There certainly appears that knowledge in early times was retained in the office of religion. It sought to study the heavens and that led to science giving rise to methods of mathematics and studying planetary movements. There was not seen at that time any threat that the structure of the universe disproved religion in any way.

Even under the paganism, the pantheon of gods appears to have produced a much more dynamic thinking process among the general population compared to rise of monotheism. The difference appears to be that when there was a belief in many gods, this produced a dynamic view of the world. The Greeks would even develop quite immaginative explanations for events that took the shape of a war between the gods - Clash of the Titans. Under monotheism, there evolved a different sort of thinking that the one God would punish man like a parent punishes a child. This in fact evolved into a cause and effect based upon personal action invokes a response.

The Greeks did not view their gods quite in that way. They were seen as beings who had personalities and were at times mischievous. They would go pray and give offerings to Poseidon (Neptune Roman) so that they might take a voyage and not be harrassed by him. Men were seen as objects of play or torment and the gods were not seen as creators.

Clearly, the possession of knowledge during the Dark Ages became evil. The bible became readable only by the santified, and thus literacy among the people vanished and any knowledge was again limited to the office of priesthood. This produced the age of superstition. Even in the early justice system Trial by Ordeal would typically throw a bound woman into water. If she sunk, water was an element of God and thus God embraced her so she may drown, but she was now with God. If she floated, she was being rejected by God and thus a witch who was dragged out and then burned alive. The act of being just accused had the ignominious effect of leading to one's death either way.

This early Trial by Ordeal led to the Trial by Battle that led to hiring professional knights to do battle and the winner was obviously "just" for God took the time to watch the fight. We ended up under this monotheism philosophy that God cared and somehow justice would always prevail. This

was pounded into the heads of children and is even present in the American pledge of allegiance we see "justice for all." We developed a culture where society can do as it pleases, for if there is innocence, God will protect that person that is no different than the thinking process of throwing the suspected witch into a river.

Thus we have clung to these Dark Age ways of viewing new technology or science as often a threat against religion and God. There are Christian Scientists who reject medicine. There are the Amish in Pennsylvania (Mennonite) that reject electricity and cars. These are all branches of this medieval view of the relationship to God.

We find this clash between knowledge and ignorance alive even in the Muslim world where the Taliban refuse to recognize any rights of women and refuse to ever allow them to be educated. Somehow, knowledge is still seen as a threat, no matter how subtle it might exist.

This clash with Wall Street is also part of this same view of knowledge. The SEC criminally prosecutes possessing what they view as INSIDE INFORMATION. Where this began as a director knowing the company was broke so he WITHHELD that information until he sold all his shares, today it is just the mere possession of knowledge someone else does not have.

Just as there was the 1960s Part-II revolution known as "Free Love" that had its roots in women's rights, there was a prior era about 51.6 years before known as Woman's Sufferage that became the battle over the right to vote. At the same time, there was the movement that was mereged in known as Prohibition targeted at eliminating drinking that would somehow restore the dignity of both women and society - the FAMILY! We see similar periods of social changes even in ancient times. For it was the first Roman Emperor Augustus who banished Ovid for his writings and his own daughter Julia because of her sexual exploits that were seen as being inspired by Ovid. Throughout history. there is just a constant repretition of the very same trends. This battle against the possession of knowledge that the SEC has made criminal to act upon, has likewise been with us a very, very long time. Such power belonged to priests, who at first were the government.

# The Library of Alexandria (Egypt)

The story of the Library of Alexandria is a chronical to the burning of knowledge — can be described as simply the Burning of the Memories of Mankind. The flames that tore apart what history says was the greatest gathering of knowledge of mankind, were more than just a single event.

There was the first fire in 48BC that spread to the great Library from the burning ships of Julius Caesar. Some argue that Caesar was taking books (in those days scrolls) back to Rome and there was a protest setting fire to the boats. I am not sure this account is true. However, I would fund ancient digs if there was knowledge to be uncovered. One of the projects I was asked to fund was the excavation of the House of the Papyri that was burried in the volcanoe eruption that covered Pompeii. This house belonged to the family of Caesar and it contained a rare book collection from ancient times. Whether or not any books were being taken from the Library or whether the Egyptians set fire to Caesar's fleet for other reasons of military value, will always be debated. But this fire did destroy a fair portion of the Library. The story is further embellished that Mark Antony took 200,000 books from the library of another Greek city, Pergamon, and presented to his love Cleopatra as compensation for her loss.

The Library of Alexandria was again the victim of suppressing a revolt in the city by the Roman Emperor Aurelian in 272AD. The hard economic times and collapse of the monetary system of the 3rd Century produced many revolts and usurpations by generals. Under the Emperor Diocletian once more the famed Library was damaged during another revolt in 295AD.

In 391AD, the fanatical Christian riots were starting and this one was led by Bishop Theophilus who destroyed the Temple of Serapi were additional books had been stored. Again in 415AD another Christian riot took place where they killed the mathematician Hypatia claiming she was a pagan.

The end for the **Great Library** arrived in the year 646AD when the Arabs captured the city. It was decided that if the books agreed with the **Koran**, they were superfluous. To the extent they disagreed, they were pernicious. Thus, the last remants all burned together.

We are still in this primitive state where knowledge is looked upon as a strange trait bestowed by the devil. We have to just once begin to recognize that this Clash of Two World is still taking place even today. We encourage education on one hand, and the other we punish those who know too much. We claim there is a fine line between genius and madness.

Those who yell and scream about cycles are carrying out the same script as those who argued against the absurd notion that the earth was round and that we revolved around the sun. Huygens discovered that all energy moves in a wave motion. There is just no exception right down to the way your heart beats or you think. When there are no more brain waves — sorry: YOU ARE DEAD!!!

The longer we put-off our exploration of cyclical aspects of all things, the sad part is the longer we will simply reside in the throw back to the Dark Ages. We are like those crabs that cannot climb out of the bucket because we will constantly pull the other guy down.

A careful study of knowledge not only reveals its path to liberty and a much more stable society through enlightenment, but it shows that it has been constructed brick by brick set in place typically by the blood of the hated men who possess knowledge. Even in this world, one seems to be able to divide genius into two categories. (1) the genius of youth, such as Blaise Pascal (1623-1662) who bloom early as children but die quickly after losing their pedals. The next category (2) is composed of the late bloomer, typically such thinkers do not excel in their youth for they tend to be dreamers taking in everything that is going on around them. To this group we can assign Einstein, Newton, and Euler (inter alia).

It is not hard to look at how knowledge has been constructed over the centuries brick by brick. But the mortar has been the blood of those who have pursued that nagging and persistent question that keeps going off in there mind - WHY? If there was a guy digging up graves and cutting up the bodies to see what made them tick, you would demand he be thrown in prison for who knows how long. That man would be Leonardo da Vinci (1452-1519). Today, da Vinci would be given life for the acts he did in pursuit of knowledge.



BLAISE PASCAL, (1623-1662)

Pascal was the brilliant youth of the 17th Century who became celebrated for his mathematics and for his contributions to physics. Pascal began studying mathematics at age 12. At age 13, he discovered his famous Pascal Triangle. By age 16, he discovered what is known as Pascal's Theorem that became a fundamental principle in projective geometry. By the age of 17, he used his Theorem to make 400 propositions in an essay on conic sections. By age 19, he invented a calculating machine where many principles are still used today. However, at about age 31, he had a near-death experience and he then devoted himself to the pursuit of religion. He wore a cilice (a belt with spikes) and would self-inflict pain any time he had a thought that was not pious.

As civilization fell from its grand lofty height of decadence, it tumbled into a state of superstition, dogma, and mysticism. Gone was the last collective efforts to further the journey of knowledge. There was no more contest between religion and science. What emerged was the presumption of devil worship. Lost was even the knowledge of how to sail a boat. Europe by now fell into a period of self-inflicted and total isolation. The Vikings from the North kept them in check, The Arabs from the south ruled sea and superstition now prevented daring to sail toward the horizon in the Ocean for that was where be monsters and the edge of the earth

If we do not embrace knowledge and seek to expand it allowing each brick that represents a individual's contribution, then by taring down that fortress, we will forever sink back into the merky depths from which we came.

# The Clash of Two Worlds

HIS CLASH OF TWO WORLDS and the Bonfire of Knowledge is the way that society just goes nuts throughout history. It is the destruction of the memories of mankind, and the result is usually 3 centuries of just sheer total collapse. It would be just nice to see us make it to the next plateau of civilization. Life often seems to be just no different than the video game my children use to play - Mario Brothers. With skill, you could then transcend to the next level. This is something we need so desperately to do in real life. Understanding how things actually function is no more the devil's work than Da Vinci exploring how the human body operated.

The Tower of Knowledge has never been completed. We are too busy fighting progress on every front to stop and learn from our mistakes. Governments are unwilling to listen and what will take place no doubt is another civil war. The

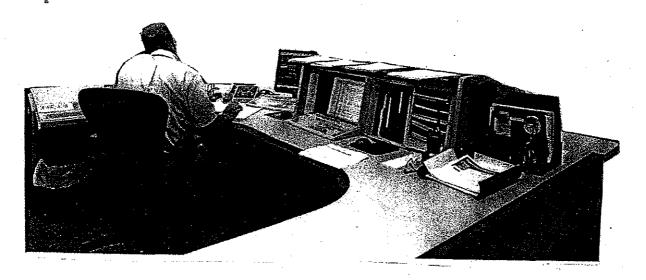
conflict in the Middle East is seen as another huge crusade no matter what label or face is attached to it. The so called terrorists that sit in prisons are not the brilliant strategists, but are no different than the Japanese who flew planes into the decks of ships because they believed that the emperor was in fact God. In New York MCC, one of the terrorists escaped. He made to the roof-top where he sat praying while expecting God to lift him into the clouds.

horns of religion are once again being sounded. The

We must respect that religion can be the best tool to manipulate the minds of the General World. Knowledge is power. It began within the ranks of the priesthood and that controlled the power of the state where it could be used to dazzle the masses.

Knowledge is a precious gift. It is built over time brick by brick. We have to stop taring it down as the eternal Battle Between Knowledge and Ignorance. Why so many people in this General World hate those with a passion in the World of Knowledge, appears to be that where the Greeks once blamed their Gods and attributed their fate to the mischievous character of the gods, we seem to seek to blame those in the other world.

There are those who blame ALL of those on Wall Street rather than those in power steering the government into each crisis, perhaps if we stopped all this nonsense just for once, we could benefit from the accumulation of knowledge over the centuries. Just for once, it would be nice to reach that next level of enlightenment.



HAT IF we could actually compile all the knowledge in the world from the birth of civilization, correlate that knowledge, and construct a computer that could then access all that knowledge? WHAT IF building such a system, would allow us to consult what has been done throughout time when faced with crisis after crisis? If the possibilities for a response is limited, then we could actually see with some potential to find the best solution. Since economic mistakes have the tendency to create war and the lack of any planning can wipe out as civilization, then possessing knowledge of how the world in fact functions, just might be an advantage!

We have explored the atom, and even followed that to the point of constructing weapons as well as energy. We have taken the knowledged built up in the field of medicine, and created advancements that we have extended the average lifetime. We have explored the heavens and invented so many things that have become a part of everyday life from thermal underwear to microwaves. We have explored steam and created engines that made the crossing of the Atlantic a less risky venture.

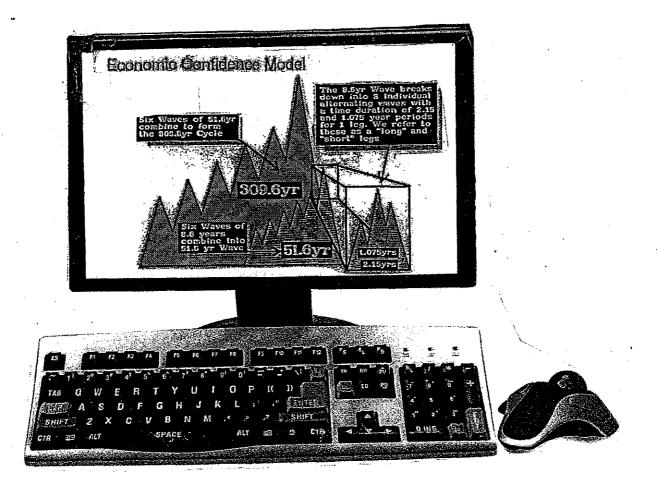
Our exploration of energy and even the combustion engine has led to trains, cars, and airplanes. All of these things combined created a knowledge base that then opened the doors to the stars. We even walked on the Moon, thanks to these technological advances.

Yet with all of these advancements through science, for some strange reason, when it comes to economics, we are very much still in the Dark Ages. I personally believe we are capitive of our own silly delusions. We are sitting in some corner with a pointed hat, clapping and laughing with perfect delight basking in our own applause.

What we should have done in this crisis was to simply freeze all CDS transactions. Once you pause the system, we could have then made the proper decisions. The refusal to do that and just to hand out 100% pay-outs to those who did not even form anything within the economy but speculators, wiped out the public confidence and did not prevent the contagion on Wall Street from infecting Main Street. Just sometimes, you have to just hit that pause button. What we now have is a massive acceleration in public debt that has increased the time table for sheer economic disaster. The year 2012 will in fact now be a year that history will indeed remember.

Just as neuclear power plants are carefully controlled by computers to which we entrust our lives and the lives of our children, is it not time to do the same in economics? Is the foundation of society anything less vital to our society?

It is time to stop storming the castle and burning the libraries. It is time to build our future and just may be we can make it to that next level in the game. We have to try to do it, if not for ourselves, then for our children. It's Just Time!



The model that we constructed did just that. It monitored the entire world and do to the fact that there were so many variables it was necessary to create a means of indeed having a conversation to inquire what it had discovered. In this manner, I would learn a great deal from the computer itself for it could find things that I would not dream of taking into consideration.

Knowledge is such a precious thing. It is acquired through the filter of experience. One can read every book. However, not until you actually do what you have read does that red light go off in the brain and at last you see emerge knowledge that is revealed only by the interaction with experience. There are just some things in life that cannot be felt by reading a book. It is that experience that allows one to construct the individual small fragments of knowledge into a whole picture.

This is often why the youthful brilliant genius flickers out much more quickly than the late bloomer. The difference is that the late bloomer is taking in a wealth of his experiences constructing a knowledge base of islands that suddenly come rushing together to form a continent.

We can do this! Right now, we are each and every time disgarding the experiences of generations that have gone before us. We try to reinvent the wheel with each crisis. What if nobody bothered to record which mushroom was poisonous and we just gathered them all and served them indiscriminately? People that die we just chalk up to God's will, and we go one the next night and serve the next plate

There just has to be a better way of doing this whole thing. We can't be this stupid in the field that is perhaps socially the most important for our long-term survival. No doubt there would be mobs with signs and they would come with their pitchforks and torches to one more time burn down the tower: Perhaps there is just no way to crawl out of this one and advance to the next level of enlightenment. But it's a nice dream that we can perhaps one day make it out of the bucket.

This is the endless cycle of Knowledge v Ignorance. I for one would like to leave behind some hope of advancement. It is time we stop burning the memories of generation after generation. There is a better way to manage our economy. It is time to stop the Bonfire of Knowledge and advance to the next level.

Martin A. Armstrong #12518-050 FCI Fort Dix Camp PO Box 2000 Fort Dix, NJ 08640

### ACKNOWLEDGEMENTS

I would sincerely like to thank everyone for their support. It has meant a great deal to me and my family.

I believe we are at a crossroads where we are in serious danger of creating an economic disaster beyond belief. The corruption is running so wild, it prevents us from correcting our system to save our own future. It is far more than mere volatility in financial markets. Our children and our grandchildren will NEVER know the world we once enjoyed. With economic decline, comes the finger-pointing, tension, and then war. When the Supreme Court ruled that black were just property and had no rights even if free in the Dread Scott decision, they then also created the Civil War for they illustrated that law, which was to be the essence of civilization providing the alternative to force, did not exist. We have reached that point once again for there is no Rule of Law and that is destroying the essence of our civilization once more. Courts will simply rule only in favor of the government in critical issues for judges are merely political appointments.

No matter what country you live in, we must be mindful of what is going on. We must look not merely domestically, but to the global horizon to understand the dangers we now face. Government is imploding, for the Marxist systems that they adopted, has created a debt crisis that is truly unprecedented. They borrow every year with NEVER any intention to repay anything, consuming capital and creating the very thing they pretend to be fighting against. They claim to be the champion of the poor and the little guy, while they borrow so much, the interest payments to keep the shell game going is the greatest transfer of wealth to the very people they claim to be against. They are stripping our children of their future, and nothing will stop them until the music stops, and there are not enough chairs for everyone to take a seat.

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This Report may be forwarded as you like without charge to individuals or governments around the world. It is provided as a Public Service at this time without cost because of the critical facts that we now faced economically. The contents and designs of the systems are in fact copyrighted. At a future date, a new edition of the 1986 The Greatest Bull Market In History will be released and a new book will soon be published on the model itself - The Geometry of Time. It is vital that we do not forget this is a world economy and the arrogance that any nation can dictate to the world is just insanity. Every nation effects all others no different than if one nation were to pour all its toxic waste into the ocean. Everything is interlinked and solutions are never isolated events.