

# ARMSTRONG ECONOMICS

## FROM THE HOLE

I AM NOW IN THE HOLE/BOX UNDER "INVESTIGATION" BECAUSE I WROTE A HABEAS CORPUS FOR ANOTHER INMATE WHO WRONGLY MAILED A COPY TO ANOTHER PRISONER I DID NOT KNOW. I HAD NO CONNECTION TO HIS MAILING AND I BELIEVE THIS IS JUST AN EXCUSE.

I AM WRITING THIS BECAUSE IT IS URGENT. WE ARE ENTERING PHASE II OF THE DEBT CRISIS. WHEN THE EURO WAS BEING BORN, A SPECIAL COMMISSION CAME TO MY LONDON LECTURE BY SPECIAL REQUEST. I EXPLAINED THEY HAD TO ADOPT THE ORIGINAL FED MODEL SO THAT EACH COUNTRY HAD ITS OWN INTEREST RATE. THAT THEY ADOPTED JUST AS THE 12 BRANCHES OF THE FED AT FIRST HAD A SEPARATE INTEREST RATE TO MANAGE CAPITAL FLOW. BUT NOW THE EC IS IN DICE POSITION AND A DEBT CRISIS AT SOVEREIGN LEVEL IS STARTING TO MATERIALIZING. THIS WILL SPREAD TO US/STATE DEBT AND THE CFTC MOVE TO LIMIT CURRENCY TRADING BY THE PUBLIC FROM 100:1 TO 10:1, CAN CAUSE A LIQUIDITY CRISIS THAT BACKFIRES, MAGNIFYING EVERYTHING.



THIS IS THE SIMPLE EUROPEAN MODEL. GREECE, SPAIN, ITALY AND IRELAND ARE TRAPPED. THEIR INTEREST RATE WILL RISE AND CAUSE ONLY AN OUTFLOW OF NATIONAL WEALTH. THEY HAVE NO WAY TO ADDRESS THE PROBLEM THAT IS ACCUMULATIVE.

I HAVE BURNED MY BRAIN RAW TRYING TO COME UP WITH A SOLUTION. BUT THERE IS ONLY ONE. A COMPLETE RESTRUCTURE THAT IS A DEBT FOR EQUITY SWAP. DEBTS WILL NEVER BE PAID.

and interest expenditures ARE THE GREATEST TRANSFER OF WEALTH IN HISTORY. THIS IS CAUSING RISING TAXES IN ALL AREAS FROM EUROPE TO THE US SUPPRESSING ECONOMIC ACTIVITY FUELING HIGHER UNEMPLOYMENT AND CIVIL UNREST. WESTERN SOCIETY IS FALLING APART. WHO IS TRYING TO SILENCE ME I DO NOT KNOW. I HAVE RECEIVED A LETTER FROM ONE MEMBER OF THE HOUSE FINANCE COMMITTEE ASKING TO PLEASE SUBMIT SUGGESTIONS. PLEASE FORWARD THIS TO POLITICIANS EVERYWHERE.

- (1) WE FREEZE ALL NATIONAL DEBT
- (2) WE ISSUE COUPONS WHEREBY THE DEBT WILL BE REDEEMED FOR LOCAL CURRENCY TO BE INVESTED IN THE DOMESTIC ECONOMY DEBT OR EQUITY
- (3) EACH NATION THEN ESTABLISHES ITS OWN CURRENCY PEGGED TO (EURO). THE US DEBT IS SWAPPED TO COUPONS THAT MAY BE SPENT DOMESTICALLY.
- (4) ALL DIRECT TAXATION MUST END, NO INCOME TAX, GIFT, INHERITANCE, CAPITAL GAINS OR PROPERTY TAX. ALL LOCAL GOV'T FUNDS ITSELF BY RETAIL SALES TAX.
- (5) FED GOV'T PRINTS THE CASH NEEDED INSTEAD OF ACCUMULATIVE DEFICIT EACH YEAR AS % OF GDP. ADD UP INTEREST PAID 1986-2006, THE US DEBT OTHER THAN INTEREST WOULD HAVE BEEN LESS THAN \$300 BILLION. PRINTING IF CONTROLLED WILL NOT BE A FIAT NOR HYPER INFLATION. WE NEED A STEADY GROWTH IN MONEY SUPPLY TO EXPAND & KEEP PACE WITH POPULATION.

These are the basic cornerstones required to stop the cycle of economic implosion. I need to get to a computer to prove the case & finetune everything. But someone is pulling the strings to silence what I have to say.

If we do not act, civil unrest will explode. The current choice is default or higher taxes & civil unrest. Property taxes have jumped & collections are up over 40% in all major states passing 50% in Nevada, Wyoming, Kansas, Michigan, Louisiana, Virginia, Florida & Vermont as well as Hawaii between 2001-2007. Now taxes are rising because of foreclosures that suspend tax revenue.

I have done my best to try to help. I have clearly paid the price. As Europe weakens, the Dollar, Dow & Gold would rise. When the debt concerns then turn to the US, the Dollar will get hit only then.

Be careful. Watch the horizon. I have no idea when I will ever be able to write again. Someone has to step forward to save us or we may be doomed. It's time to wake up for this is the future of our children and their children at stake.

All the Best

America's #1 Political Prisoner

Martin A. Armstrong

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