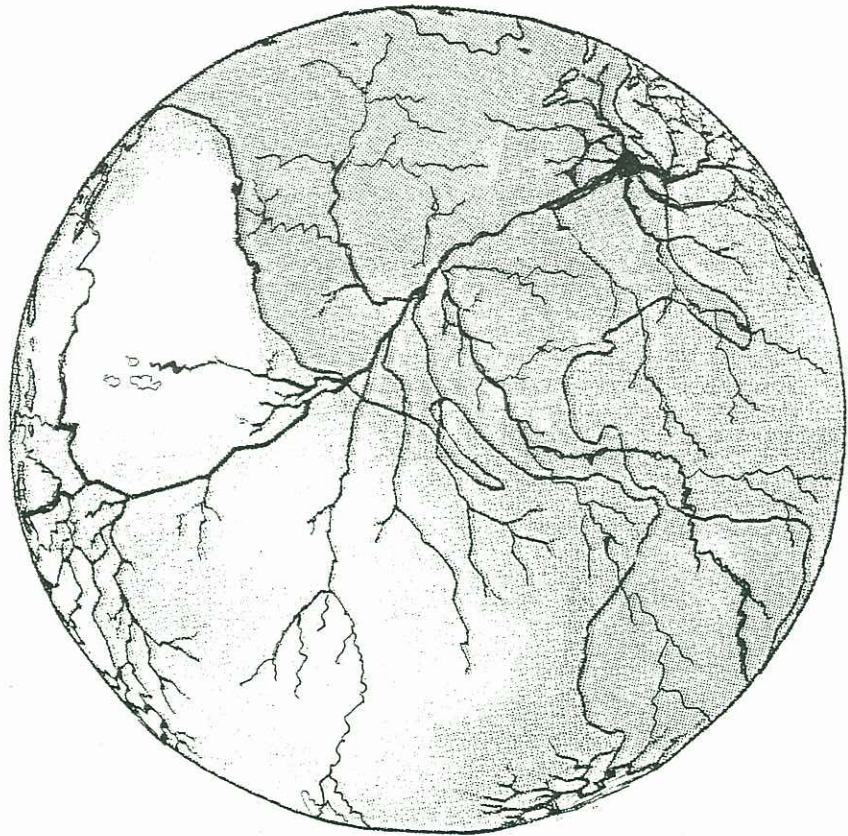


Armstrong Economics™

The Coming One World CURRENCY



How Do we do it?

Martin A. Armstrong
former Chairman of Princeton Economics International, Ltd.

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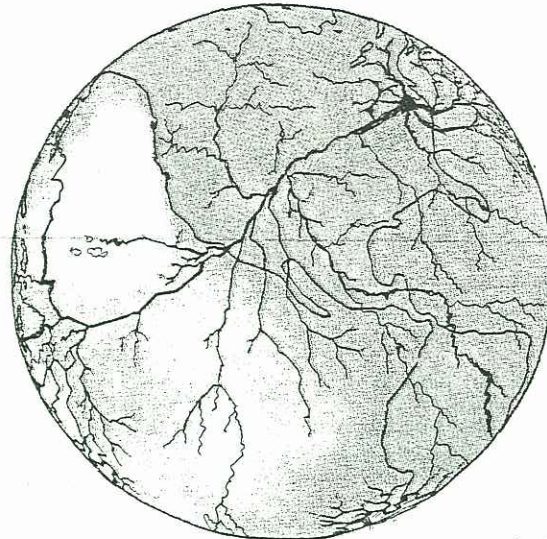
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The Coming One World Currency

How do we
do it?



May 1st, 2009

by: **Martin A. Armstrong**
former Chairman of Princeton Economics International, Ltd.
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There is no doubt we will see a new **One World Currency**. This is the next step in the evolution process of **Okinomikos** (Economics) as **Xenophon** (431-352BC ca) first coined the word as the title to his book that today probably would have been given the illustrious title - **How to manage your estate including your wife and slaves - for Dummies!** (meaning = how to regulate the household).

Until 1971, the world for the most part, relied upon gold as money. It was the neutral store of wealth that was recognized around the world. There were times when the gold standard was suspended, such as during the American Civil War. And there were times when some countries adopted a silver standard because they had too little gold to create a viable money supply domestically such as in China and Mexico during the last quarter-century in the 1800s. There was a suspension of the gold standard during periods of war, but we must exclude these interregnum periods for now.

The **Monetary Crisis Cycle** of 37.33 years has come on target - 2008 as calculated from 1971 turning point when the gold standard died. Go back another 37 years and we come to 1934 when Franklin D. Roosevelt confiscated gold and created a **Two-Tier Gold Standard** whereas gold was illegal domestically, but served as the ultimate store of wealth to settle the balance of payments among nations. Go back yet another 37 years and we come to the crisis of 1896 where J.P. Morgan had to gather a consortium of banks to lend the US Treasury a \$100 million in gold because it was bankrupt. If we go back yet another 37 years, we come to 1860 with the break of the Union and the abandonment of the gold standard thereafter for the Civil War. We can keep going back in time and find amazing correlations to the various currency crisis periods that seem to appear like clockwork. Perhaps it just takes 37 years before man routinely screws up everything one way or another. The answer to the regularity is a bit deeper than that and is interlinked with a host of other regular events including weather. That is for another day.

There is a rising discontent politically behind closed doors where some of the noise is filtering out through the cracks. Both China and Russia are raising the question about the dollar and its global reserve currency status. China has even suggested that it wants a "guarantee" that its \$1 trillion reserve will not be just devalued by spendthrift domestic stimulus packages. Those who seem to have great difficulty in believing there are even cycles, fail to understand that there are a limited number of options, and the one thing that remains unchanging, is human nature. Just as China has asked for a "guarantee" now, so did Britain in 1971 that fueled the closing of the gold window by Nixon. History does repeat!