

**ARMSTRONG ECONOMICS
FORECASTING THE WORLD**

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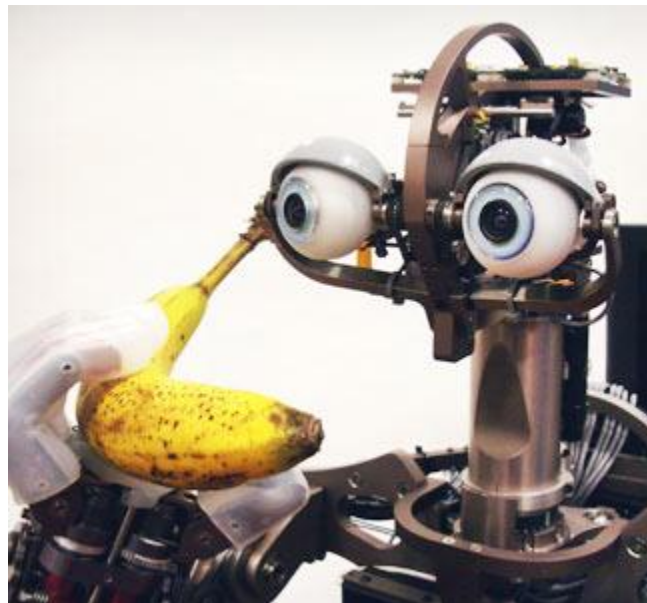
Financial-Capital-Equity-Commodity & Political Trends

History Is a Catalogue of Solutions

会長
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IS ARTIFICIAL INTELLIGENCE READY TO REPLACE GOVERNMENT?



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IS ARTIFICIAL INTELLIGENCE READY TO REPLACE GOVERNMENT?



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

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It might seem farfetched to even ask the question if we are at that point where robotic computers could replace government, but that day has really arrived. Throughout the course of history, man has been tormented by government. **Thomas Jefferson** when asked if he had to choose between the Free Press and Government, he would choose the press. Indeed, the enemy of the people has always been government no matter what form it might take. There is just something indescribable that takes place when man rules

man. Those who seek power do so for reasons of greed or ego. Those who truly would do the right-thing just can't get past the ass kissing.

Our problem with government is human emotion. Those in power are there generally for a reason. The decision-making is flawed if not outright corrupt. So how do we just move forward without constantly doing battle against the power that would be? That has been a quest of many, but no one has discovered the answer. Perhaps because we are just not facing

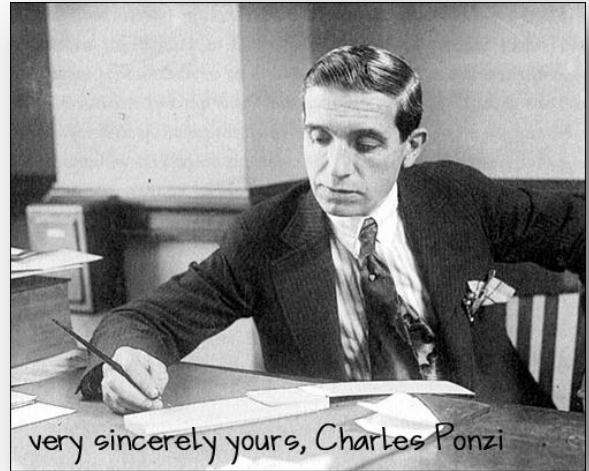
up to reality and look in the wrong places? If anyone can screw up society, let's be honest, it is certainly mankind.



BERNIE MADOFF

Take the whole issue of Social Security. What in God's name possessed those in government to create a system that is perpetually a **Ponzi Scheme**? Even the states didn't bother to fund their pensions. This in the private world is no different than what **Bernie Madoff** did who obviously ran his business by the same model as government. The government always accuses everyone of a **Ponzi Scheme**. This is simply because that allows them in court to claim the whole thing is a fraud and they do not have to prove it. Just prove a single transaction, and they assume everything is a fraud. A **Ponzi Scheme** was named for the famous fraudster **Charles Ponzi** (1882–1949). **Ponzi's Scheme** was claiming to be buying international postage coupons from Spain and exchanging them for US stamps and then selling them. In effect, he was claiming to be arbitraging both the currency and the difference in postage rates. The difference existed and in theory there could

have been a profit to be made. The problem, **Ponzi** never actually bothered to buy the coupons nor sell any stamps. He was taking money from one investor and paying another.



CHARLES PONZI

While the government scarcely ever charges anyone with fraud that is not alleged to be a **Ponzi Scheme**, this is just so they do not have to prove their case. Rarely are the frauds charged ever a **Ponzi Scheme**. In most cases, there was a business where money is lost and perhaps they tried to make it back. But in **Madoff** and **Ponzi** cases, there was actually **NO** legitimate business and no attempt to even make money. In both cases, this is the same model of the pension fund liabilities in the states and social security. There is **NO** money to investment because they have been taking money as it comes in to pay those already retired. It is a giant **Ponzi** scheme that is financially unsound and there can be no question it is headed for disaster. While **Madoff** has subsequently come out after his son committed suicide and said that the Banks **HAD TO HAVE KNOWN**, in reality, he is telling the truth. Today the banks are under **KNOW YOUR CLIENT** rules and if they

do not investigate **BEFORE** taking money, they can be fined up to the full amount of the money in question. So the banks HAD TO HAVE KNOWN what was going on, but the government will NEVER explore that possibility. In **Ponzi's** day, that was not the case.

It is true that the entire banking system is a derivative of the **Ponzi Scheme**, insofar as they pool all deposits and pay one person with another's actual money. But there is a legitimate business underlying that scheme of making a profit with your money, so this takes it out of the real **Ponzi Scheme** category. But when it comes to government, there is no attempt to even make money with the funds so the whole thing is really just a **Ponzi** type fraud.



The problem we face is government officials have promised themselves huge benefits, and now they are raising taxes and forcing the people to pay for the luxury of retirement programs nobody in the private sector could ever have. This is what is coming to a head and it is why I say it is NOT the rich v the poor. The government want you to believe that bullshit so you blame the rich, cheer for more taxes, that come back and only bite you in the ass when it turns out there isn't enough right to cover the bill alone. So once again, bullshit allows them to

keep the blame game going so you do not see who is really at fault here from the outset.



GOLD CERTIFICATE 1934

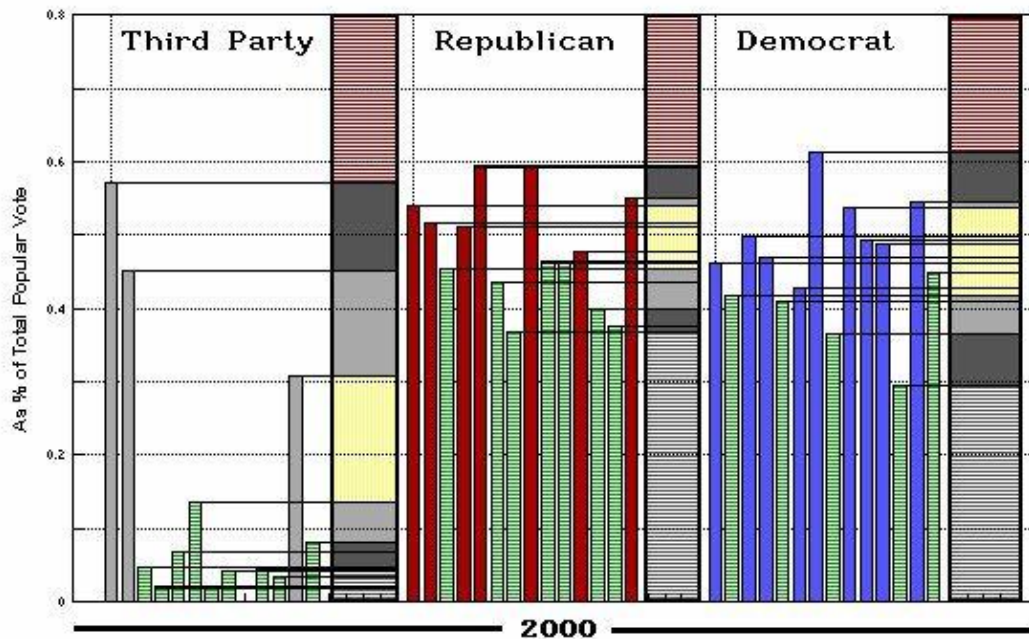
This is no different than the whole gold standard bullshit. At Bretton Woods they fixed the dollar to gold pegged at \$34 to the troy ounce. The problem was they didn't fix the spending to the quantity of gold in the vaults. Like someone who just won the lottery and rushes out and spends everything living it up, one day he wakes up and is dead broke. This is precisely what our politicians did to us. They screwed up the entire world and stole the future from our children and grandchildren.

The problem we have is not going to be solved by simply voting in the other party. Voting out the bastards will not solve the problem for we will replace them with new bastards. The parties will ensure they support only party people. There is just no way to solve the problem democratically. This is why there has to be a crash and burn and then we get a chance in a several lifetimes to start all over again. In that brief and shining moment, lies the opportunity to set it right.

We cannot go on expecting to really change the outcome. Those in power will cling to it like a drunk clings to that bottle of wine. You won't get it away from him until he has drunk the last drop. In this case, it is power. Communism robbed the people of their future. They have done the same under socialism.

2000 US Presidential Election Forecast

As % of Total Popular Vote



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Our computer also forecasted political elections around the world. When advising major multinational corporations, it was critical to understand the politics of every country. Illustrated here was our computer projection five (5) years in advance for the 2000 election. Note that it shows a very slight edge to the Democrats. When everything was said and done, Al Gore really did win the election, but the Republicans had the Supreme Court place it in their hands in **Bush v. Gore**, 531 U.S. 98 (2000). This was perhaps the greatest evidence of how desperate we are in need of a complete new Judiciary system as well as a warning signal that the right to vote is really gone as well. I do not speak in a political biased tone. What goes around comes around. The Democrats would do the same thing when the tables are reversed. It

was not a Republican v Democrat issue. It was the politics v the people. The precedent of the Supreme Court deciding elections is a very dangerous one altogether regardless who wins.

Yet this further underscores our problem. The judicial discretion and political discretion is one and the same. The Supreme Court defined it by saying *"the term 'discretion' denotes the absence of a hard and fast rule."* Langnes v Green, 282 US 531, 541 (1931). This means that those in power do not have to obey any law, even the Constitution. For the Supreme Court also said *"it is obvious that discretion does not exist where there is no power to act except in one way."* Jones v SEC, 298 US 1, 18 (1936). When judges and politicians claim discretion, they claim to be ABOVE the law of men.



SIR EDWARD COKE (1552-1634)

There is one of the most famous judges of England whose courage speaks loud from the grave even till this day. He was **Sir Edward Coke** (pronounced "Cook") (1552 – 1634) was a seventeenth-century English judge at the King's Bench who was removed because he refused to let the king dictate the outcome a legal cases. It was **The Case Of Commendams** (1616), where King James ordered the justices of the King's Bench to stay proceedings in the case until they had consulted him. When the judges refused to comply, James summoned them before the **Privy Council** and asked them individually whether they would obey his command. All of the judges submitted the demands of the King except Coke, who was reported to have replied only that **"he would do that should be fit for a judge to do."** As a result, Coke was removed from the chief-justiceship on 16 November 1616. Sir Francis Bacon was

Coke's mortal enemy who insisted to the King that Coke be removed from the court. Later, Bacon had Coke imprisoned in the Tower of London for much of 1622. It was Coke who said:

"God send me never to live under the law of conveniency or discretion. Shall the soldier and justice sit on one bench, the trumpet will not let the Cryer speak in Westminster Hall."

Indeed, Lord Coke was a great man of courage and conviction. For that reason, he was imprisoned for standing up for what was right. This is just the way of government has always been; plagued by corruption, for there is a long list of patriots who were imprisoned in all ages.



SIR WILLIAM BLACKSTONE (1723–1780)

Sir William Blackstone wrote his **Commentaries on the Law of England** (4 Volume set), that I have read many times. It is the work upon

which the laws of the United States were supposed to be designed. Blackstone wrote in his fourth Volume:

“For, if judgments were to be the private opinions of the judge, men would then be slaves to their magistrates; and would live in society, without knowing exactly the conditions and obligations which it lays them under.”

Id/Chapter 29, p371 (1776 Original Edition)

History indeed is a Catalogue of Solutions, to quote myself. It also reveals the problem. Justice Brewer in 1908 delivered a speech on at the Lincoln Day Address that I have been very fond of. He bluntly stated:

“The time is past in history of the world when any living man or body of men can be set on a pedestal and decorated with a halo. True, many criticisms may be, like their authors, devoid of good taste, but better all sorts of criticism than no criticism at all. The moving waters are full of life and health; only in the still waters is stagnation and death.”

Government by Injunction 15 Nat. Corp Rep 848, 849

Indeed, those in government have forgotten what made the United States great – **FREEDOM OF SPEECH**. Not only have I had my own battles on that front, but you have WikiLeaks where government wants to imprison him for life when in fact NOTHING he leaked aided any enemy, but exposed the lies of those in government. That is NOT treason. They once again seek stagnation to stop the free flow of information, which is the essence of all such liberty. What they do is contrary to the Constitution, but find a judge with the courage of Lord Coke to stand up. Good luck! He was the ONLY judge to do so in 1616, and he was fired

for doing so. We have no jurists who will take that stand today, so we are basically screwed.

This brings us to the real question. **Is Artificial Intelligence Ready To Replace Government?**

The answer may be shocking, but it is a resounding **YES!** How? The problem we have is corruption that is manifest in the form of a self-anointed discretion to ignore the law. This exists both in courts and in Congress. Oh we can pass more laws that expressly forbid that, but let's face the facts of life, man is just a corrupt species. There is no safeguards that we can put in place to ensure that there will be honest government, which is a RIGHT that is inherent in a free society. You just will not get any judge to agree with that statement.



I am not proposing that politicians should be replaced with the robot of Lost in Space from the old TV Show that ran around yelling “DANGER Will Robinson!” However, we can do something that is a bit more practical. The law should be coded and a computer can replace the judge. Certain facts are to be established and the answer should be black and white. There can then be a court of appeals that is

NOT made up of political appointees for life. Instead, we have rotating panels of 12 lawyers from the private sector. Their terms are short to no more than one year and they will determine if by the black letter of the law the computer decision was incorrect. Once the law is back in the hands of the private sector and ALL immunity for government employees is removed, then perhaps we will return to an honest government.

In programming, what we are talking about isn't even Artificial Intelligence. It is truly just an expert system. For example, the **Innocence Project** was founded in 1992 by Barry Scheck and Peter Neufeld as part of the Benjamin N. Cardozo School of Law of Yeshiva University in New York City. As of January 2011, 266 people previously convicted of serious crimes in the United States alone have been exonerated by DNA testing in cases of murder and sexual assaults. This raises a serious question. How can there be rape and murder cases where they are convicting the wrong person? The traditional evidence is fudged and preys on the emotion of the jury. What about other crimes where there is no DNA evidence possible? Verdicts are NOT always correct! ***"There is no crueler tyranny than that which is exercised under cover of law, and with the colors of justice ..."*** - *U.S. v. Jannotti*, 673 F.2d 578, 614 (3d Cir. 1982). This means whatever safeguards to ensure justice is done, do not work when the bias of judges and prosecutors override law.

An **Expert System** is a simple rule based program without human discretion. Law can be determined by a computer without political bias. That will restore the check and balance that is missing. Disputed facts would still be decided by a jury. But the jury

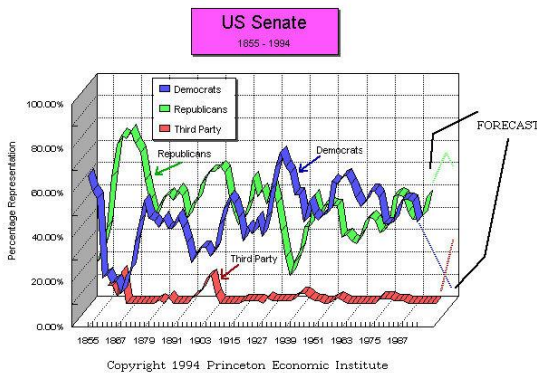
gets to see ALL the evidence, not what the judge censors.

For example, in the famous John Gotti trial, Sammy the Bull testified for the government, who restricted the questioning and prevented the jury from learning that there were other murders done by Sammy that had nothing to do with the MOB, including the murder of his own nephew that he was alleged to have committed simply because the kid was gay. The government argued that the jury might get confused and think Sammy just may have killed people on his own. So they prevented John Gotti from putting on a full defense whether he hired Sammy to kill someone, all thanks to **JUDICIAL DISCRETION**. That was something the jury had a right to hear. ALL the facts, not just what makes the government's case, **MUST** be decided by the PEOPLE or there is no free society. Judges are not even elected.

Computers would eliminate that taint and the government can't bring bullshit cases to further political careers of prosecutors or refuse to bring cases against the Oligarchy. The Judiciary could easily follow a rule based program reducing it to very plain black and white decision. Any question can be as a matter of law decided by an unbiased computer – even abortion. That would restore the check against Congress and all the political shenanigans.

We still need one more step; we then need to require **court approval of any law IN ADVANCE of its implementation**. Congress could right now legally pass an act that everyone's first born male child must be executed just as did King Herod. The way it works in the USA, **ONLY** when they try to **ENFORCE** the law can you go to court to

argue it is unconstitutional. In reality, government gets to do as they like to you, and ONLY if you have the money to defend do you have a prayer in hell of winning. So, Congress must be stripped of that power and any law they pass must be heard by the court **PRIOR** to enforcing. This combined with 1 year term limits will restore America to what it was intended to be originally.



Elections have been meaningless. They just swing back and forth between two parties always telling screaming they will vindicate and bring change! But the change is only self-interest and in the long-run, everything just falls apart anyhow. This constant swing back and forth has driven capital from America, jobs, and has set the nation in a downward spiral. As an advisor to multinational corporations, from their perspective it became like playing Russian roulette. How can they commit to building plants and infrastructure based upon a model with taxes at a certain percent, and then the political winds changes and the taxes are raised reducing profits? This is no way to run a country.

This is more than a Marxist battle. It is a question of providing long-term economic stability. Companies have to operate on a stable economic footing. Things can't constantly change back and forth. This was

a major reason manufacture left America. It is not even the empirical tax rate. It is a question of stability. These Marxist dreams have led to political battles, but it is a senseless war because neither party retains power permanently. So the Democrats come in and raise taxes on the "rich," and the Republicans come and a lower them again. This is an Economic yo-yo,

We need a foundation of law that is FIXED. The Bureaucracy should be the only professional full time jobs. In a real DEMOCRACY, the people run the shop. We have a REPUBLIC with elected politicians who vote on our behalf. Anyone studying ancient Greece will understand the reason women did not vote was because the man of the house acted like the politician and represented the household. There were no professional politicians in a Democracy with lifetime employment. There were bureaucrats who ran the day-to-day events an reported to the assembly of the PEOPLE. A Republic is like having a house maid so you don't have to clean.

Replacing the Judiciary with an unbiased computer that has no DISCRETION, would be the first step in creating a new world. Then require ALL legislation to pass the test BEFORE it is enforced. Eliminate lifetime political jobs with term limits 1 time only. Ultimately, this will restore a great deal of what has been lost over the decades. We have to start planning how to reboot the system when it crashes and burns on the next cycle. Marx did more to screw things up than anyone in history. He told the politicians they could rule the world. And they listened because it placed the power in their hands. He didn't know what he really did! No other person in history has cost so many lives and stole our future than Marx.