Dear Mr. President,

As a financial analyst/adviser and trader with a proven track record, I have been called in by former presidents, world leaders, and central banks around the world during crises since 1985. I was summoned for help during the 1987 Crash. I was perhaps the first American analyst to be invited by the central bank of China and flew to Beijing during the 1997 Asian Currency Crisis. I have testified before the House Ways & Means Committee. Major political leaders have been guest speakers at our World Economic Conferences, not merely Margaret Thatcher, but your friend Nigel Farage spoke at our Rome Conference in May 2019.

All of the economic stimulus packages will not save the day as long as the people have lost confidence in the future. There must be serious out-of-box solutions, for the catastrophic economic damage the health organizations and media have created is unimaginable.

It is true that if we all stay home every day and just watch TV we can beat the common cold. The damage these people have done when there are less than 200 deaths in America compared to over 1 million people who die in car accidents each year makes one wonder why we do not prohibit cars. Nearly 500,000 die of smoking each year, why do we allow tobacco companies to continue operating? There are costs that must be weighed and the losses these people have created by yelling fire in a theater is staggering.
The damage that has been done by the CDC in sacrificing the entire economy for a virus, which is minimal compared to the flu, and has already peaked in China and South Korea, amounts to yelling fire in a crowded theater. They have undermined the world economy and the amount of people who have lost jobs worldwide is staggering.

Students and young voters work in restaurants as servers. They have lost their jobs by closing restaurants unnecessarily. They are excluded from the bankruptcy laws and are saddled with worthless degrees that do not guarantee jobs. Most students end up in professions that have nothing to do with their degrees. There is no degree to be President, a Senator, Congressman, or the head of a central bank. Student loans should be forgiven if they cannot find a job in which they have a degree. This will force reform in the education system to only offer worthwhile degrees. All student loan payments should also be suspended for the balance of the year.

You should now look at imposing a 9-month moratorium on mortgage and small business loan payments, and suspend all interest accrued during this period. There will be a risk of a flood of foreclosures unless we look realistically at the damage this has created. Negative interest rates only destroy the bond market as evidenced in Europe since 2014. The ECB cannot use Keynesian Economics to lower rates to support demand when people have no confidence in the future.

The economy must be supported, but not by handouts that the average person will not spend because they fear what tomorrow will bring. We must look at the small businesses and the average person. They account for 70% of the economy, not big business.

All you need to look at is the Excess Reserves at the Federal Reserve. The banks will not lend money, for they have no confidence in the future. The banks will only park the money at the Fed. There is no amount of money you can throw at the bankers that will ever reverse the economic decline. They will hoard their cash until they think the worst is over.

Keynesian Economics is to blame. You cannot lower interest rates and expect this will inspire people to borrow when they lack faith in tomorrow. All you do is undermine the pension funds and wipe out the elderly. This philosophy of just lowering interest rates has NEVER worked even once. It has ignored the most critical factor which is public confidence. People will pay 20% interest rates if they think they will double their money next year. They will not pay 1% if they do not see how to even make 1% next year.
I am asking you to request Senate Hearings on this crisis. You will find there are plenty of researchers around the world who are seriously questioning what has been taking place over this virus. The advice you have received from the CDC who seek authoritarian powers is focused only on their field without any understanding that the cure they suggest, shutting down the entire economy, will undermine the economy for years.

You do not kill the patient to cure the disease. This sort of damage must be reversed and exposed that they overreacted on false beliefs like the weapons of mass destruction in Iraq.

Sincerely,

Martin Armstrong

CC/Tomas Philipson Chief Economic Advisor
CC/Steven Mnuchin Secretary of the Treasury
CC/Jerome Powell Chairman Federal Reserve
CC/Mitch McConnell Senator
CC/Kevin McCarthy, Steve Scalise House of Representatives