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The History of The Future: Trends 2012 Off With Their Heads 2.0

Episode VIII By the Summer of 2010, the bottom was falling out of the US economy. The evidence was voluminous and cumulative. It showed up in the numbers, both on paper and on the street. The numbers didn't lie. But the White House and mainstream media "experts" did.

An honest look at a typical week in August 2010 told the story. In the sweltering Georgia heat, an unruly mob of 30,000 crowded an Atlanta parking lot, desperate to win one of just 455 prized vouchers for Section 8 housing assistance. Some had waited on line for days. People were trampled, fights broke out and cops in riot gear were called in to keep control.

This Georgia scene was no aberration, rather, it was symptomatic of the state of the nation. In the same week that cash-starved people were fighting for an affordable roof over their heads, it was reported that some 20 million US homes, either unsold or foreclosed, stood vacant.

It was an August in which headlines read:

- U.S. Trade Deficit Unexpectedly Widens to \$49.9 Billion as Exports Decline
- Mortgage Arrears Deepen U.S. Fears
- Factories Lose Orders, Builders Lose Confidence
- Housing Starts in U.S. Increased Less than Economists Forecast Last Month
- July Home Prices Dropped 3.3% as Foreclosed Properties Flooded Market
- Construction Spending Sinks to 10-Year Low in July as Investments in Projects are Now 34 Percent Below February 2006 Peak
- U.S. New-Home Sales Flat in August, Matching the Second-Lowest Level on Record

- Existing-Home Sales in July Down 25.5% from Previous Year
- Second Quarter GDP Growth Revised Down from 2.4 Percent to 1.6 Percent
- Unemployment Claims in U.S. Unexpectedly Climb to Highest in Five Months
- Auto Sales: Worst August Since 1983

The headlines told the real story, but that's not the way it was being told by political prostitutes, Wall Street shills and media barkers. From the onset of the crash that began in the Summer of 2007, they had been suckering the public into placing bets to keep a rigged and doomed game going. The collusion went on at such a high level that it passed for rational policy.

From late 2008 through 2010 – by Federal Government and Federal Reserve dictate – the economy was seeded with unprecedented trillions of TARP, stimulus, and sundry other bailout dollars. No single initiative in the history of the nation would prove more destructive. These actions, which would ultimately lead to a financial Dust Bowl, were glowingly described in the 2009 edition of Federal Reserve Chairman Ben Bernanke's *Financial Farmers' Almanac* as waves of "green shoots" that would sprout from sea to shining sea.

Over the course of two years of lavishly fertilizing too-big-to-fails and securing critical voting blocs of civil servants, teachers and unions with employment guarantees and "shovel ready" projects, Americans were reassured that, surely if belatedly, green shoots were indeed flowering.

"Folks, the act is working ... more people are going to be put to work this summer," boomed Joe Biden in June 2010, as he officially announced the Obama administra-



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Crash or No Crash?

Over the past few months we've been receiving emails questioning the forecast we made at the end of 2009, predicting the "Crash of 2010."

With the world equity markets on a tear and the Dow fluctuating around 11,000, bulls are bellowing. Were we wrong?

Actually, not. We specifically avoid singling out the market. In fact, in our 30 years of trend forecasting, only once did we make a stock market forecast, and that was in January of 1987 when we predicted an imminent market collapse. On October 19, 1987 the world equity markets collapsed and the Dow plunged 508 points (22 percent).

That 1987 forecast was made on the understanding that those markets were highly inflated, artificially hyped and due for a fall. And while there has always been insider trading and manipulation by major players, back then it was a simpler crooked game and it was possible to see more clearly how it was played. But in this digital age of high-frequency trading, flash crashes, dark pools, ghosting, rogue traders, etc., a whole new set of schemes has been added to further complicate any attempt at market forecasting. Perhaps more importantly, we do not consider the stock market a reliable macroeconomic indicator.

Our forecast stated that before the end of 2010, a shock to the economic system would make it clear that there would be no recovery and the "Greatest Depression" would ensue. The desperation measures currently being taken by the Federal Reserve and the world's Central Banks (flooding the markets with endless liquidity) have sparked a currency war. The dollar is set up to crash, sovereign debt defaults loom, Europe is rioting ... and the year is not yet over.

Something *will* give. Stay tuned.

Gerald Celente

Publisher

P.S. We are frequently asked by readers what methods we use to identify and forecast trends, and how they can learn to do it for themselves. This issue of the *Trends Journal* is particularly rich in "how-to" trend tracking tips.

tion's "Summer of Recovery." "The proof of the pudding is in the eating," he said.

No! The proof was in the pudding. Even as Biden blathered, the people couldn't afford the pudding. Food stamp use in America had hit a record 40.8 million in May, up 19 percent from a year earlier – "Recovery Rations," as Gerald Celente called them.

Unemployment levels in the United States were at their worst since the Great Depression, and would only get worse. Since 2000, some five million high-paying manufacturing jobs had evaporated, and the fraction of new jobs created (health aids, hospitality workers, restaurant help, etc.) paid plantation wages. The jobs lost were not

coming back, and unless major trends and policies were reversed, they never would.

In that same sleepy August, while Empire America was being systematically plundered by a criminal class of power-mad politicians, money-mad financiers and murder-mad military, the most significant news stories were drawing little attention:

- China Cuts Long-Term Treasuries by Record Amount as Yields Fall
- China Favors Euros Over Dollars as Bernanke Shifts Course on Fed Stimulus
- China Doubles Korean Bond Holdings as Central

Editor and Publisher

Gerald Celente

Executive Editor

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Eldad Benary

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The Trends Research Institute

P.O. Box 3476, Kingston, NY 12402

845 331-3500

www.trendsresearch.com



up 165 points, only to give back most of it after the weekend on Monday's deceptive news: "Consumer Spending in U.S. Climbs More Than Forecast, Personal Incomes Lag." (*Bloomberg*, 30 August 2010)

OBAMA CON

There was no convincing way to spin recovery out of spending more while earning less. Returning from his ten-day vacation, President Obama, in a televised appearance, assured the nation that while the recovery was slow, the nation was moving in the right direction, and he and his team were "hard at work in identifying additional measures."

The majority of Americans, believing what they were told, just not listening, or sunk in apathy – were doing nothing to prepare for the upcoming winter's economic battering. It was a textbook grasshopper and ant summer.

But not everyone bought into the Econo-con. Armed with the facts, unafraid to face unwelcome conclusions, and with the courage to change long-held opinions – and even lifestyles – the 20 Percent able to think for themselves were busy preparing for the "Crash of 2010."

Trendpost: The familiar Grasshopper/Ant fable attributed to Aesop was to be taken at its most basic and literal level. Winter was on its way: be prepared.

Aesop's simple moral was in fact an abridged version of the less familiar, but more profound, detailed and practical advice enshrined in the Old Testament (Proverbs 6:6-9): "Go to the ant, you sluggard! Consider her ways and be wise, which having no captain, overseer or ruler, provides her supplies in the summer, and gathers her food in the harvest. How long will you slumber, O sluggard!"

There, in the ancient text, was a model for the "20 Per-

cent Solution." (See "20 Percent Solution," *Trends Journal*, Spring 2010) The morality tale is about more than food and shelter. Updated for the 21st century, it meant that only the physically, emotionally and spiritually fit would survive.

- "Go to the ant." In other words, seek counsel from those with proven track records of success in their field of expertise.
- "Consider her ways and be wise." You don't go to an obese doctor for a weight problem, or to one who all too readily deals prescription drugs for a psychological problem. You don't heed the advice of pundits, shills and political pitchmen with agendas when you need financial direction – especially since most of them have been consistently wrong in the past.
- "Having no captain, overseer or ruler." After counsel is given, facts presented, data analyzed and the situation assessed, in the end, you – and only you – are the final arbiter. "Think for yourself" is the cardinal rule of The Trends Research Institute.
- "How long will you slumber, O sluggard!" Pass the wake up call onto others; those of the 80 percent capable of becoming part of the 20 percent.

Publisher's Note: *I get many emails from readers frustrated by their inability to convey to family and friends the reality and urgency of existing conditions. It cannot be helped. In theory the facts should speak for themselves, but in practice only a small percentage are capable of accepting facts that contradict deeply held beliefs and assumptions. Choose your audience carefully, and do not waste time on the pathologically somnolent. In the words of the ancient sage: "If you would prevail in a mad world, do not try to talk moonbeams to the blind or music to the deaf."*

Trendpost: The following are some practical actions to consider and productive attitudes to cultivate.

1. Beware of the seduction of spiking stocks and the siren song of "buying opportunities." Play the market only if your finances are secure, gambling is your game, and you can afford to lose. The odds of getting the timing right – buy low, sell high – are long, unless you're privy to inside information in a manipulated market.

2. While no investment is devoid of risk, in the even harsher economic climate to come, we consider having a substantial gold reserve as a survival essential (in your possession, rather than in a bank safety deposit box that can be shut by government decree). Having tripled in

price since 2000, we reiterate our forecast of gold \$2,000 per ounce ... and possibly much higher.

Lurking fears of inflation, predictable economic turbulence, possible major military strikes all reinforce gold's "safe haven" status. Added to this, gold prices were, and still are being driven higher by governments' attempts to push their currencies lower in hopes of boosting export competitiveness.

Given the innumerable variables including possible government controls, central bank interventions and collusion among major players, it is impossible to predict the precise timing of how high gold will go and when. Also, a plunge in the equities market could spur investors to sell their gold holdings to raise cash.

Even in the unlikely event of a global economic recovery, betting on gold would still pay off. For the first time in three decades, investment demand in 2009 exceeded jewelry consumption. In a recovery, demand for gold from China and India, two major gold bug nations, will broadly strengthen.

There are many who prefer silver as their fail-safe of choice, both for its affordability and their belief that it is undervalued relative to gold. While the reasoning is sound, in terms of sheer storage space and portability (in 2010 it took roughly 60 ounces of silver to equal an ounce of gold in value) silver presents obvious problems of its own.

Publisher's Note: *As a longtime gold believer, I am often asked, "What would you do with gold and silver in a worst case economic scenario of rampant inflation and/or societal upheaval?"*

The answer is, there will always be a ready market of buyers, brokers and dealers for precious metals. Simply exchange it for the currency of the realm, no matter how inflated it may be, to make necessary purchases. Or use it to barter for goods and services. No matter what the situation, I believe that gold and silver will retain their value more than most anything else, and will be exchangeable for everything from food to freedom.

3. Assuming that the worst is still to come, how Depression-proof is your job or business? Health professions will continue to experience strong growth for obvious reasons, such as an aging, overweight, sedentary, and depressed populace. And, there will be numerous niche markets and specialties opening up within the trend. For



example, retrofitting homes to make them senior-friendly: elevators in multistory homes and a spectrum of ergonomic products, fixtures and aids to accommodate a baby boom generation who, though babies no more, have resisted making plans for old age.

While it goes without saying that there will be a plethora of low-paying home health aid/eldercare jobs that will at least provide survival wages, there will also be many lucrative opportunities opening up for the highly skilled and the creative.

Whatever trade, craft, profession or business you're in (whether threatened by economics conditions, outsourcing, obsolescence, etc.) diligently explore any connection it might have with the aging trend. There will be an export potential for unique products in all nations with aging populations.

4. Liquidate! Sell off what you don't need while there is a market for it. From His big-boy toys (too many cars, barely used boats and useless collectibles), to Her bursting closets of designer clothes and household items hardly used ... and on down to self-storage units. As a rule of thumb, if you have stuff in storage, you have more than you need (unless you're displaced and have nowhere else to store it).

Eliminating excess is more than simple economics. On a more profound level, deciding to separate yourself from your possessions is an emotional/spiritual practice. You are not what you own!

"Having tripled in price since 2000, we reiterate our forecast of gold \$2,000 per ounce ... and possibly much higher."

THE AFTERMATH

Now, in 2012, many of the oblivious have been obliterated. They had put their trust in others – politicians, tycoons, religious zealots, pundits whose only interest was their own well-being and advancement – and now were suffering the consequences.

Physical wrecks, spiritually bankrupt, emotionally spent, financially drained, they lacked the know-how to thrive and the will to survive.

Commuting to uncreative and deadening jobs – if they were fortunate enough to have them – locked in a lifestyle whose joys were fleeting under the best of economic circumstances, they were already among the walking dead.

Unwilling to put down that can of Coke and stop stuffing themselves with toxic, packaged, processed, mass marketed counterfeit food, they were assiduously preparing themselves for an early death.

To hasten the process, at the first sign of sickness, there were quick-fix pills for every ill that relieved the symptoms but could not cure chronic disease. The gullible gobbled them down, brainwashed by medical mad scientists to believe that without drugs they could not function.

Incapable of taking responsibility for their own health, Americans had become as addicted to popping pills as they were to gorging on garbage. Quantifiable aspects of the lifestyle were revealed in statistics, but were interpreted as merely an unfortunate consequence of 21st century American life. In reality it was no less than a plague. A time-release plague.

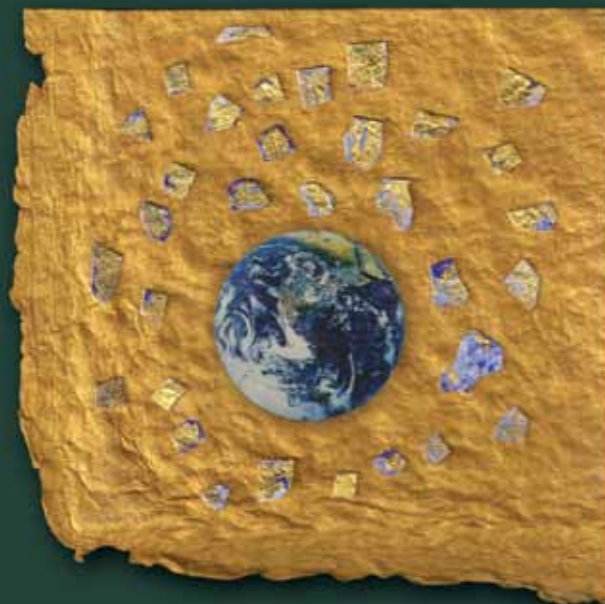
HAND JIVE

This wasn't a pandemic spread by vermin, virus or hoof-and-mouth. It went hand-to-mouth, was totally self-inflicted and was, in its own way, no less contagious than the notorious Black Plague. But the politically correct wouldn't call it by name. And special interests had manipulated the numbers down to protect their interests. But even with the cooked numbers, a staggering 34 percent of adults and 20 percent of children were obese. "The Obesity Plague" had descended upon America.

For years, the correlation between excess body weight and a host of serious and/or deadly illnesses had been overwhelmingly established. Tens of millions would die prematurely. There would be no survival of the fattest.

But there would be survival for the fittest. The strong, the savvy, and the lucky would survive. Like its 14th cen-

TRENDS



All the king's horses and all the king's ...

Trends Art poster, "All the King's Horses"
(available for purchase, [click here](#))

ture predecessor (in which an estimated 30 to 60 percent died), this Plague would be a culling process. Back then, with death at every doorstep, "death" became a wakeup call. The traditional way of life was not just broken – it was life threatening. The status quo was deadly: either change, or die. Those who beat the odds would come to represent a new class with different goals and values, and a more eclectic philosophy.

With the system seriously shaken, bold and original thinkers searched the classical past of Greece and Rome looking for models and answers. What worked better then? What could they take from the past and apply to the present to help create a better future?

That search for ancient wisdom opened up an unprecedented age of inquiry, exploration, artistic perfection and scientific ferment that would come to be known as the Renaissance.

By 2010, the new plague was well established, but although the evidence was undeniable, it still wasn't being recognized for what it really was. America, once ranked near the top among nations for longevity, had since fallen to 49th place. Would it have to fall to 149th before health professionals would admit that the overstuffed, sedentary, fast food/junk food-addicted population was dying from

over-consumption?

Given the power of the medical/food industry and over the objections of the politically correct, it would be years before the rampant malady would be called by its proper name: "The Obesity Plague."

WAITING FOR MR. FIX-IT

The system was broken. And all of the experts, scholars, politicians, doctors, researchers, academicians – along with all the king’s horses and all the king’s men – would never put it together again.

But, as in the earlier Renaissance, recognizing the futility of relying upon "authorities" and "leaders," the wise, the self-assured, and the free thinkers were looking back in order to move forward.

They would reject the gross materialism and obsessive consumerism that dominated contemporary society and that so many regarded as the defining measure of progress.

This statement is not a moralizing value judgement on our part, but is explicit in the guidance given by the highest commanders of finance whose only concern was to keep consumers consuming. With the economy foundering, the solution offered by Charles Evans, President

of the Chicago Federal Reserve, was to "convince businesses and consumers to stop saving and start investing and spending." (*FT*, 18 October 2010)

Under the circumstances, stop saving, keep spending and start investing (i.e., gambling) was beyond a depraved philosophy, it was policy – Fed policy. And it was precisely this relatively recent deviation from sanity that was repudiated by Renaissance thinkers.

They looked back to a time gone by when life in the USA was driven by other and higher values. They cherry-picked the past for what was genuinely valuable (and to some extent uniquely American) that could be retrofitted to nourish the future.

It wasn't about nostalgia for the "good old days." It was about what worked better, tasted better, looked better, sounded better ... and was better. It was a rediscovery – a rebirth of QUALITY

and all that had been best about America before it degenerated into the worship of the sacred "bottom line."

In 2010 it was "Grasshoppers' Indian Summer." Winter was setting in and it would be a harsh one. But the ants had not only stored seeds to weather the storms, they had already sown them.

The American Renaissance had begun. ([It starts here!](#))



"Renaissance Bouquet" by Eugene Gregan

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