

'We'll see worst U.S. economic collapse ever'

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In 2009 we're going to see the worst economic collapse ever, the 'Greatest Depression', says Gerald Celente, U.S. trend forecaster.

He believes it's going to be very violent in the U.S., including there being a tax revolt.

RT: The fragile U.S. economy has been met with bank bailouts and stimulus plans. So what's to come in 2009? Joining me now to answer that question is Gerald Celente, founder and director of the Trends Research Institute. Thank you for joining me.

Gerald Celente: My pleasure.

RT: How would you define the economic trend that you have forecasted for 2009?

G.C.: We're going to see the economic collapse the likes of which the world has never seen before. It's not only in the United States; it's going global. At the end of 2008 we saw Christmas retail sales: women's apparel down 23%; home furnishings and electronics off 27%; luxury items down 35%. These are Depression Era collapses. We saw major bankruptcies, such as retailers Circuit City and Linens and Things. One bankruptcy after another. Then we saw store closings. Starbucks, Home D&D Power and down the line.

The question becomes who is going to take all of the vacant retail space? Who is going to rent it? The answer is – nobody. Now we look at the financial collapse in 2008, we saw the Merrill Lynch mob go under the bed and the Lehman boys went bankrupt. You saw bond companies, brokerage firms, and banks go belly up. Who is going to rent all the vacant commercial business space that they used to occupy? The answer is – nobody. The commercial real estate collapse that's going to happen in 2009 is going to dwarf the residential real estate collapse.

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RT: You use the Great Depression as an analogy, as a comparison. During the Great Depression unemployment was 25%. Now it has increased, it's I think over 7.2. Is that number going to get much, much bigger?

G.C.: We have to look at the real number. There are two sets of books that the government keeps. When they measure up unemployment they don't add in the people who are no longer looking for jobs because they have become discouraged since they cannot find employment after looking so long. And they don't include part-time workers. When you put that number into it, the number is 13.7%. And that's a government number. And this is just beginning. And again, current events form future trends.

What did we see? We saw in one day some 61,000 jobs evaporate off the map. You're going to see Great Depression numbers. Because, as I mentioned, with this commercial real estate collapse, all of these retail stores closing, like Starbucks and Macy's, you go down the line. You look not only at people who work for these places that no longer have jobs, but how about all the supportive industries – the advertising, the manufacturers, the products. They're going to be laying off people as well. We're going to see Great Depression numbers. In that effect, this is going to be worse than the Great Depression.

RT: What are we going to see happening to the society, to people's day-to-day lives in terms of how they treat one another, how they behave, crime?

G.C.: When I say it's going to be worse than the Great Depression, we call it the Greatest Depression. By the way, to be using 1930s models to get the U.S. out of this is really stupid. Back then when we first crashed most people didn't have homes. There was no such thing as home equity loan. And back then, people didn't have credit cards. The consumer wasn't 14 trillion dollars in debt. We had a manufacturing base that built the world out of the Great Depression following World War Two. We no longer have that.

Now people are at the edge. They're stressed out. Look, the Americans are the most depressed nation on the world already. They take more antidepressant drugs than anybody, plus the other kinds of drugs that they are taking. You're going to see crime levels in America that are going to rival the third world. Welcome Mexico City. You're going to start seeing people being kidnapped in this country like they do in other underdeveloped nations. So it's going to be very violent in America.

RT: You're not exaggerating?

G.C.: I'm not exaggerating, the facts are there. I have a saying: when people lose everything and they have nothing to lose, they lose it. You're going to see people saying, off with their heads. There's going to be another revolution in this country.

RT: When will this revolution that you have forecasted in your Trends journal happen and what will ignite it?

G.C.: *It's going to be a tax revolt. We're going to start seeing a tax revolt in the United States. People are one job away from losing everything. We're seeing more and more closures, people are being laid off. People are stretched to the limits. And what do they do in New York State? Some 130 new taxes are being proposed, they're raising sales taxes. There's going to be a tax revolt in this country from property taxes first and school taxes second. That's what we're going to see start to happen.*

RT: Do you feel people are not hopeful that Obama will make a difference?

G.C.: *People are hopeful, they are desperate and they are fearful. And they'll hang on to anything. Let's look at the facts. A man of change, who did he bring into Washington? You know they say by their deeds you shall know them. Let's look at his Treasury Secretary, Timothy Geithner, former Robert Rubin from the Clinton administration, the former president of the New York Federal Reserve Bank. Change? How about Larry Summers, the former Clinton Secretary of Treasury? I mean, I've been around a long time. I never remember a newly elected president bringing in basically the national security team from the last administration who happen to be from another party.*

RT: Do you not think Obama's different in any way?

G.C.: *By their deeds you shall know them! If I bring in a baseball hitter that strikes out every time and I want him to play in the World Series is he going to hit the ball over the fence? They brought in Larry Summers, Timothy Geithner. Look at the crew. Look who they are. They're strike out artists, every one of them. The only thing that they know how to do is not to get their finger nails dirty.*

RT: There was a sentence in your report, the Trends Journal, that really caught my attention. You wrote: 'On 9/11, those who listened to the authorities and returned to their offices went down with the towers.' So are you saying that Americans should not be listening to the officials who are saying the Stimulus Plans are going to make everything better? Is that the analogy?

G.C.: *Read my lips. No new taxes. I didn't have sex with that woman, Monica Lewinski. I smoked but I didn't inhale. Saddam Hussein has weapons of mass destruction and ties to Al-Qaeda. Why would anybody believe these people?*

RT: So what are Americans supposed to do if they're not supposed to trust their leaders?

G.C.: *Personally, I buy gold. And I've been talking about gold since the Trends Journal 2001. We peg the bottom and we said it would start going up at 275. Number two, you don't spend a dime you don't need to spend.*

RT: What would be the good jobs to benefit from in this year?

G.C.: *Anything having to do with health. Anything. It's going to be a growth industry. And fortunately a lot of them are going to pay a lot of money in that field because a lot of that is going to be care for the elderly. And the other thing really is anything having to do with conservation engineers, anything that's going to prove technologically sound and smart to save money and to make money.*

RT: What about geopolitics, what trends are we going to see in terms of the relationships between the United States and the rest of the world?

G.C.: *Well the rest of the world is very hopeful, using the word 'hope', with the Obama administration. And again, we're going to have to see what transpires, but so far, and again, by their deeds you shall know them.*

Obama, when he first started to run, he was going to be out of Iraq. As soon as he became president he was going to start bringing soldiers home. Now they won't be out for 16 months and now their reports say they're going to bring upwards of 40,000 more troops to Afghanistan. He was also talking about preventive strikes in Pakistan. So it really doesn't look like it's going to be much of a smoothing of geopolitical relations.

The one factor we're looking at, at a time that could only be the worst time for it to happen, is what's going on in the Middle East, in the Israel-Gaza war. Israel, as they said, they were trying to do as the reports have come out, if they attack Iran at any level, it will begin World War Three. Because if this war spreads beyond Gaza, it's going to inflame the Middle East. It can cause an oil crisis as we saw in 1973, that's what ended the Arab-Israeli war when they embargoed oil going into the U.S. That's our major concern. We're also seeing, and we're going to wonder, if Obama continues with putting the so-called missile defense shield in Poland and in Czech Republic in Eastern Europe and if they keep pushing more and more into Georgia. If that keeps happening we're going to see a re-ignition of the Cold War.

RT: You have been trend casting since 1980, more than two decades. How do you compile your information and why do you believe you've been so spot-on most of the time?

G.C.: *Current events form future trends. You can see what's going on. A great scholar said, "In today already walks tomorrow." So we say current events form future trends. But when people look at the trends, they colour them or shade them with their own ideology, their own beliefs. It's what they want, what they hope for, what they wish for.*

I'm a political atheist. I look at things for the way they are, not the way I want them to be. I don't colour them or try to change them because of an ideology. The other major factor that we do differently at Trends Research Institute than anywhere else is we look at over 300 different categories on a global basis. So we're looking at economics, we're looking at politics, we're looking at changes in the family, we're looking at geopolitics. We're making connections between different fields continually.

RT: How can America get out of the situation?

G.C.: All you have to do is to look back to the 1990s when America entered into a recession. We had 7.2 unemployment rate in 1993. What got the U.S. out of the 1990s recession was something called the 'internet revolution' that had a productive capacity. Products were invented, designed, manufactured, marketed and serviced. So you're asking about new jobs, ask about alternative energies. Anything that's going to advance the U.S. into the 21st century in an intelligent way. That's where the job opportunities are going to be.

RT: Gerald Celente, founder of the Trends Research Institute, thank you very much for taking time to speak with us.

G.C.: My pleasure.

http://www.russiatoday.com/Politics/2009-02-11/_We_ll_see_worst_U.S._economic_collapse_ever_.html/print