The "Bailout Bubble" - The Bubble to End All Bubbles

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Either unwilling or unable to call the bubble by its proper name, the media, Washington and Wall Street describe the stupendous government expenditures on rescue packages, stimulus plans, buyouts and takeovers as emergency measures needed to salvage the severely damaged economy.

"All of this terminology is econo-jargon," said Celente. "It's like calling torture 'enhanced interrogation techniques.'

Washington is inflating the biggest bubble ever: the 'Bailout Bubble.' "This is much bigger than the Dot-com and Real Estate bubbles which hit speculators, investors and financiers the hardest. However destructive the effects of these busts on employment, savings and productivity, the Free Market Capitalist framework was left intact. But when the 'Bailout Bubble' explodes, the system goes with it."

The economic framework of the United States has been restructured. Federal interventionist policies have given the government equity stakes, executive powers and management control of what was once private enterprise. To finance these buyouts, rescue and stimulus packages -- instead of letting failed businesses fail and bankrupt banks and bandit brokerages go bankrupt -- trillions of dollars are being injected into the stricken economy.

Phantom dollars, printed out of thin air, backed by nothing ... and producing next to nothing ... defines the "Bailout Bubble." Just as with the other bubbles, so too will this one burst. But unlike Dotcom and Real Estate, when the "Bailout Bubble" pops, neither the President nor the Federal Reserve will have the fiscal fixes or monetary policies available to inflate another.

With no more massive economic bubbles left to blow up, they'll set their sights on bigger targets. "Given the pattern of governments to parlay egregious failures into mega-failures, the classic trend they follow, when all else fails, is to take their nation to war," observed Celente.

Since the "Bailout Bubble" is neither called nor recognized as a bubble, its sudden and spectacular explosion will create chaos. A panicked public will readily accept any Washington/Wall Street/Main Stream Media alibi that shifts the blame for the catastrophe away from the policy makers and onto some scapegoat.

"At this time we are not forecasting a war. However, the trends in play are ominous," Celente concluded. "While we cannot pinpoint precisely when the 'Bailout Bubble' will burst, we are certain it will. When it does, it should be understood that a major war could follow."

Learn more about Trends Research Institute and Director Gerald Celente online, or by calling 1-845-331-3500.

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