

Recession for a Whopping 20 Years

News & Views

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The recession could last for a whopping 20 years, John Rosevear of the Motley Fool writes. Rosevear points out that on Dec. 29, 1989, the Nikkei 225, Japan's benchmark stock index, reached a high of 38,957. However, on December 3, 2009, it closed at 9,977.67, a startling 74% decrease. He predicts that the US will follow the same fate because of "excessive asset expansion," weak corporate governance and the bank crisis. "The Japanese government's response to the crisis was very different from that of the United States. In a nutshell, it was several years before its government did much of anything, and what it finally did do was arguably too little, too late. But at the same time, it's hard to argue with this: In the past decade, the S&P 500 index is down more than 20%. It's a disturbing parallel to ponder, especially for those of us worried about our retirement portfolios," he said. With the unemployment rate at 10 percent, some experts are predicting the recession could end by the middle of next year, Bloomberg reported. Harvard University professor Jeffrey Frankel, a member of the National Bureau of Economic Research's Business Cycle Dating Committee, said the recession could end by the middle of 2010. ... He said the current estimates "presume that there won't be any new adverse shock. - MoneyNews

Dominant Social Theme: But don't you believe it!

Free-Market Analysis: We remember when we were doing Internet research for a book that we came across a quote from the elitist Fabian Society. We can't find the quote, but we remember it had to do with how the West and its citizens were going to see a remarkable acceleration of "change" in the 2000s - and that the changes would be both baffling and powerful. ...

The implication was that a blizzard of change was coming, and that it would help reshape society as we know it. Yes, "change" was going to come from all angles. And since the Fabian Society was the one anticipating this change, we decided then and there, about five years ago, that the changes being contemplated might be momentous indeed. We also think of this quote by H.L. Mencken when we contemplate what's going on: "Democracy is the theory that the common people know what they want, and deserve to get it good and hard."

So ... the pace of change is accelerating in the new century and we don't anticipate it slowing any. In our opinion, the "change" actually comes from a series of promotions launched by what we here at the Bell like to call the monetary or power elite. Since the power elite itself in our opinion is an extremely small, powerful and generational force, people often focus on appendages (hundreds if not thousands of them, a purposefully baffling maze) such as the CFR, the Bilderbergs, the Trilateral Commission, etc. In truth these appendages come and go and some provide more sophisticated promotions than others. But what is happening in the world today seems fairly clear, simple even, if one allows oneself the luxury of Occam's razor. Here is a definition:

Occam's razor (or Ockham's razor), entia non sunt multiplicanda praeter necessitatem, is the principle that "entities must not be multiplied beyond necessity" and the conclusion, thereof, that the simplest explanation or strategy tends to be the best one. The principle is attributed to 14th-century English logician and Franciscan friar, William of Ockham. Occam's razor may be alternatively phrased as pluralitas non est ponenda sine necessitate ("plurality should not be posited without necessity"). - Wikipedia

Occam's razor may inform us, if one is willing to accept the premise, that the world's differing promotions are NOT emanating from different places. It does seem that way of course. Climate change is a product of the "Greenies." Central banking is a plot of the banking industry. Overpopulation is a concern for the Club of Rome. Yet are each of these issues, promotions really, and many more, really manufactured by disparate forces and just casually tossed into the media-sphere? They are so many of them, and they are alike! And each one is set up to create a sense of hopelessness and panic. Each one as well, conveniently, demands immediate action and has an authoritarian solution such as the United Nations or its subsidiary, the IMF.

Much easier to decide, if one is so-inclined, that there is indeed a monetary and power elite, a generational (Western) force of wealthy families, individuals and corporate citizens in America and Europe whose interests and coffers are benefitted by increased global control via private-market and government processes. This is not actually a startling insight by the way - as this process is called mercantilism and it has been around for hundreds if not thousands of years. Wealthy families and individuals constantly try to grab the levers of power from behind - and especially in modern times leave government figureheads out front to take the blame for whatever is going wrong.

This is why, by the way, the Bell is adamant that social and economic advances ought to be made PRIVATELY. It is the ONLY way to ensure that mercantilism is eradicated, or at least radically pruned back. If there is little or no government, there is little or no mercantilism. What other choice is there? More government but less mercantilism? Life doesn't seem to work that way.

Here at the Bell, we do believe the pace of dominant social themes (promotions) has picked up in the 21st century just as the Fabian Society promised. Of course, we still note these are gradualist promotions - they are not out-and-out power grabs, or at least they are not meant to be. There is in fact, a very specific strategy being followed. Some of these promotions have no immediate impact in the sense they are meant

merely to confuse and dismay. Others, like necessity of central banking, are endlessly pernicious and economically disastrous. They are all meant to concentrate power and wealth.

Today, we are living through the fallout - yet again - of the central banking meme. Central banking has taken root throughout the world and the results are truly ruinous. In America, as we can see from the article excerpt above, some are predicting that joblessness and general economic wretchedness may last another 20 years. We tend to agree with this, though we also think data and news will make it LOOK as if things are getting better when they are not.

Of course, the latest economic crunch could not have come at a better time for those who want to impose global change from the top down. As Western economies shudder, people are too concerned with jobs and money to worry about the larger changes taking place. Or they become more malleable as the Irish did recently and vote for authoritarian solutions such as the EU because of the hope that large government entities may provide more funding and general economic stimulation than the private sector. This is actually a false hope. Government provides with one hand and takes away with the other. Most of all government decreases opportunity and substitutes barriers to entry.

We are not surprised at the depth of the economic downturn. We are not surprised at the vehemence of those who are proposing yet more of the world's economy be socialized in pursuit of diminished cow flatulence. We are not surprised that more regulation of all types are being proposed - and always at a global level.

And yet, we wonder if the power elite is not now moving TOO quickly. And we wonder WHY it seems so driven. We wonder in fact if the power elite is not as aware as we are (and you, too) of the force for change that the Internet has become. Is it possible that the sudden rush of promotions and subsequent globalist solutions have as much to do with the Internet as they do with the sudden evolution of humankind's globalist sensibilities?

The Gutenberg press played havoc with the power elite 500 years ago. We wonder if a generational elite is not quite aware of the possibility of history repeating itself. Nothing else actually makes much sense to us (assuming you accept the above analysis.) The power elite (and its proxies) is actually acting with increasing rashness, we think. True, in the past we could cite wars, general kinds of civil chaos and variants of economic ruin in which the power elite has participated and even initiated, in our humble opinion. But this is different. This time, the power elite's machinations are being carried out in front of an Internet audience of millions. Each statement, each movement, each fraudulent announcement and every cover-up is being DOCUMENTED by a thousand, no a hundred thousand, bloggers.

Read the emails below mainstream British and American articles on any one of a number of power elite memes from global warming to swine flu to globalist financial regulation. They are mostly full of invective and disbelief. This is not the way it once was. Even a few years ago, there were fervent believers in peak oil, in global warming, in any one of a dozen promotions or more. But the Internet has exposed each of these. And people read ...

It does not take a billion, or even a hundred million, to make a worldwide change. As little as ten million converted to reality and spreading the word to family and friends can upset the apple cart in a single generation. And yes, perhaps this is happening. All the tricks have been played, after all. The world's economy is in a shambles. The globalists meet endlessly. And endless war is fought for endless peace. But we would ask you to defy, dear reader, the Orwellian hopelessness that you are supposed to feel right about now. Don't be enervated. Allow yourself the possibility of action. Human action.

Times are changing. All is not lost. We could document the unraveling of power elite memes. In fact, we do so on a regular basis. We believe the unraveling is taking place at quite a rapid pace. These social promotions in fact seem to be going backward. There is no consensus for what is about to happen in Copenhagen. The EU stumbles ahead even though most in Europe and Britain would vote it down if they had a chance. The whole idea of creating promotions was to ensure that people would accept an increased concentration of wealth and power. But it is not possible to start a serious world war right now and the Internet is muting the impact that economic ruin would ordinarily have.

We will leave it at this. We are in some sense, primarily an investment publication as we mentioned the other day. What investors - our kind of free-market thinking investors - will have to grapple with over the coming years is the struggle between the power elite's dominant social themes and the exposes of the Internet. Those who use our paradigm will have to decide if the power elite's "solutions" will win out or whether the Internet will increasingly cover - and uncover - the inevitable hype.

Conclusion: These will not be idle decisions. There are billions, nay trillions, riding on the acceptance of the green meme promotion. Thousands of companies will be started and hit major stock exchanges based on whether or not these dominant social themes are accepted and successfully promoted. That of course includes the continued appreciation of gold and silver - which the power elite despises, but which it has lost control of for the moment. Yes, there are many decisions facing the free-market thinking investor in the upcoming years. But here at the Bell we will continue to help you with your observations. Just remember, we are optimists based on our reading of history. We think the power elite is in for a rough decade or two. At least.