Trends in 1999 with Gerald Celente

January 3, 1999 Rhinebeck, New York One year ago, Gerald Celente Editor of *The Trends Journal* in New York predicted accurately in his New Year's Eve forecast that financial collapse in Southeast Asia would cause great turmoil in United States and global markets. He also warned that new viruses and bacteria could cause pandemics like the 1918 swine flu. Soon after that interview, millions of chickens in Hong Kong had to be killed to prevent a new and lethal virus spreading among poultry. Then Southeast Asia and Russia defaulted on loans and the stock market plunged downward.

So, I asked Gerald Celente recently about trends in 1999:

Interview:

Gerald Celente, Editor, The Trends Journal, Rhinebeck, New York: "You won't forget 1999! It's going to be a year of panic and parties. We're going to see panic on Wall Street as a Mad Cow Dow acts convulsively. But at the end, the Federal Reserve will bail it out. At the same time, it's going to be a big year of partying as America and the world begin to count down to the Millennium.

WE'VE GOT THE EURO DOLLAR BEGINNING TO COME ON TO THE SCENE IN EUROPE WITH ALL THESE OTHER CHANGES AND I WAS CURIOUS ABOUT YOUR TRENDS JOURNAL STATEMENT:
By the end of 1999, the stock market will rebound, the dollar will stabilize and Euro Power will increase as the world rings in the New Millennium with the mother of all parties.'

WHY DO YOU THINK THE GLOBE CAN ACCOMMODATE GOING FROM THE DEPTHS TO SUCH STABILITY IN 1999?
Well, we say stability in the sense that the market will have finished its wild gyrations. The Federal Reserve, as it did in 1998, is again going to lower interest rates to accommodate Wall Street. Let's remember that interest rates were lowered three times in 1998 -- not because of any signals of weakness in the economy, but rather a Dow Jones that was suffering from over-speculation.

Well, in 1999, as the market begins to tremble and a Mad Cow Dow will rampage the market with convulsions that will be uncontrollable, the Federal Reserve will again run to the rescue. And they are going to lower interest rates. Now, when that happens, you are going to see a lot more foreign companies and countries put their money into the Euro currency. And there is a reason for it. Europe is going to look in many ways a lot more monetarily and fiscally responsible than the U. S. So, we don't want to be gloom and doomers and predict depression and recession. So, we are saying somewhat cautiously that times are going to be rocky this year, but we've learned from past experience that anything that can be done to re-inflate the market will be done by the Federal Reserve.

WHY IS IT THAT YOU THINK THE BRAND NEW EURO DOLLAR WOULD BE MORE SOUGHT AFTER THAN THE ALMIGHTY U. S.

DOLLAR?
Well, we don't think it will be more sought after, but we do think it will be a strong complementary alternative.

THAT THE TWO COMBINED MAY BRING SOME KIND OF SYNERGISTIC STABILITY?
Exactly. Because now you're not only relying on the dollar for strength. You also have a strong Euro. And we do believe the Euro will be in the first few years - I want to clarify this - a pretty strong currency. Remember, it is coming under the direction of Germany and the Bundesbank in the past has shown a lot of monetary responsibility.

REMEMBER THAT THE MAJOR NEWS MAGAZINES ONLY ABOUT TWO OR THREE MONTHS AGO TOWARD THE MIDDLE OF THE FALL OF 1998 HAD BIG HEADLINES SAYING THE CRASH OF 1999. NOW, THOSE WERE SUPPOSED TO BE FROM ECONOMIC INSIDER POINT OF VIEW - THAT 1999 COULD BE A FULL BLOWN DEPRESSION COLLAPSE.
We don't see that coming. In the absence of some kind of unforeseen global event that nobody can predict - but given market conditions the way they are, we don't see a global collapse. And I'll tell you why. There is right now a sense that there is over production and over capacity and over-population. That means that you can produce and we have produced more product than we'll ever need - computers, shirts, cars and anything else in between. Over capacity means that we can produce more. And over population means that you could pick up the roots of any corporation and move it to any place in the country for the cheapest and less regulated restrictions that you can possibly imagine. So you get cheap help and you don't have to worry about adjusting your manufacturing to any kind of regulatory process.

All this means that you're not going to see inflation come about. There is going to be downward pressure actually on prices. It also means that it's going to put a dampening on this high flying, over speculating casino market fever that is gripping the nation. So, in some ways, capitalism - love it or hate it - is going to do what it's supposed to do and that is to react against over-speculation. However, when the economists look at this and they see a decline in the Dow Jones Industrials, they think the world has come to an end.

YET IN YOUR TOP TEN TRENDS OF 1999, YOU START WITH "COMPASSION" ON PAGE ONE. COMPASSION, THE WAY YOU ARE DEFINING IT, IS?
Well, it is multi-definitional in terms that people understanding that we're not in this alone. And that all things are connected. And you are responsible for your actions. And that no one system can expect to stand on its own because of the new and growing understanding that it's a tightly integrated and intricate system.

RIGHT. THAT'S ONE OF THE REASONS WHY Y2K IN THE FUTURE SEEMS SO OMINOUS BECAUSE THE WORLD IS SO INTERCONNECTED AND IF EVERY ONE HAS NOT GOT ALL THEIR SOFTWARE AND HARDWARE FIXED BY NEW YEARS OF 1999 TO 2000, IT COULD BE HOW SERIOUS?
You made it very clear. If one link on the chain breaks, the entire system falls. Go back to 1998 and look at some of the events that happened. We saw the Galaxy IV Satellite went out this year in May. When it went out, 80% of the nation's pagers and other data processing operations went out with it. We saw just a few months ago a cable being broke in San Francisco and the entire area being put out of electricity. So, Y2K you can multiply times probably a couple of thousand. We anticipate by the way that Y2K will be chaotic and confusing, but it won't be the end of the world. And in a relatively short amount of time, things will be back to pretty normal. Having said that, remember that Y2K is taking about a trillion dollars out of the economy. And will probably take another trillion out later on.

IN TERMS OF ALL THESE EFFORTS TO TRY TO REPAIR THE

HARDWARE AND SOFTWARE THAT IS GOING TO BRING THE COMPUTERS DOWN.
Exactly. And that's money that's lost. That's like going into any productive endeavor. This is spending money to correct a problem.

GIVEN THAT WHICH WILL AFFECT THE YEAR 2000, YOU ARE SEEING THAT THE YEAR 1999 MIGHT NOT BE AS BAD FINANCIALLY AS MAY HAVE BEEN PREDICTED IN 1998. YOU ALSO HAVE ON YOUR TREND LIST A COMMENT ABOUT WHAT YOU CALL THE SWING CYCLE.' CAN YOU TALK ABOUT THAT?
It's interesting. All of a sudden swing music is becoming very popular. And it's not only popular among older people, but younger people are embracing it as well. And we're asking ourselves: What is it that is turning people onto swing?

WHICH GOES BACK TO THE 1930S ORIGINALLY.
Exactly. And what was going on in the 1930s? The nation was in its worse depression probably ever. And the world was on the eve of a global war. And simultaneously, we ask ourselves, Are people tuning out the hard edged negativity of rock and rap and looking for an alternative? And the conclusion we've come to is probably a little bit of both. And that people are reading in the tea leaves of today an ominous future and they just want to have fun. So swing music - while it is not a chart topper - is really a symbol of what is going on.

DO YOU PERSONALLY SENSE THAT THE MILLENNIUM MIGHT BRING SOME KIND OF HUGE CHANGE COSMICALLY, EARTH CHANGE, WAR OR OTHER?
I don't know cosmically. But no one can really say in terms -- is it by accident? Or is it by cosmic design that never before have so many people lost faith in so many institutions that are failing and topping around us. We don't have to look much further than politics and government, but you can. You can look at the health care system. Or education. You can look at the traditional family. Or traditional religions. You can look at corporations or the legal system.

OR THE ENVIRONMENT.
Oh! Of course!

WHICH IS ON YOUR LIST UNDER "ENVIRONMENTAL MIRACLE GROW."
That's right. This is going to be a good year for the environment because Al Gore is going to be the front runner of the Democratic party. Gore will look like a champion all dressed in green when compared to the Republicans. So that is the card he is going to play. Because you are going to get a lot of coverage between now and 2000 on the presidential race, the environment is going to be in the forefront. That in turn will push corporations and people to recognize again that Green Power is strong.

YOU HAVE CUBA ON YOUR TOP TEN TRENDS LIST FOR 1999. WHAT DO YOU THINK IS GOING TO HAPPEN THERE?
Well, we're going to see major steps toward normalization between the U. S. and Cuba. We are forecasting that because U. S. companies have lost their market power in emerging nations like Asia and Russia, they are now looking at economic growth that is occurring in Cuba - that is equal, by the way, in percentage terms to U. S. growth - about 3.5% in 1998. So there are new market opportunities.

SO, THE IRONY IS THAT FIDEL CASTRO WHO WANTED HIS ISLAND TO BE AN EXAMPLE OF COMMUNISM, IS -- AS WE GO INTO 1999 -- BEING LOOKED AT AS A POSSIBLE PRIME CANDIDATE FOR ENLARGING OUR CAPITALISTIC TRADE IN THE UNITED STATES?
Exactly. We'll flood them with money and tourists. And they'll export cigars, baseball players and rum."

More Information:

Rounding out his forecast of more trade with Cuba, politics to save the environment, more compassion in global interdependence and dancing to swing bands in New Years Eve 2000 celebrations, despite Y2K, Celente also thinks one or more political candidates might try campaigning only on the Internet ... that the Republicans and Democrats might get serious challenges from new progressive libertarians... that corporate downsizings will increase as economic recession spreads globally in spite of the Euro Dollar and Federal Reserve's continuing help to Wall Street. And that the very young born after 1980 who live and breathe computers will fill high tech jobs better than their elders.

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