



### Update and Podcast: *Trends Journal* Forecasts 2009 Economic Depression

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A depression is any economic downturn where real gross domestic product (GDP) declines by more than 10%. A recession is the reduction of a country's gross domestic product (GDP) for at least two quarters. A Bloomberg News survey reported February 12, 2009: "This is the biggest U.S. economic decline since 1946 as consumer spending posts its longest slide on record."

**February 12, 2009:** Cong. Budget Office Reports Record  
\$1.2 Trillion Federal Debt in 2009, Bringing Total  
National Debt to \$10.6 Trillion.

Total federal indebtedness has nearly doubled in ten years and every individual (305 million people) in the United States would have to contribute \$37,000 each to now pay off the national debt.

Earthfiles, news category.

— *"If you spent a million dollars every day since Jesus was born, you would have spent three-quarters of a trillion dollars. A million seconds is about 11.5 days. A billion seconds is about 32 years, and a trillion seconds is 32,000 years."* - John Allen Paulos, Ph.D., Math Prof., Temple Univ.

— *"You want to look at the Mafia, go to Wall Street! And Wall Street has high jacked Washington, D. C."*  
- Gerald Celente, Publisher, *The Trends Journal*

— *"You don't have a clue what is going on and neither do the American people because if they did, there would be a revolution in this country."*  
- Former Texas Gov. John Connally to Gerald Celente, 1992



## THE GREATEST DEPRESSION

**While we alone predicted the “Panic of ‘08” (and even took out the domain name “Panicof08.com” on 7 November 2007), we are not alone in predicting a Depression.**

The “D” word is being uttered – in some cases by those who have the most to lose and whose best interests are not served by spreading gloom and doom. “The world and country are in a depression,” said celebrity tycoon Donald Trump. He then later softened the blow, downgrading it to a “virtual depression.”

“Virtual” to the few who will never have to worry where the next dollar will come from, it will be painfully real and hardly virtual to the multitudes who are and will be worrying. The virally proliferating Greatest Depression is the Trend of Trends for 2009.

Winter Issue 2009, *The Trends Journal*, Rhinebeck, N. Y.

**Original Earthfiles on January 30, 2009 Rhinebeck, New York** - Nearly every year for a decade, I have interviewed Gerald Celente, Publisher and Editor of *The Trends Journal* in Rhinebeck, New York, about upcoming trends in the New Year. When we talked on December 21, 2007, about “Trends in 2008,” Gerald said: “In 2008, we’re going to see some major, giant financial firms fall as they get hit by an economic 9/11. Watch for when one of the big firms crashes – like a big bank. That’s going to be the first signal. But even bigger than that. Much bigger – like a Bank of America - not that BofA is necessarily it, but of that caliber.”

Then nine months later on September 15, 2008, I interviewed Gerald Celente again after his forecast had come true and the American banks, mortgage companies, Fannie and Freddie and the economy were falling apart at a rapid rate. For the first time, Earthfiles asked: Are we facing a Depression like 1929? [ See **091508 Earthfiles** in Archive.]

Gerald Celente told me in that interview: ““This is a classic Titanic situation in the sense that what we saw with the Fannie and Freddie bailouts and the Bear Stearns bailouts and now the AIG request for more than forty billion more dollars from the federal government – it’s just like the Titanic where the rich and affluent were given the lifeboats and the rest of the people went under from steerage. The rich and powerful are too big to fail; the rest of us are too small to save.”

### **Earthfiles: With the September 15, 2008 “Economic 9/11,” Are We Facing Depression Like 1929?**

*“This is a classic Titanic situation in the sense that what we saw with the Fannie and Freddie bailouts and the Bear Stearns bailouts and now the AIG request for more than forty billion more dollars from the federal government – it’s just like the Titanic where the rich and affluent were given the lifeboats and the rest of the people went under from steerage. The rich and powerful are too big to fail; the rest of us are too small to save.”*

- Gerald Celente, Editor and Publisher, *The Trends Journal*



Crowd at New York's American Union Bank during a bank run early in the Great Depression that began in 1929. The bank opened in 1917, and went out of business on June 30, 1931. Image source Wikipedia.



Crowd at IndyMac Bank in Pasadena, California, on Friday, July 11, 2008, after the federal government took control in the second-largest bank failure in U. S. history. Financial experts predicted at least 50 to 100 bank failures in the United States after IndyMac Bank.

A month later on October 17, 2008, after accelerating bank and other company failures on top of massive home foreclosures in the United States, Gerald Celente and I did an update after the American government bought \$250 billion in ownership of United States banks and authorized nearly a trillion dollars be spent to bail out Wall Street, including a bailout of the world's largest insurance company, A.I.G. That federal subsidy program is called the Troubled Asset Relief Program, or TARP. Gerald Celente told me that the massive government subsidy of the financial sector was subsidizing the greed and incompetence that caused the economic collapse in the first place. Gerald summed up the financial chaos this way: "This Wall Street bailout is really taxation without representation."



October 16, 2008, *The Albuquerque Journal*, Front Page Headline after Dow plunged 733 points "on stream of disheartening economic data" released on October 16, 2008.

## Sales sink Dow

Report on declining consumer spending shakes markets

October 16, 2008, *The Albuquerque Journal*, Front Page of Business Outlook after government report confirmed September 2008 retail sales were down 1.2% - almost double expectations.

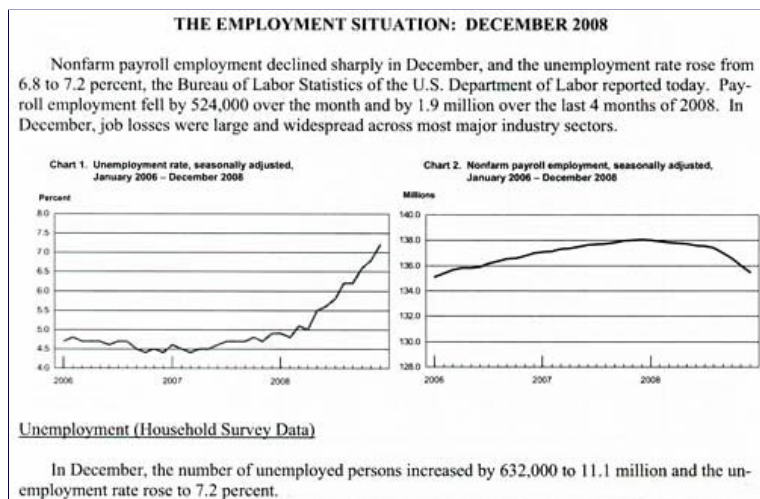
# Housing Industry Outlook Gloomy

Homebuilders Index Hits All-Time Low

By ALEX VEIGA  
The Associated Press

October 17, 2008, Associated Press.

Now three months later at the end of January 2009, despite the trillion dollar federal TARP bailout, unemployment is rising even faster, real estate values continue to fall and the new Barack Obama Administration is struggling to convince Congress to authorize another \$900 billion to jump start the American economy and keep the nation from collapsing into full scale Depression like the 1930s. But Gerald Celente's Top Trend for 2009 is that this year will become the Greatest Depression.



December 2008 Bureau of Labor Statistics, U. S. Department of Labor, Washington, D. C.  
 “In December 2008, the number of unemployed persons increased by 632,000 to 11.1 million and the unemployment rate rose to 7.2 percent.” Source: **Bureau of Labor Statistics**.

*“We’re just seeing the tip of the iceberg in the big firms (layoffs). There’s certainly other firms beneath them that will lay off workers as quickly or even quicker.”* - Rebecca Braeu, Economist, John Hancock Financial Services



Front Page, *Albuquerque Journal*, January 27, 2009.

Cuts announced January 26, 2009, include: 20,000 from Pfizer/Wyeth; 8,000 from Sprint-Nextel; 7,000 from Home Depot; 5,000 from Caterpillar; 3,400 from Texas Instruments; 2,000 more layoffs from General Motors.

**Interview:**



**Gerald Celente, Editor and Publisher, *The Trends Journal*, Rhinebeck, New York:**

"In 2007, we predicted the Panic of 2008 and that was mostly in the financial areas. Now we're going to see it in the Collapse of 2009 spread beyond financials throughout society. It's underway. It's happening before our eyes. This is a collapse of monumental proportions. Every day the news is filled with one disaster after another. There's nothing, nothing, they can do to stop this - other than a productive capacity and maybe an alternative energy, something along the lines of the discovery of fire or the invention of the wheel! (laughs) But it has to be really monumental. We can't do it by printing money.

I JUST GOT THE LABOR STATISTICS SUMMARY AS OF DECEMBER 2008: 'IN DECEMBER, THE NUMBER OF UNEMPLOYED PERSONS INCREASED BY 632,000 TO 11.1 MILLION AND THE UNEMPLOYMENT RATE ROSE TO 7.2%.' WHAT DO YOU PROJECT WILL HAPPEN WITH THIS UNEMPLOYMENT RATE THROUGH 2009?

Well, there is a figure called the Total Unemployment Rate. That rate that you read does not include people who have been discouraged and can no longer find a job. They've given up. And people who are working part-time that would like full time work. When you put that number together, we're looking at 13.7%. We're going to see by the time this is over - and we don't know when it will be over - we're going to see unemployment numbers rival that of the Great Depression, probably around 22% to 27%. We are calling this the Great Collapse because you are going to start seeing two factors take place very shortly.

## Retail and Commercial Real Estate Collapses

One is going to be collapse in the retail sector. It's already estimated that about 150,000 stores, retail shops, are going to close - both chain stores and smaller stores are going to close in 2009. That adds, of course, to the unemployment, but it would also add greatly to the commercial real estate glut. If you thought the sub-prime problem was bad, wait until you see this one. Commercial real estate is much more heavily leveraged than even in the sub-prime sector.

And then we look at the collapse already in the financial sector. We saw Wachovia, we saw IndyMac and Washington Mutual, Bear Stearns, Merrill Lynch, Lehman Brothers - either get gobbled up or go under. And all the bond companies - names people don't know. The point being: Who is going to take up all that commercial space and business parks they have emptied?

The answer in both retail and the office space - the people who are going to take over that vacant space is nobody! You're going to see a glut of real estate that we have never seen before - ghost malls are going to be spreading around the country. So now, that's where the collapse really happens because how are these people who leveraged all this commercial real estate going to service these loans? The answer is: they are not! We're going to be moving into the Greatest Depression.

First, I want to make it clear why this is going to be worse and we're not 'Gloom and Doomers.' We're just looking at facts.

One of the things to remember is that most people are one job away from losing everything. It's not only the corporate greed that brought us into this. People went way beyond their means and borrowed above their heads with these things called 'home equity loans.' Build on that addition! Go on the vacation! Buy the SUV! Borrow for whatever it might have been. So people went way beyond their means as well. As I said, they are one pay check away from losing everything.

We're going to see massive foreclosures. They are already at record levels. They are going to continue to spread. There is no stopping this using the two tools the government has:

- Adjust interest rates, which are now down to about zero on the Fed Funds rate.
- Or print more money. But you can't print your way to prosperity!

I mentioned home equity loans. Back in the 1930s, nobody had such a thing. If you had a second mortgage, you were considered a loser. Back then, most people did not own homes. They did not have credit cards. They were not burdened with \$14 trillion worth of debt! You only bought what you could afford back then.

And also back then - very important - we weren't fighting losing wars with a huge military-industrial complex that has cost us well over \$2 trillion already and is building as we're sending more troops, as we're hearing now, into Afghanistan.

And back then in the 1930s - and this is the key point going back to what I said about productive capacity. When we finally got out of the Great Depression, it was the onset of World War II. We were the manufacturing giant of the world. We manufactured our way out of the Great Depression. We no longer have that manufacturing base.

So, having said that, what we're left with now is a nation of clerks. I look at these job offerings. You go into a Quick Stop gas station and they say, 'Have a career with us.' What kind of career?! What happens to a young person who gets out of college with a diploma?

So, you're going to have massive unemployment. You're going to have rising crime, a lot of petty crime and violent crime. It goes with the territory and people better get used to it. And local and state governments are not going to solve it by putting more police on the streets, unless the government is going to turn this into a totally fascist country.

## Tax Revolts? Revolutionary Fever in America?

### THE REVOLUTION

**It's unprecedented. There is nothing like it in the history of the United States. No week goes by without the Government buying into or buying up another failing "too big to fail" using taxpayer money. In the process, a super-race of corporate giants is being created that will be declared "too big to tumble."**

No longer the bastion of free market capitalism that created the conditions for its unbounded abundance, innovation and opportunity, 21st century USA has become its polar opposite. The evidence is indisputable. In less than a year, the entire economic structure upon which the system had been built was torn down, scuttled, abandoned.

And another thing we're going to start to see, Linda, we're going to start seeing revolutions. People have had it up to their eyeballs when they are hearing about all of these bailouts and the corporate jets and the perks and bonuses that the bankers and banksters and brokers are getting from the taxpayers' money with the billions of bailout dollars they are getting. While the government is bailing out the Big Guys, the Too Small To Saves are going under while they are getting taxed to death.

IF WE HAVE MORE THAN ELEVEN MILLION PEOPLE OUT OF WORK AS OF JANUARY 2009, AND ALL OF THE STATISTICS ON DECLINING HOUSING VALUES KEEPS GOING DOWN EVERY MONTH, IT MEANS THAT A HUGE PORTION OF THE AMERICAN POPULATION NO LONGER HAS ANY FINANCIAL VALUE IN THE HOMES THEY ARE TRYING TO STAY IN. WHERE THEY ARE PAYING MORTGAGES, THEY ARE PAYING MORE THAN THE HOUSE IS NOW WORTH WITH RISING UNEMPLOYMENT. HOW CAN ANY OF THESE GOVERNMENT PLANS UNDER THE NEW OBAMA ADMINISTRATION SOLVE WHAT SEEMS TO BE A SOCIAL-ECONOMIC IMPLOSION OF THIS COUNTRY?

They can't. And they won't. The only things we can see them doing is grabbing more and more power. They call it nationalizing banks. You know, in one year the whole texture of the United States changed. It began with the bailout of Bear Stearns. Or as I like to call them: the Bear Stearns Gang. And there is the Merrill-Lynch Mob and the Lehman Boys. These are the gangsters, folks. As an Italian-American, I've heard enough Mafia stories to last me for the rest of my life. You want to look at the Mafia, go to Wall Street! And Wall Street has high jacked Washington, D. C. Just as they created the Too Big To Fails, they are going to create other kinds of banking institutions. They'll call them nationalized.

So, what we are seeing is the takeover of free enterprise in this country. And it's happening worldwide. When we talk about this financial meltdown, it's very important to understand that this is a global meltdown. There are riots in Iceland, in Latvia, in Lithuania and Greece. This is just the beginning.

WHERE IS THE LEVERAGE POINT BY ANY AMERICAN TAXPAYER TO CHANGE ANYTHING ABOUT THE UNITED STATES GOVERNMENT NOW?

The only leverage point is, as we say, we're going to see revolts and among those are going to be tax revolts. You're going to start seeing them happening. The values of houses have gone down. But each year, when the values were going up, local governments would raise the assessments and you, the taxpayer, would have to pay more money. So now, are those local governments going to de-value? Are they going to ask for less taxes? Well, not here in New York! The local governments are asking us taxpayers for 7% increases. So, in reality, they should be lowering taxes, but they are not.

The whole face of America has changed. We, the people, now own the largest insurance company in the world, A.I.G. We own big pieces of banks. We own auto companies. We own the largest mortgage companies. Some people are calling it socialism. You can even call it fascism. The one thing you cannot call what is going on in the United States - it's not free market enterprise. It's a takeover. The government is going to keep asking for more taxes.

Look at the people they have brought in to manage the TARP money. They brought them in from the Blackstone Group. They brought them in from Goldman Sachs. They brought them in from all the gangs that made the collapse happen! So, the fallacy is that government is behind this. At the *Trends Journal*, we wrote about this when it started to happen when the name of our Trend Alert was 'D. C. Heist - Wall Street Mob Takes Over Washington.' And that's what has happened. So, this is what is going on and now, Wall Street is just controlling it all in a different way.

## No Government Take-Overs of Banks in 1929 Great Depression

AND ISN'T THIS ONE OF THE BIGGEST DIFFERENCES WITH WHAT HAPPENED IN 1929 THROUGH THE 1930S? THERE WAS NOT GOVERNMENT TAKE OVER OF BANKS AND CORPORATIONS THEN, RIGHT?

Exactly! And the other thing that is important to understand - this GMAC thing became a bank - the GMAC that loans money to people to buy cars. Well, GMAC became a bank on Christmas eve 2008 when no one was watching. That's so GMAC could tap into the TARP money for \$26 billion! Then look at who owns GMAC? Well, you would think General Motors. But if you did, you would think wrong. 51% of GMAC is owned by Cerberus. You know who Cerberus is? They own Chrysler Corporation.

WHICH IS GOING UNDER AS WELL!

Right. And you know who the CEO of Cerberus is? John Snow, former Treasury Secretary, the guy just before John Paulson [ who came up with the Bush Administration's TARP plan.] Former Vice President Dan Quail is a director on the Cerberus board. The fix is in! It's a rigged game. I love the name, Cerberus, the name of the three-headed mythological dog that guards the the gates of Hell [to prevent those who have crossed the river Styx from ever escaping.] Do you need to know any more?!

## Gerald Celente Stunned by Texas Governor John Connally in 1992

*"You don't have a clue what is going on  
and neither do the American people because if they did,  
there would be a revolution in this country."*

- Former Texas Gov. John Connally to Gerald Celente, 1992

THIS THEN IS THE PERFECT TIME FOR YOU TO SHARE ABOUT WHAT YOUR OWN EXPERIENCE WAS WITH THE FORMER TEXAS GOVERNOR, JOHN CONNALLY IN YOUR 1992 EXPERIENCE WITH HIM AND WHAT HE SAID TO YOU?

Yes. As a matter of fact, in our *Trends Journal* now you can see a photograph of him, me and his wife, Nellie, standing in front of the Dallas Book Depository in 1992. It was their first time back there since the 1963 assassination of JFK. Governor Connally wanted to meet me because in one of my previous books, *Trend Tracking*, that I wrote in the 1980s, I had predicted a new third party and someone like Ross Perot would be the candidate. Why I mentioned his name, I'll never know.

BUT YOU WERE RIGHT.

I know. I don't know how I came up with Perot's name, but I did. And so that day after lunch, Gov. Connally started telling the story of what happened in Dallas. He explained he heard a gun shot and knew it was a gun shot because, 'I had been hunting since I was a little boy. And I was wearing a dark blue suit that day and I looked over to my left and there were brains on my shoulder. I knew they were brains because my daddy was a butcher.'

On the way back in the car, we got out of the limousine and were walking back into the Anatole Hotel. He stopped me and he looked at me and said, 'I know your heart is in the right place. I read your book and it's a fine piece of work. But you don't have a clue about what's going on and neither do the American people.'

IN THE GOVERNMENT.

Yes. He said, 'You don't have a clue what is going on and neither do the American people because if they did, there would be a revolution in this country.'

And this was a guy, as we all know was governor of Texas, he was Treasury Secretary under Richard Nixon. This guy was on the inside. And this was 1992. Now, if we look at the levels of corruption now - I mean, there is not a state that doesn't have a crooked politician making news. I stood there for a second after he walked away from me. I had been a political atheist before then after I had been in government. I was the assistant to the secretary of the New York State Senate and I ran a mayoral campaign in Yonkers, New York, at a graduate school. I had been around enough and when Gov. Connally said that, I was stunned for a second. But it confirmed everything that I had come to believe. And now, I think the time for the revolution is going to happen - the one he was talking about because now people know. 'If the people only knew...' Now, the people *know!* They are getting robbed blind in broad daylight.

## Survival in the Chaos

We're telling people to really take this very seriously. The ship is sinking. Don't spend any extra money that you don't have. If your kid is in college and he or she are not going to get a job with the degree they will have, don't go deeper into debt for them or yourself to keep the college degree going. Pull the plug on it now. Don't buy anything above your means. Support anything locally that you can.

And go out and have a good time. We're not telling people to hide in cocoons. That's crazy. Go out and enjoy yourself. You only live once, but do it within your means.

REGARDLESS OF WHAT THE GOVERNMENT AND CORPORATIONS ARE DOING.  
(laughs)

Exactly! Life goes on. Let's remember that during the 1929 Depression, it was the hottest, happiest music that anybody had ever known. It was swing time! People got dressed up and they had a good time and we can do that again. So, don't let the government control your life."

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### More Information:

For further reports with Gerald Celente and the *Trends Journal*, please see **Earthfiles Archive**:

- 10/17/2008 — After Wall Street Bailout, Is Main Street Headed for Depression?
- 09/17/2008 — With the September 15, 2008 "Economic 9/11," Are We Facing Depression Like 1929?
- 12/21/2007 — Trends 2008
- 12/21/2006 — Top Trends for 2007 by Gerald Celente
- 02/03/2006 — Trends 2006
- 12/31/2000 — Top Trends 2001
- 01/02/2000 — New Trends for 21st Century
- 01/03/1999 — Trends in 1999 with Gerald Celente

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### Websites:

**Trends Research:** <http://www.trendsresearch.com>

**U. S. Bullion Depository:** <http://en.wikipedia.org>



[/wiki/United\\_States\\_Bullion\\_Depository](#)

**Great Depression of 1929:** <http://www.nps.gov/archive/elro/glossary/great-depression.htm>

[http://en.wikipedia.org/wiki/Great\\_Depression](http://en.wikipedia.org/wiki/Great_Depression)

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