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Anthony Freda / Dan Zollinger

Editor and Publisher

Gerald Celente

Executive Editor

John Anthony West

Senior Editor

Alex Silberman

Contributing Editors

Dr. Paul Craig Roberts

Bennett Daviss

Eldad Benary

Consulting Editor

Lynn Hazlewood

Subscriptions Manager

Emily Arter

Illustrations

Anthony Freda / Dan Zollinger

Photo

Michael Bloom

Design

Norgaard Advertising & Design

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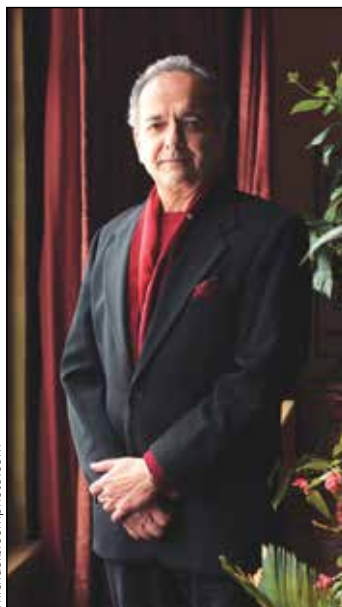
P.O. Box 3476, Kingston, NY 12402

845 331-3500

www.trendsresearch.com

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War or Peace! Your Call

War! There is much more discussed in this *Trends Journal* than war, but unfortunately war will be a Top Trend in 2013. And, if it is not stopped from spreading, its fallout will be felt worldwide.

As we go to press, French President Hollande, with support from President Obama, has launched air strikes in Mali and sent French ground troops to attack Al Qaeda-linked Islamists.

Initial reports claim that only a handful of rebels were killed and that the main victims were women, children, and the elderly. "The hospital is overflowing. Both morgues in the city are filled with bodies," a Malian official in Gao told *The New York Times*.

Under the auspices of the United Nations, the US, France, UK, and other NATO members are planning broader intervention in Mali that will be reinforced with ground troops from some West African nations.

The Mali civil war, which has already turned 300,000 of its citizens into refugees, is but one of the many conflicts in the region. In response, the rebels sent a loud message that could to be heard around the world: "Mali Islamists threaten to retaliate 'at the heart of France,' ... Today, they threatened payback," read *The Christian Science Monitor* headline the day after the French incursion.

Yes, "payback"! Just as we used to say in the Bronx, "payback's a bitch." And as long as nations attack other nations and people kill other people, the "eye-for-an-eye" payback cycle will continue.

Back in 2000, I was invited to Virginia Military Institute (VMI) to elaborate upon my forecasts of what new millennium warfare would look like. I told them that while future wars would employ standard armies, navies and airpower, size and firepower would not be sole determining factors. Neo-guerilla warriors using weapons of mass destruction – suitcase-size nukes, bio-chem warfare, dirty bombs deployed by trained operators infiltrating across borders – these would play central roles in determining victory or defeat.

There is an axiom that generals always "fight the last war." In 2013, given their current misguided actions and strategies, it's clear that today's generals and politicians, looking backwards for the solution to tomorrow's challenges, are proving that axiom true.

"The First Great War of the 21st Century" has begun, as I had forecast over a decade ago. As Einstein put it: "I know not with what weapons World War III will be fought, but World War IV will be fought with sticks and stones."

WW III *must* and *can* be stopped. In this *Trends Journal* I provide an original, daring and practical Peace Plan that will not only bring peace but also help put us on the path to prosperity. If you have a better solution, let me know. If you support my Peace Plan, do what you can to make it happen.

Gerald Celente

Publisher

Top 10 Trends 2013

WAR

In the Spring 2011 *Trends Journal*, we forecast that “The 1st Great War of the 21st Century” would soon begin. It has begun.

The world is at war. And if the current trend lines continue, a war will soon be coming to a neighborhood near you.

Just take a look around the world and pick a country.

Let’s start with Libya. Perhaps you remember that winter evening when President Obama declared that the United States would join NATO in a “humanitarian mission” to depose the “brutal dictator,” Muammar Qaddafi.

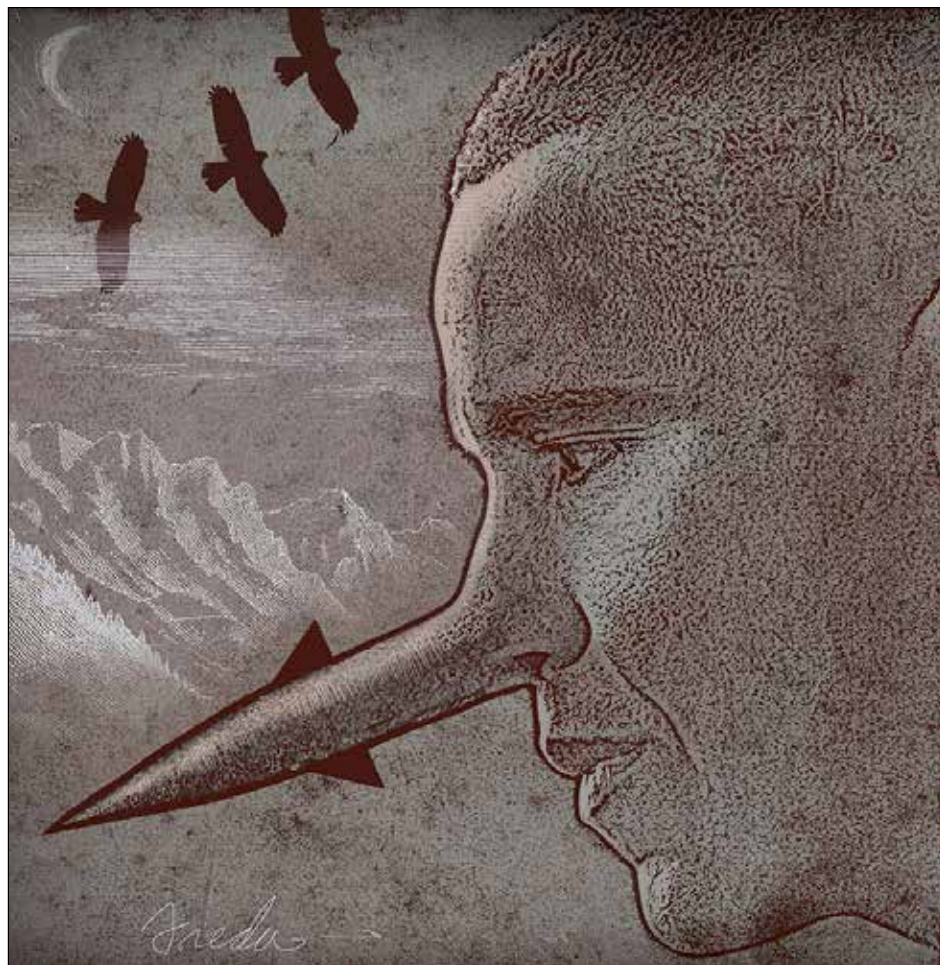
Surely you haven’t forgotten that this glorious “humanitarian mission” was not really a war, but rather, in the inimitable, euphemistic terminology of Press Secretary Jay Carney, “a time-limited, scope-limited, kinetic military action.”

Now, a year later, the same Presstitutes that banged the Libyan war drums acknowledge what we predicted in *The Trends Journal* before that “kinetic military action” even began: that President Obama’s “humanitarian mission” would be a total failure. We said that taking out Qaddafi would leave a vacuum that would be filled with a bloody, protracted civil and tribal war.

In his “*Trends in The News*” broadcasts and interviews in the media worldwide, Gerald Celente emphatically contradicted Obama’s bold promise to bring “freedom” and “democracy” to the wealthiest nation in North Africa.

Surely you’ll remember the tough war talk from all the President’s women – Secretary of State Hillary Clinton; United States Ambassador to the United Nations, Susan Rice; National Security Council Advisor, Samantha Power – as they howled for Qaddafi’s head and gloated when it was delivered.

If you don’t remember those war championettes, surely



Anthony Freda / Dan Zollinger

you’ll recall the screeching of those other chicken hawks – UK’s Prime Minister David Cameron, Italy’s PM Silvio Berlusconi, French President Nicolas Sarkozy, and the other national leaders who gave the orders to start the war, launch the missiles and drop the bombs. Those brave stallions who had never fought a day in their lives, leading the charge from the safety of their official palaces.

The grand strategies of all those brilliant policy makers brought about the death, lawlessness and destruction that now plagues post-Qaddafi Libya and that has served to further destabilize the region.

Peace on Earth? How about Afghanistan, the longest war in US history? The one started by President George W. Bush and escalated by President Obama, who declared, “This is not a war of choice. This is a war of necessity.”

You remember. This was the war we were assured would ultimately lead to success in the wake of Obama's 33,000-strong "troop surge," the surge that nevertheless ended in failure in 2012 and that cost some \$40 billion to prosecute. That's more than one million dollars per troop. Do the math.

And who can possibly forget the commander of that Afghan campaign? That four-star general with the "Boy Scout charm" (*The New York Times*) who repeatedly bragged about the "impressive progress" being made ... General David Petraeus, a loser general then and now a disgraced loser CIA Chief.

Keep going around the world. There's the Syrian civil war, which is shaping up to look like another Libya.

Once again, Murder Incorporated, the US/NATO/Arab League Mafia – fronting as a coalition of freedom-loving nations – had united against yet another tyrant. The old Syrian Mafia boss, Bashar al-Assad, had fallen out of favor and needed to be replaced with a new boss, one who would stay in line and do as he was told.

The Rush to War When Murder Inc. overthrew Qaddafi, the Libyan boss, they pitched the public the line that there was no time to waste. A "humanitarian mission" had to be launched to prevent the "brutal dictator" from committing genocide against his freedom-loving, repressed people: "When a leader's only means of staying in power is to use mass violence against his own people, he has lost the legitimacy to rule and needs to do what is right for his country by leaving now," proclaimed President Obama, preparing Americans for an unprovoked attack upon a sovereign nation.

"It is time for Qaddafi to go, now, without further violence or delay. We want him to leave, we want him to end his regime," parroted US Secretary of State, Hillary "War Hawk" Clinton.

There was little "delay." Just weeks later, the "we want" crowd got what they wanted. But there was a lot of "further violence," though it didn't come from Qaddafi.

On 19 March 2011, the US boss gave the order to put a hit on Qaddafi, telling the American people, "Today we are part of a broad coalition. We are answering the calls of a threatened people. And we are acting in the interests of the United States and the world."

The calls of a threatened people would be drowned out by the massive US-led NATO missile and air strikes against Libyan military installations, critical infrastructure and Qaddafi himself.

Ironically, it was on 19 March 2003 – eight years to the day earlier – that former Mafia Boss George W. Bush told the American people, as he gave the order to put a hit on Saddam Hussein, "American and coalition forces are in

the early stages of military operations to disarm Iraq, to free its people and to defend the world from grave danger."

Declaring war on the identical day was a 365-to-1 long shot, but Obama beat the odds. Not content with out-Bushing-Bush by ramping up the Afghan War and continuing the Iraq War he had inherited, Obama outdid the former Decider-in-Chief by starting a new unjust, immoral, expensive war he could call his own.

And, on 3 December 2012, taking another page from the Book of Bush as a justification to overthrow Assad, Obama plagiarized the famously fraudulent Bush theme that Iraq's Boss had weapons of mass destruction and was preparing to use them:

"I want to make it absolutely clear to Assad and anyone who is under his command ... If you make the tragic mistake of using these weapons there will be consequences and you will be held accountable."

And, with history once again repeating itself, Hillary Clinton not only parroted her Boss but echoed Israeli Boss Benjamin "Bugsy" Netanyahu who, in an appearance at the UN, famously drew a red line on a cartoon bomb that he challenged Iran to cross at its peril:

"This is a red line for the United States," said Hillary Clinton. "I'm not going to telegraph in any specifics what we would do in the event of credible evidence that the Assad regime has resorted to using chemical weapons against their own people, but suffice it to say that we're certainly planning to take action if that eventuality were to occur." (*The New York Times*, 3 December 2012)

Just as Bush took the nation to war based on the lie that Saddam Hussein had WMDs and was ready to use them – providing false evidence and fraudulent intelligence to support his allegations – so now were the Obama mob family's wise guys and gals justifying a hit on Assad based upon invisible evidence provided by anonymous, faceless officials and nameless sources.

Straight from CNN's Pentagon correspondent – Barbara Starr – came a series of quotes from unidentified "senior officials" concerned about "worrying signs" of activity around chemical weapons sites in Syria. "The official, who spoke on the condition of anonymity because of the sensitiveness of the information discussed, declined to specify the exact intelligence that the United States has gathered in the past few days," Starr said.

Quoting another nameless (but implicitly trusted) US official, CNN reported him saying that "this puts us into the contingency of potential US action."

“Potential US action”? Action? No! WAR.

Once again the Presstitutes were plying their trade: over the air and in the press, the Beltway whores were prepping the public with sensitive, secretive, inside information that only they were entitled to receive.

Why is it that these “sources” can speak to the media and keep their identities concealed? Why the media as middlemen? Why can’t those trusted sources speak directly to the American public? They’re on the public payroll; our taxes pay their salaries.

Could it be that the secrets are so secretive that we, the stupid people, are not allowed to see them, but nevertheless are supposed to accept them because not-seeing is believing?

Or do they make only the Presstitutes privy to the secret information knowing they can be relied upon to pitch it the way they’re paid to pitch it?

And the pitch in December 2012 was designed to craft a chemical horror story whose hellish climax could only be averted by “US action,” i.e., WAR!

We Did It Before

and We Can Do it Again Back in 2003, it was the same docile and complicit media that joined forces with the Bush Gang in its push for the Iraq War.

With no evidence, other than fake evidence, hearsay and fear mongering, the Presstitutes reported as fact the deadly lie that Saddam Hussein had weapons of mass destruction. The so-called evidence proffered was that he had obtained refined “yellow cake” uranium from Niger, and aluminum tubes intended to be used as components of centrifuges to enrich uranium as steps in his quest to build the Bomb.

To sell the nation and the world on the necessity to preemptively attack Iraq and depose Hussein before he could use those weapons, Bush’s esteemed Secretary of State, Colin Powell, brought the case to the United Nations. His dog and pony show consisted of meaningless wiretapped conversations about a missing piece of Iraqi equipment, and blurry aerial shots of supposed WMD installations and mobile chemical labs dotting the Iraqi landscape.

But rather than challenge this contrived and unconvincing performance, the Presstitutes hailed it as compelling evidence presented by a highly decorated American warrior. (See [Colin Powell’s UN performance](#).)

Now, in December 2012, *The New York Times* was prepping the public for war by pitching their version of “The Syrian Chemical Weapons Story” – just as it had done its part to take the nation to war with Iraq in 2003 by pitching the phony uranium tube story.

Like *CNN*, *The Times* Presstitutes cited and quoted from their own stable of trusted sources. But, as the self-

described “Paper of Record,” *The Times* boasted a far more extensive list of those nameless, faceless, anonymous officials and experts. It included: “a European official,” “an American official,” “a senior American diplomat,” “a senior Israeli official,” “one senior Israeli official,” “a senior Administration official,” “a senior defense official” ... and one just plain “official.”

How could anybody challenge such sterling credentials?

Times journalists David E. Sanger and Eric Schmitt alerted readers to the ominous build-up in the 2 December article headlined “Syria Moves Its Chemical Weapons and U.S. and Allies Cautiously Take Note.” Yet what was presented as “news” by Sanger, Schmitt, *CNN* and others was, in fact, an unbroken string of unsupported allegations, insinuations, assumptions, intimations, suspicions and just plain baloney. The following are some excerpts from that 2 December story.

Note: Throughout this “War” trend analysis, words and phrases are italicized to illustrate how vague words quoted from faceless authorities are skillfully woven together to instill fear and prepare the public for “action”:

- The warnings, which one European official said were *deliberately vague*
- What exactly the Syrian forces intend to do with the weapons *remains murky*, according to officials
- One American official provided the *most specific description* yet of what has been detected, saying that “the activity we are seeing *suggests some potential* ... but the official *declined to offer more specifics*
- A senior Israeli official said the movement of the chemical weapons, and the apparent preparations to use them, *could be a bluff*
- “*It’s very hard to read Assad*,” one senior Israeli official said. “But we are seeing a kind of action that we’ve never seen before,” he said, *declining to elaborate*.

Hard though it may have been for that senior Israeli official “to read Assad” it was very easy to “read” *The New York Times* piece as pure, 24-carat propaganda. The most damning example is Schmitt and Sanger writing that “*One American official provided the most specific description*” (for Syria’s preparations to deploy its chemical weapons) and then, rather than provide the “*most specific description*,” that “One American official” declines “*to offer more specifics*” when, in fact, no “specifics” were offered at all!

Who could get away with this bullshit? *The New York Times*, “The Toilet Paper of Record,” and all those bold and brave nameless, faceless, anonymous officials.

Totally absent from the *Times's* 1000-word piece was one single quote from a nameless, faceless, anonymous Syrian official, or even an official "official" with a name to dispute the charges and allegations.

And, even if one did, who would take a Syrian official's word above that of "a European official," "an American official," "a senior American diplomat," "a senior Israeli official," "one senior Israeli official," "a senior Administration official," "a senior defense official" ... and that one just plain "official."

It would be comic if only it weren't tragic; funny if it weren't deadly. Go back to 2002-2003, to the US-led Coalition of the Willing, who were ready and willing to attack Iraq, overthrow Saddam Hussein and occupy the country. Remember when Hussein and his government denied they had WMDs? Who did the public believe? George W. Bush, UK Prime Minister Tony Blair and all their cabinet and ministerial war hawks.

Who was lying then? Who's lying now?

Back then, Hussein's truth was automatically called a lie. President Bush, cabinet officials, the UN ambassador and Congress demanded Hussein prove the unprovable, which is impossible. The illogic sold to the public was that his very refusal to deliver up WMDs that did not exist was proof that they existed.

In Syria's case, the White House, cabinet members, the UN ambassador and Congress are once again demanding that the unprovable be proved, but this time it's a different unprovable. While there is no question that Assad has chemical weapons, what is being expected of him now is proof that he has no intention of using them against his people, which he has already asserted he would not do.

Given the media's active role in the propaganda campaigns fomenting earlier wars, the above compendium of fact-free, unsupported evidence should be understood as a precursor to full-throated war-cries, to be followed by yet another unprovoked American attack on a sovereign nation that is based solely on lies.

Mustard Gas? That's So World War I By mid-December the scope of the war in Syria was expanding dramatically. A newly sanctioned National Coalition of Syrian Revolutionary and Opposition Forces had been hastily cobbled together to replace the former rebel group, which Western nations claimed was not representative of all those involved in the rebellion.

Though the National Coalition was already substantially armed by Qatar and the United Arab Emirates, France intimated that it and other nations would also be supplying weapons. "With the coalition, as soon as it is a legitimate government of Syria, this question will be looked at by France, but also by all countries that recog-

nize this government," declared French President François Hollande.

In concert with the US-led "Syria-has-chemical-weapons-and-is-preparing-to-use-them" media blitz, it was announced that NATO approved the deployment of Patriot anti-missile batteries along Turkey's border with Syria:

Syria crisis:

NATO approves Patriots for Turkey

The long-expected move emerged from a meeting of NATO foreign ministers in Brussels, and amid growing fears that Syria *could use chemical weapons*.

NATO's Secretary General Anders Fogh Rasmussen said the ministers had "*unanimously expressed grave concerns*" about the use of chemical weapons.

Syria has said it would never use such weapons against its own people.

Recent intelligence assessments have indicated Damascus is contemplating using ballistic missiles, *potentially armed* with chemical warheads.

Speaking after the meeting, Mr Rasmussen told reporters ... "*Any such action would be completely unacceptable and a clear breach of international law.*"

Syria is believed to hold chemical weapons - including mustard gas and sarin, a highly toxic nerve agent - at dozens of sites around the country.

The CIA has said those weapons "can be delivered by aircraft, ballistic missile and artillery rockets".

President Obama has previously warned President Assad he would *face "consequences" if he used chemical weapons against his people.* (BBC, 4 December 2012)

Like the *CNN* and *New York Times* pieces analyzed above, the BBC report, with its trove of innuendo and conjecture, was another saber-rattling, get-ready-for-war piece of propaganda.

But unlike *CNN* and *The Times*, which completely ignored the Syrian position, the BBC allotted one short sentence to Syria's unequivocal denial that it would use chemical warfare against its own people.

Despite Syria's denial, the rest of the story proceeds upon the assumption that Syria is lying and is preparing to use its chemical weapons. And if it did, it would be a "clear breach of international law" and there would be consequences.

Fear and hysteria - mustard gas and sarin! This coming from the drone-launching USA with its trillions of dol-

lars of the most sophisticated armaments, ships, planes, bombs and missiles in the history of the world, warning that Syria has pre-World War II weaponry that could now be “delivered by aircraft, ballistic missile and artillery rockets”!

Ah, yes, NATO Secretary General Rasmussen and all those ministers had “grave concerns” that Syria might use chemical weapons. But what if Syria used nuclear bombs to kill civilians, dumped Agent Orange on helpless villagers, carpet-bombed countries with napalm, depleted uranium and white phosphorous, as the United States of America has done?

Would that be “a clear breach of international law,” or would such a Syrian action also be called “making the world safe for freedom and democracy?”

Four Steps to War Taking the nation to war requires winning popular support, a process that follows a typical pattern. First the public is alerted to dangerous developments going on in a foreign country. Then come warnings of the dire implications of those dangerous developments. Third, the alarm is sounded that the worst fears had been confirmed and the offending nation was about to carry out an atrocity. Step four pushes the panic button and fine-tunes a scenario that requires immediate preventive action.

In the case of Syria, the process began with repetitive “official” warnings that Assad had chemical weapons. Once that message had been drummed into the heads of the public, it was told Syria was preparing to use those weapons against its own people. When that story had been repeated often enough to be accepted as fact, it was time to sell the idea that to save the Syrian people from their brutal government, a preemptive military strike by freedom-loving, God-fearing, humanitarian nations was both justifiable and necessary:

**Syria loads chemical weapons into bombs;
military awaits Assad's order**

Pentagon sources tell NBC News that the Syrian military is awaiting final orders to launch chemical weapons against its own people after precursor chemicals for deadly sarin gas were loaded into aerial bombs.

The Syrian military is prepared to use chemical weapons against its own people and is awaiting final orders from President Bashar Assad, U.S. officials told NBC News on Wednesday.

The military has loaded the precursor chemicals for sarin, a deadly nerve gas, into aerial bombs that could be dropped onto the Syrian people from dozens of fighter-bombers, the officials said.

As recently as Tuesday, officials had said there was as yet no evidence that the process of mixing the “precursor” chemicals had begun. But Wednesday, they said their worst fears had been confirmed: The nerve agents were locked and loaded inside the bombs.

Sarin is an extraordinarily lethal agent. Iraqi President Saddam Hussein's forces killed 5,000 Kurds with a single sarin attack on Halabja in 1988.

U.S. officials stressed that as of now, the sarin bombs hadn't been loaded onto planes and that Assad hadn't issued a final order to use them. But if he does, one of the officials said, “there's little the outside world can do to stop it.”

Secretary of State Hillary Rodham Clinton reiterated U.S. warnings to Assad not to use chemical weapons, saying he would be crossing “a red line” if he did so.

The government said this week that it wouldn't use chemical weapons on its own people after President Barack Obama warned that doing so would be “totally unacceptable.”

But U.S. officials said this week that the government had ordered its Chemical Weapons Corps to “be prepared,” which Washington interpreted as a directive to begin bringing together the components needed to weaponize Syria's chemical stockpiles.

U.S. officials had long believed that the Syrian government was stockpiling the banned chemical weapons before it acknowledged possessing them this summer.

NBC News reported in July that U.S. intelligence agencies believed that in addition to sarin, Syria had access to tabun, a chemical nerve agent, as well as traditional chemical weapons like mustard gas and hydrogen cyanide.

Officials told NBC News at the time that the Syrian government was moving the outlawed weapons around the country, leaving foreign intelligence agencies unsure where they might end up.

Syria is one of only seven nations that hasn't ratified the 1992 Chemical Weapons Convention, the arms control agreement that outlaws the production, stockpiling and use of such weapons. Bombshells filled with chemicals can be carried by Syrian Air Force fighter-bombers, in particular Sukhoi-22/20, MiG-23 and Sukhoi-24 aircraft. In addition, some reports indicate that unguided short-range Frog-7 artillery rockets may be capable of carrying chemical payloads.

In terms of longer-range delivery systems, Syr-

ia has a few dozen SS-21 ballistic missiles with a maximum range of 72 miles; 200 Scud-Bs, with a maximum range of 180 miles; and 60 to 120 Scud-Cs, with a maximum range of 300 miles, all of which are mobile and are capable of carrying chemical weapons, according to U.S. intelligence officials. (NBC, 6 December 2012)

With Steps One and Two completed, Step Three, the final push to win public support before launching the preemptive attack was underway. Those reliable, nameless, faceless sources had ramped up the dialogue. What had, just a few days earlier, been only speculation about Syria, “preparing” to use chemical weapons, had turned into unequivocal assertion: “The Syrian military is prepared to use chemical weapons against its own people and is awaiting final orders from President Bashar Assad, US officials told NBC News on Wednesday.”

Official Lies? The “officials” reported “their worst fears had been confirmed: The nerve agents were locked and loaded inside the bombs.” To reinforce the potential danger – for all those who may have long forgotten or never knew – they dredged up the diabolically vicious “Butcher of Baghdad,” Iraqi President Saddam Hussein who, with a single sarin attack in 1988, killed 5,000 Kurds.

So now, although the sarin bombs had been weaponized, they not yet been loaded onto planes. However, should Assad issue the order to use them, “there’s little the outside world can do to stop it,” the official warned.

It was an obvious scare tactic, an essential step in the propaganda campaign. If the “worst fears” of the “officials” had now been confirmed,” just imagine how frightened all those non-official, just-plain-folks should feel.

And to drive the fear factor home even deeper, in the event the ghost of Saddam Hussein wasn’t scary enough, Assad could use his fleet of Russian fighter jets to drop “bombshells filled with chemicals” on his people as well as employ a variety of ballistic missiles with ranges between 72 and 300 miles.

Further tightening the screws, the officials also raised the specter of those deadly chemical weapons falling into the hands of terrorists who, in turn, could use them to attack freedom-loving, God-fearing, humanitarian nations anywhere in the world. This scenario also provided further cover for preemptive military action. The rationale being that even if Assad did not use his chemical weapons, a NATO/Arab League attack was justified on the grounds it would prevent those weapons from falling into the wrong hands.

But the entire chemical red alert was a chemical red herring. Another minor detail omitted from the reports of

Syria’s ability to deliver their chemical weapons was, what would be thrown back at them.

Apart from the Patriot missile systems that the US, Germany and the Netherlands had deployed in Turkey, there were reports of US and Dutch troops massed on Turkey’s Syrian border, along with a US naval armada consisting of 17 warships stationed off the Syrian coast, its Fifth Fleet in nearby Bahrain, the Air Force’s 39th Air Base stationed at Incirlik, Turkey, plus tens of thousands of US ground troops stationed in Kuwait, Qatar, and the United Arab Emirates.

Syria’s most advanced missile had a range of 300 miles. The naval armada assembled had missiles that could probably hit the moon and the weaponry to take out entire countries. Meanwhile, in a no-doubt-inadvertent Iraq déjà vu moment, in response to accusations that Syria intended to unleash its chemical arsenal, Syrian Deputy Foreign Minister Faisal al-Miqdad reiterated, “Syria stresses again, for the tenth, the hundredth time, that if we had such weapons, they would not be used against our people. We would not commit suicide.”

If history was about to repeat itself, Syrian suicide was unnecessary. The US and its allies were obviously ready, and indeed anxious, to do the job for them. Equally obvious was that they were in no mood to wait for Syria not to use its chemical weapons. The Pentagon’s already-drawn-up battle plan for a full scale “intervention” (i.e., unprovoked attack) called for 75,000 troops.

In the interests of propaganda, these facts did not find their way into any of the reports noted above. And if history were to serve as a precedent, the results of such an intervention were predictable:

1. The Pentagon assessment of needing 75,000 troops would, as with all its previous assessments of “this-is-what-it-will-take-to-win-a-war,” prove to be yet another inaccurate assessment.
2. The Assad regime would be deposed and he would most probably be disposed of.
3. Much of Syria would be destroyed and thousands of civilians slaughtered (“regrettable,” but unavoidable “collateral damage”).
4. The “rebel forces” championed by the Western powers would splinter into warring factions, with Islamic fundamentalist/Al Qaeda factions likely emerging as the strongest players among them.
5. There will be no freedom and democracy. As with Iraq, Afghanistan and Libya, civil war will continue and metastasize.
6. In keeping with their unbroken sequence of expensive, humiliating military defeats, a Syrian intervention will prove to be yet another humiliating military defeat for the US and NATO.

By mid-December, 2012, the groundwork was still being laid to take Step Four; the strike on Syria. The propaganda mill kept churning out “confirmations” of Syria’s capabilities and intentions to use chemical warfare based on “evidence” that was never provided:

UK’s Hague confirms ‘evidence’ of Syria chemical arms plans

British Foreign Secretary William Hague says *the UK and the US have seen evidence that Syria is preparing to use chemical weapons.*

Mr Hague told the BBC there was “*enough evidence to know that they need a warning*”.

The foreign secretary *did not give details*, as he said the evidence had come from “*intelligence sources*”.

Pressed in the interview by the BBC’s Frank Gardner, he said he could understand why *the public might be skeptical* after the blunders made over Iraq’s alleged weapons of mass destruction 10 years ago.

They say contingency plans have been drawn up *if they show signs* of being readied to be loaded and used as weapons.

Once again, as they attempt to justify going to war, the US and UK claim to have “seen evidence,” “enough evidence.”

Where’s the evidence? Not a shred of it was supplied. The Foreign Secretary “*did not give details*” but assured the world that it came from those always-to-be-trusted, nameless, faceless, anonymous “*intelligence sources*.”

And yes, there were very good reasons why “the public might be skeptical,” since their governments had lied them into wars before. This time, the “evidence” presented was no more credible, and the reason for going to war had nothing whatsoever to do with the reasons the public was being given.

The Facts Behind the Spin In the new millennium, the world was awash with far more sophisticated WMDs than Syria’s pre-WWII class chemical weapons, WMDs that were also far more easily delivered – suitcase-size nukes, biological weapons and dirty bombs. (See, *Trends 2000*).

The real reasons for intervention in Syria had nothing to do with how Assad treated his people or how many of them were being killed. It was a move in a grand power play whose ultimate goal was not to help the rebels but rather to take out Assad.

Why? With Qaddafi dead, Syria was the only remaining Mediterranean country with ports not under American control and therefore open to Russian and Chinese na-

val ships, oil tankers and other commercial vessels. Uncle Sam was keen to close this geopolitical loophole.

Another rarely cited reason for overthrowing Assad was his close ties to America’s Foreign Enemy No.1, Iran. With a new US-sponsored regime in Syria, Iran would be further isolated, providing the US still-greater freedom to extend its hegemony over the oil-rich and strategically critical region.

And finally, of all the Arab nations, none was more supportive than Syria of the Palestinians, and Lebanese Hezbollah – whose success in battling Israel to a stalemate in 2008 stood as a testament to Israel’s military vulnerability.

DOUBLE STANDARD

In the media blitz accompanying the buildup to war, never was there reference to the double standard that the US and its allies applied to Syria, compared to their dealings with Israel.

Syria, which had not ratified the 1992 Chemical Weapons Convention, is being condemned for possessing “outlawed weapons.” Israel has also not ratified the Convention, is assumed to possess chemical weapons, and according to the US Congress Office of Technology Assessment, has an extensive biological warfare program. Not only has Israel refused to become a signatory to the Biological Weapons Convention, it has also refused to sign the Nuclear Non-Proliferation Treaty, and is presumed to have a sizable nuclear arsenal.

However, Israel’s “outlawed” weapons programs provoke no international outcries. And when Israel, following its recent massive attack upon Gaza, announced it would build 3,600 more housing units on Palestinian land, neither the US nor its allies punished Israel for its breach of international law and violation of the Fourth Geneva Convention, which prohibits an occupying power from transferring its own civilian population into the territory it occupies.

Israel Defies Allies in Move to Bolster Settlements

JERUSALEM – Israel pushed ahead with aggressive new settlement building on Wednesday, brushing aside a growing chorus of international opposition, including criticism by its Western allies, that the move threatened to destroy the peace process with the Palestinians.

The Housing Ministry authorized construction on 1,000 housing units in the West Bank, while the city of Jerusalem approved 2,610 units in Givat Hamatos, a new neighborhood in an area annexed after the 1967 war.

The actions came after 1,500 controversial units in the Jerusalem settlement of Ramat Shlomo were approved Monday and 500 others in Givat Haim on Tuesday. An additional 1,000 units, in Gilo, are expected to move forward on Thursday, in what experts said was the most activity in years in the areas known collectively as East Jerusalem, which the Palestinians see as their future capital.

Every member of the United Nations Security Council except the United States issued statements on Wednesday condemning the construction.

"This gravely threatens efforts to establish a viable Palestinian state," Ban Ki-moon, secretary general of the United Nations, said Wednesday in New York at his year-end news conference. "I call on Israel to refrain from continuing on this dangerous path, which will undermine the prospects for a resumption of dialogue and a peaceful future for Palestinians and Israelis alike. Let us get the peace process back on track before it is too late."

"We call on the Israeli government to rescind these plans," said the statement issued by Israel's allies Britain, France, Germany and Portugal, saying the actions "send a negative message and are undermining faith in its willingness to negotiate."

"Settlements are illegal under international law and detrimental to any international efforts to restart peace negotiations and secure a two-state solution," it said. "All settlement activity, including in East Jerusalem, must cease immediately."

Prime Minister Benjamin Netanyahu of Israel seemed unbowed by the growing criticism. He told the ambassadors from several Asian nations on Wednesday that his government would continue to build across Jerusalem — as did its predecessors.

"Jerusalem has been the capital of the Jewish people for 3,000 years," Mr. Netanyahu said, according to a statement released by his office. "I want you to ask any of you to imagine that you would limit construction in your own capital. It doesn't make sense. And I think that for us, the important thing is that we are committed to our capitals; we're committed to peace; and we're going to build in Jerusalem for all its residents." (*NYT*, 20 December 2012)

Unlike Syria, unlike Iran, unlike Libya, unlike North Korea, unlike Iraq, unlike Afghanistan, unlike any country in the world that does anything whatsoever that the

United States disapproves of, Israel is never warned that there "will be consequences" and "you will be held accountable."

Why is it that only Israel is allowed to breach international law? Can it be because they are the "chosen people" and Netanyahu has chosen to invent "a Bibi Bible" in which "Jerusalem has been the capital of the Jewish people for 3,000 years" even though Jerusalem had been inhabited and ruled by Arabs for the last 1,500 years and by the Romans for over 500 years before that?

Had a fundamentalist, evangelical preacher or other religious ideologue made a statement as asinine and historically inaccurate as Netanyahu's, he'd have been pilloried by the press and ridiculed by the political establishment.

Indeed, when Iranian President Ahmadinejad denies the Holocaust, the entire Western world and media treat him like a lunatic, a "Holocaust denier." But when Netanyahu denies equally indisputable facts, the press and political establishment give him a free pass; no one labels him a lunatic, an "Arab denier."

Nor is the chosen Prime Minister of the chosen people condemned when he chooses to violate International law and ignore UN condemnation:

Netanyahu: I'm not interested in what UN says about settlement construction

Amid increasing international criticism of Israel's recent approval of construction plans in the West Bank and East Jerusalem, Prime Minister Benjamin Netanyahu said in a television interview Friday that he is not interested in what the UN has to say about the subject.

In Friday's Channel 2 interview — an excerpt from interviews the prime minister granted Israel's three main channels which were broadcast on Saturday — Netanyahu said construction is a matter of principle. "We live in a Jewish state, and Jerusalem is the capital of Israel. The Western Wall is not occupied territory. We will build in Jerusalem because this is our right. What the UN says doesn't interest me." (*Haaretz*, 21 December 2012)

Not only did Bibi put himself and Israel above the law, he summarily relocated the capital of Israel from Tel Aviv, where it has been since 1948, to Jerusalem, where the capital has not been for over 2,000 years. And how did the world respond? With nothing more than a scolding along the lines of, "That's not nice Mr. Prime Minister, and it doesn't help the (nonexistent) peace process."

How are the Palestinians supposed to react to the never-ending illegal land grabs? The same way they are sup-

posed to react when Israeli hit squads assassinate their leaders and kill civilians. They are supposed to do nothing, for if they retaliate, they are condemned by the West and sternly reminded that “Israel has the supreme right to defend itself.”

Israel approves another 1,200 settlement units around Jerusalem

Plan brings total approvals to 5,500 in just over a week

Israel has given the green light for the fast-track development of a further 1,200 settlement units around Jerusalem. It brings the total number of new approvals to 5,500 in just over a week, the largest wave of proposed expansion in recent memory.

The latest plan, which would see almost 1,000 new apartments built over Jerusalem’s green line in Gilo, comes as the Israeli media is reporting mounting pressure on the prime minister, Binyamin Netanyahu, to drop his commitment to a two-state solution from his platform for re-election in January.

The agreement for the Gilo development is only the latest in a wave of settlement approvals in Jerusalem agreed by the country’s interior ministry and Jerusalem municipality’s planning committees before Christmas.

That included proposals, which attracted international criticism, to develop the controversial El block to the east of Jerusalem.

The issue of Israel’s illegal settlements has come to be a lightning-rod issue in the elections, even as Israel has faced mounting pressure to halt settlement expansion. (*The Guardian*, 25 December 2012)

Trend Forecast

For over forty years Israel has been stealing Palestinian land in open violation of international law and has openly stated it will continue to do so, while its prime minister unequivocally declares “What the UN says doesn’t interest me.”

Given the available evidence, we forecast that Israel will solve the Palestinian “problem” by eliminating the Palestinian population through some combination of wars, land grabs, oppression and blockades, pressuring them until they are so fractionalized, splintered and dispersed that they will no longer be considered a nationally identifiable people by the international community.

Like the American Indians, aborigines, Eskimos and countless other tribes and traditional cultures that were effectively destroyed by colonial occupying powers, the Palestinians



will ultimately be stripped of their territorial identity. Thus, it will be the fulfillment of former Prime Minister Golda Meir’s widely quoted fabrication that there were no Palestinians to begin with:

“There is no such thing as a Palestinian people ... It is not as if we came and threw them out and took their country. They didn’t exist.” (*The Sunday Times*, 15 June 1969)

Yet, just two months prior to Meir’s statement, renowned Israeli General Moshe Dayan, had acknowledged the indisputable truth:

“Jewish villages were built in the place of Arab villages. You do not even know the names of these Arab villages, and I do not blame you because geography books no longer exist. Not only do the books not exist, the Arab villages are not there either. Nahlal arose in the place of Mahlul; Kibbutz Gvat in the place of Jibta; Kibbutz Sarid in the place of Huneifis; and Kefar Yehushua in the place of Tal al-Shuman. There is not a single place built in this country that did not have a former Arab population.” (*Haaretz*, April 1969)

We also forecast that Israel’s victory will be pyrrhic and ephemeral. Present-day Israel is just a blip in history and history will repeat itself. The existence of Israel, created by the United Nations in 1948, is just the latest episode in a multi-millennial conflict stretching back to biblical times, when the Jews first threw out the inhabitants of the Land of Canaan. The Kingdom of Israel was established around 1020 BC, destroyed by the Babylonians in 578 BC and later conquered by the Romans, who in turn were overthrown by the Muslims. During its history, Jerusalem has been destroyed twice, besieged 23 times, attacked 52 times, and captured and recaptured 44 times.

Thus, given the region's turbulent historical record over the last three thousand years, we forecast that the current reign of the State of Israel will also prove transient. Modern-day Israel will most likely experience the same fate it imposed upon the Arabs it expelled:

"Let us not ignore the truth among ourselves ... politically we are the aggressors and they defend themselves... The country is theirs, because they inhabit it, whereas we want to come here and settle down, and in their view we want to take away from them their country." – David Ben Gurion, quoted on pp. 91-2 of Noam Chomsky's *Fateful Triangle*, citing a 1938 speech.

Crusades 2000 With or without a Palestinian state, or even a Palestinian presence, Israel's destiny has been created largely by its own actions and policies, and also by a trend-in-the-making that we had forecast two decades ago. In *The Trends Journal* in 1993 and again in *Trends 2000* (Warner Books, 1997) we warned that, early in the new millennium, yet another Crusade would engulf the Middle East:

"Throughout the Muslim world, devout masses, politically repressed and impoverished, were rising up against their endemically corrupt and inefficient secular governments with their pro-Western alliances. Imperialism, directly or indirectly, took the blame for the poverty, the lack of opportunity, and the social and moral decay.

Disenfranchised, desperate, politically powerless, Muslims in many countries looked to charismatic clerics to change their destiny."

Turmoil will continue to spread across the Middle East. As is already evident in Egypt, Libya, Syria, Yemen and Tunisia, revolutions and civil wars that were ignited by economic inequality – but mistakenly labeled "Arab Spring," "pro-democracy movements" – have devolved into Islamic fundamentalist takeovers. As these prove incapable of rectifying the catastrophic economic conditions, and as civil wars splinter the affected countries, Israel will serve as the unifying scapegoat. As the Bedouin saying goes, "Me against my brother. My brother and I against our cousin. My brother, our cousin and I against the neighbor. All of us against the foreigner."

With or without American/NATO support, and despite its massive army and state-of-the-art American-supplied weaponry always at the ready, Israel will not be capable of repelling a massive all-fronts attack by enemy armies

supported by hundreds of millions of people waging new millennium warfare.

Publisher's Note

Our trend forecast of a "Crusades 2000" was ignored back then and today – despite our global media presence and years of referencing the current Middle East conflict as another episode in a long series of Crusades – it is still not being seen for what it is or why, in part, Crusades 2000 began: The formal battle lines for the new Crusades had been drawn when Israel was created in 1948, we wrote in our national bestseller (printed in 16 languages) *Trends 2000*.

Of greater concern to us than just the end of Israel and a destabilized Middle East, is the risk that the region at war could lead to the end of the world as we know it: A global Masada moment.

At a certain point, Israel might consider a variant of this celebrated event in Jewish history as their only option. In 73 AD, the "Zealots," an extremist group of Jews resisting Roman rule, were besieged by Roman battalions in the Masada fortress. After a long siege, when it became clear that defeat was inevitable, rather than surrender and face slavery or execution, the Zealots committed mass suicide.

A 21st century replay would make use of contemporary technology unavailable to the Zealots. Today, Israel, with its estimated 400 nuclear warheads, rather than getting overrun, forced out and faced with a new Diaspora, might commit a suicidal act by launching its nuclear weapons – and taking a good piece of the planet down with it.

Improbable? They did it in 73 AD under the command of Elazar ben Ya'ir. Is it feasible for another Masada moment to occur under the command of Prime Minister Benjamin Netanyahu, or perhaps some future twisted Zealot?

Ex-Shin Bet head: Netanyahu is an unreliable leader 'possessed' by Iran

In interview to Yedioth Aharonoth, Yuval Diskin criticizes PM and Defense Minister Barak, describing highly-sensitive security meetings over alcohol and cigars; says there is a leadership crisis that 'from up close, looks even worse.'

Former Shin Bet head Yuval Diskin has leveled sharp criticism against Prime Minister Netanyahu and Defense Minister Ehud Barak regarding their conduct and the way in which decisions are taken at the highest echelons of Israeli government.

"Netanyahu is scared, fickle and shirking responsibility," Diskin says in the interview. "There is a crisis of leadership here, a crisis of values and total contempt for the public. Maybe people will think I'm exaggerating, but I'm telling you: From

close up it looks even worse.”

The former Shin Bet head claims that the prime minister’s attitude towards the Iran issue is tainted by his determination to secure his place in the pages of history. “I have a very deep feeling that when it comes to Iran, Netanyahu is possessed by Menachem Begin, who attacked Iraq’s nuclear reactor, and by Olmert, who many claim is responsible for the attack on Syria’s reactor. Bibi wants to go down in history as the person who did something on this size a scale. I have heard him belittle what his predecessors have done and assert that his mission on Iran is on a much grander scale.” (*Haaretz*, 4 January 2013)

Merry Christmas During the 2012 holiday season, only the small minority of people who really care about what’s going on in the world were tuned in to the news. But even they were getting “spun” if they were relying only on mainstream sources.

For the vast, oblivious majority – the totally tuned out – the war with Syria was being sold in a “chemical warfare/chemical warfare/chemical warfare” sound bite loop.

As for the Israeli land grabs, euphemistically called “settlements,” they were just more media background-white-noise of the sort that’s been heard for years. It was yesterday’s news.

And as for all those other wars being waged this December 2012, apart from those “officially” being called wars, such as in Afghanistan, most people knew little about them, who started them or why. But recognized or otherwise, all these conflicts were part of “The 1st Great War of the 21st Century.”

EGYPT In mid-December, Egypt was again making the news, and it was real news, but not really big news in the US. Though widely covered, the political turmoil was presented as little more than turmoil-as-usual.

Trends are born, they grow, mature, reach old age and die. When the so-called Arab Spring was born in the Winter of 2010, the mainstream “news” told it one way, we told it another. From the onset, the press and politicians were cheering on the uprisings as fights for freedom and democracy.

But back in February 2011, with our Executive Editor, John Anthony West, and researcher, Gary Abatelli, on the streets of Egypt and among the crowds of Tahrir Square, their first-hand reports confirmed our earlier



forecasts. The uprisings had less to do with “freedom and democracy” than with class warfare. In the words of Gerald Celente: “Far too few had much too much, and far too many had much too little.”

Putting together their observations on the ground and our analysis of the events, our *Trend Alert* headline read:

Egypt Welcomes the New Boss – Same as the Old Boss

KINGSTON, NY, 14 February 2011 – The Egyptian people in Liberation Square celebrated, the world leaders weighed in, and the global media parroted the tale of “history in the making.” The big bad Hosni Mubarak has “listened to the voices of the Egyptian people” and has bowed to their demands to finally end his 30-year presidential rule.

On February 11th, the news came in a brief statement made by freshly anointed Vice President Omar “Egypt is not ready for democracy”

Suleiman: “In these grave circumstances that the country is passing through, President Hosni Mubarak has decided to leave his position as president of the republic. He has mandated the Armed Forces Supreme Council to run the state.”

Following the announcement, Nobel Prize recipient (and the West’s favorite opposition leader) Mohamed ElBaradei said it was the “greatest day” of his life and that “the country has been liberated.”

The “greatest day” was summed up in a *USA Today* headline: “Mubarak resigns; military takes over in Egypt.”

Trends Journal subscribers didn’t have to wait until February 11th to know the outcome of this “history in the making.” In our February 1st *Trend Alert* we forecast:

As we will see in Egypt, military coups will be disguised as regime changes. Already the public is being conditioned to view the Egyptian military as beloved liberators. But in fact they are simply another arm of the autocratic government, no more familiar with democratic ideals than the dictator they replaced, who had himself been drawn from the ranks of the military. (14 February 2011)

And now, in December 2012, “...in fact another arm of the autocratic government, no more familiar with democratic ideals than the dictator they replaced,” has been replaced by the Muslim Brotherhood, a group as uninterested in democratic ideals as either Mubarak or the military.

As we wrote in the Autumn 2012 *Trends Journal*:

“... it wasn’t the celebrated “people power” candidates – those who spent month in the streets, were beaten and jailed – who got elected or even garnered enough votes to make the runoffs.

“Although the Brotherhood played virtually no role in bringing about the revolution, it was their candidate who narrowly won the presidency.”

Yes, the new boss, Mohamed Morsi, was looking a lot like the old boss Mubarak. Following a series of decrees by Morsi and the passage of a new constitution in which only 33 percent of the people voted on – granting him quasi-dictatorial powers and enshrining the authority of the military – once again the people were taking to the streets. And like the old boss, the new boss called upon the police and armed forces to rein in the protests and keep order.

In that February 2011 *Trend Alert*, we foresaw the face of the future and why it would resemble the past.

Trend Forecast

Getting rid of one person does not make a revolution. As aptly noted by such infamous “revolutionaries” as Marx, Lenin, and Pol Pot, no revolution can succeed that doesn’t replace all members of the former ruling class.

In Egypt, the military class still rules and the power of the 18-member Supreme Council of the Armed Forces goes uncontested. The Council’s first actions have included a suspension of the Constitution, dissolution of Parliament and imposition of a ban on labor strikes.

While no one can predict whether the military rulers will relinquish power and allow free elections, what can be assumed is that they will not willingly forego the estimated \$2 billion in annual US aid the Egyptian government receives.

Since Mubarak’s exit, Beltway policy wonks and political front men have been urging Washington to funnel funds to “pro-democracy” groups in Egypt as part of an effort to influence the shape of the next government, to insure “stability” and support US foreign policy interests.

Egypt’s new Brotherhood government did not forego the \$2 billion-plus in aid from the US. And while the funneling of US taxpayer dollars did nothing to bolster “pro-democracy” groups, it appears that US foreign policy interests were being served, and so too were the bankers.

The International Monetary Fund had agreed to loan the Morsi government \$4.8 billion and the World Bank agreed to loan an additional \$2 billion on the condition that Morsi imposed more austerity measures – which included a series of tax hikes on consumer goods such as mobile phones, alcohol, cigarettes and cooking oil – on the already impoverished populace.

Given the direction Morsi is taking, anti-government protests will escalate, the military will clamp down, and the country will become increasingly polarized and trend toward civil war. Indeed, under the provisions of the new Constitution, legislative authority was passed to an Islamist-dominated upper chamber of parliament, an elected council in which only 12 percent of registered voters voted.

Even with so much attention focused on the new Constitution and the divisiveness it has generated, the root cause behind the “Arab Spring,” endemic poverty, has been left unacknowledged. What has not been addressed is that 82 million people are crowded into a country lacking the adequate natural, industrial and technological resources to support them. And now, with the combination of ongoing street protests and moves toward an Islamist-dominated government, tourism, a crucial mainstay of Egypt’s GDP, has been severely curtailed.

Yet, even in the midst all of this turmoil, unwilling to interfere with the Morsi government, the United States announced plans to ship 20 F-16 fighter jets to Egypt. “We have continued to rely on Egypt to support and advance US interests in the region, including peace with Israel, confronting Iranian ambitions, inter-

dicting smugglers, and supporting Iraq,” said State Department “official” Andrew Shapiro, in justifying the aid package deal.

War, War. But Don't Call it War Though coverage of the Syrian conflict and Egyptian uprisings hit the front page, what barely made it into the back pages of newspapers, and almost never onto the broadcast media, were all those other conflicts: Tunisia, Yemen, Bahrain, Mali, and the dozens of small-scale, dirty, murderous African wars – Somalia, the Central African Republic, Burundi, Sudan, Chad, Niger, Nigeria, and Congo.

And now, in mid-December, trending toward a geopolitical incident of major consequences are the territorial disputes pitting China against Vietnam, Japan, Taiwan, Laos, Brunei, Indonesia, and the Philippines as they bicker over which country owns which island and who has the rights to fish, drill and/or mine them.

In an almost unimaginable twist of historical irony, the Philippines, which had been terrorized and brutalized by the occupying Japanese forces during World War II was now, in the face of the new common enemy, China, calling for Japan to drastically expand its military might.

Philippines backs rearming of Japan

The Philippines would strongly support a re-armed Japan shorn of its pacifist constitution as a counterweight to the growing military assertiveness of China, according to the Philippine foreign minister.

“We would welcome that very much,” Albert del Rosario told the Financial Times in an interview. “We are looking for balancing factors in the region and Japan could be a significant balancing factor.”

The unusual statement, which risks upsetting Beijing, reflects alarm in Manila at what it sees as Chinese provocation over the South China Sea, virtually all of which is claimed by Beijing. It also comes days before an election in Japan that could see the return as prime minister of Shinzo Abe, who is committed to revising Japan's pacifist constitution and to beefing up its military.

A constitutional revision that upgraded Japan's Self-Defence Forces to a fully fledged military would allow it far more freedom to operate and could change the military balance in Asia. In spite of its official pacifism, Japan's armed forces do not lack for hardware. Its navy has about 50 large surface ships, compared with China's 70-odd.

Beijing has long raised the spectre of a return of Japanese militarism. The attitude towards Japanese rearmament in the Philippines, itself colonized by Japan, suggests regional fears of an assertive China

may be beginning to trump memories of Japan's aggressive wartime actions.

This month, the Philippines objected strongly to an announcement that maritime police from China's Hainan province would intercept ships entering what it considered its territorial waters.

Southeast Asian countries concerned about what they see as an abrupt change in China's “peaceful-rise” diplomacy have welcomed the renewed commitment to the region by the US in the form of its “pivot”. Mr del Rosario said Manila had agreed to more US ship visits and more joint training exercises.

The region is also closely watching Beijing's stand-off with Tokyo over the Japanese-controlled Senkaku islands, known as the Diaoyu in China. (FT, 10 December 2012)

Hot wars, cold wars, new wars, old wars, and wars-in-the-making, all to be added to the ever-growing Great War list. Also included among the combatants should be the tens of millions in Spain, Italy, Portugal, Ireland, and Greece who regularly flood the streets of Europe to protest the harsh austerity measures imposed upon them. Having lost their homes and jobs and with nothing left to lose, they're losing it.

For them, it's already a war, a class war. But for strange, inexplicable reasons, the depression-level conditions and widespread human suffering are being treated as economic problems that can be solved by imposing yet more hardships that will only result in more suffering.

You Can't Call a Spade a Spade Politicians, Presstitutes and pundits resolutely regard most of these wars – civil, regional, territorial, class, ethnic and religious – as “one offs,” independent of each other, or at most, tangentially connected.

We disagree. They are all connected and all are part of The 1st Great War of the 21st Century.

Yet, they are still not being recognized as the parts of a major conflict.

Why? Because you can't call a spade a spade; you have to call wars “time-limited, scope-limited, kinetic military actions.”

Speaking only for ourselves (remember our motto: “Think For Yourself”), we don't need some policy wonk, “expert,” politician or pundit to tell us what the state of the world is and where the trends are heading.

And if you want to wait for Wolf “Mouse” Blitzer, Piers “Whingy” Morgan, Rachel “The Self-Righteous” Maddow, Chris “Sponge-Ball” Matthews, Bellicose Bill O'Reilly or Raving Rush Limbaugh to do your thinking for you, that's your decision.

Nor do we have to wait for that Oval Office moment when the Commander-in-Chief solemnly announces that the wars the United States has provoked and continues to provoke have finally come home to roost and America is under attack.

Nearly 12 years after 9/11, fear of terrorism is still deeply ingrained in the American psyche. From the “If you see something, say something” scare ads drummed into their heads, to the militarization of the police forces, to the inescapable surveillance, warrantless wiretapping, and equally inescapable and invasive TSA airport pat-downs, the public is not allowed to forget that, at any moment, terror could strike.

As 2013 rang in, Americans were again reminded of lurking terror, how Uncle Sam was on the job to protect them, and that their constitutional rights were being abrogated for their own good:

Federal Power to Intercept Messages Is Extended

WASHINGTON — Congress gave final approval on Friday to a bill extending the government’s power to intercept electronic communications of spy and terrorism suspects, after the Senate voted down proposals from several Democrats and Republicans to increase protections of civil liberties and privacy.

The Senate passed the bill by a vote of 73 to 23, clearing it for approval by President Obama, who strongly supports it. Intelligence agencies said the bill was their highest legislative priority.

The bill, which extends the government’s surveillance authority for five years, was approved in the House by a vote of 301 to 118 in September. Mr. Obama is expected to sign the bill in the next few days.

The Foreign Intelligence Surveillance Act was adopted in 1978 and amended in 2008, with the addition of new surveillance authority and procedures, which are continued by the bill approved on Friday. The 2008 law was passed after the disclosure that President George W. Bush had authorized eavesdropping inside the United States, to search for evidence of terrorist activity, without the court-approved warrants ordinarily required for domestic spying.

The No. 2 Senate Democrat, Richard J. Durbin of Illinois, said the surveillance law “does not have adequate checks and balances to protect the constitutional rights of innocent American citizens.”

“It is supposed to focus on foreign intelligence,” Mr. Durbin said, “but the reality is that this legis-

lation permits targeting an innocent American in the United States as long as an additional purpose of the surveillance is targeting a person outside the United States.” (NYT, 28 December 2012)

It should have been a front page headline: “Americans Stripped of Fourth Amendment Rights. Obama Sides with Bush, Extends Warrantless Wiretapping Five More Years.”

Instead, the story was buried on page 12 of that Saturday’s *New York Times*, and once again Obama rang in the New Year with a salute to the United Police State of America.

Last New Year’s Eve (with the public also tuned out of the news) he signed the National Defense Authorization Act which, in effect, suspended the Bill of Rights. Washington maintained that the United States is a “battlefield” in a constant “War on Terror,” therefore *justifying* the suspension of peacetime rights. See “Battlefield America,” *The Trends Journal*, Winter 2012). America’s rulers gutted the Constitution.

In another “Heil Hitler” moment, another beloved “liberal Democrat,” Senator Diane Feinstein (CA) condemned all opposition to the re-authorization of the surveillance bill as aiding and abetting terrorism. Warning of another 9/11, the senator said that those voting against government spying “believe that no one is going to attack us.”

Nevertheless, for the vast majority of the public, terrorism was still taking place a world away:

Suicide Bomber Kills 3 Afghans by U.S. Base

KABUL, Afghanistan — A suicide bomber killed three Afghans on Wednesday in an unsuccessful attempt to enter an American military base in eastern Afghanistan, American and Afghan officials said.

The attack on Forward Operating Base Chapman, at an old military airfield just outside Khost, came almost exactly three years after another suicide attacker succeeded in entering the base and killed eight people, most of them C.I.A. employees, in the deadliest episode for the agency during the Afghan war.

A statement e-mailed to journalists by a Taliban spokesman, Zabiullah Mujahid, claimed responsibility for the attack. “According to credible information, there were up to 250 national enemies queuing in front of the gate to get inside and serve the Americans in return for dollar salaries, and by doing so they were playing with their country, religion and dignity,” Mr. Mujahid said. (NYT, 27 December 2012)

Relegated to page nine of *The Times*, this was just one of hundreds of similar suicide bomber revenge attacks on American bases, installations and personnel abroad. And like all those other attacks, it was not recognized as a harbinger. Among the public, the politicians and the media there was a persistent disconnect between cause and effect, between American foreign policy and its inevitable ramifications.

What would it take to get it into the public's head that the foreign policy interventions and wars initiated by their political leaders have engendered squads of suicide-bombers-in-waiting, just waiting to attack the home base of the overseas bases: Heartland America?

Publisher's Note

America the beautiful! "We're #1," the world leader in mass murder. From top to bottom – from the Pentagon and politicians to the all-too-easily-led public – it seems there's always a war worth fighting in the name of freedom and democracy.

How high does the body count have to go? What's the magic number of dead and wounded, of money squandered, before the truth hits home? How much more proof is needed?

Afghanistan, Iraq, Vietnam ... trillions spent to kill millions. It doesn't add up, and it isn't worth the price.

So why do people keep paying with their money and their lives? What sets them on a path that can only end in destruction? What mental aberration allows people, en masse, to willingly participate? What makes them individually self-destruct? What puts them on a society-wide suicide mission?

Are their lives individually and collectively so empty, meaningless, and unfulfilling that they actively participate in their own destruction by passively accepting their destiny or by voluntarily signing up to fight the wars?

These wars are certainly not being fought for legitimate religious reasons since all religions teach, in one form or another, "Peace on Earth, Good Will Toward Men."

If people lived rich, fulfilling lives, would they be willing to fight and die to overthrow foreign leaders when their own lives or nation were not being directly threatened? □

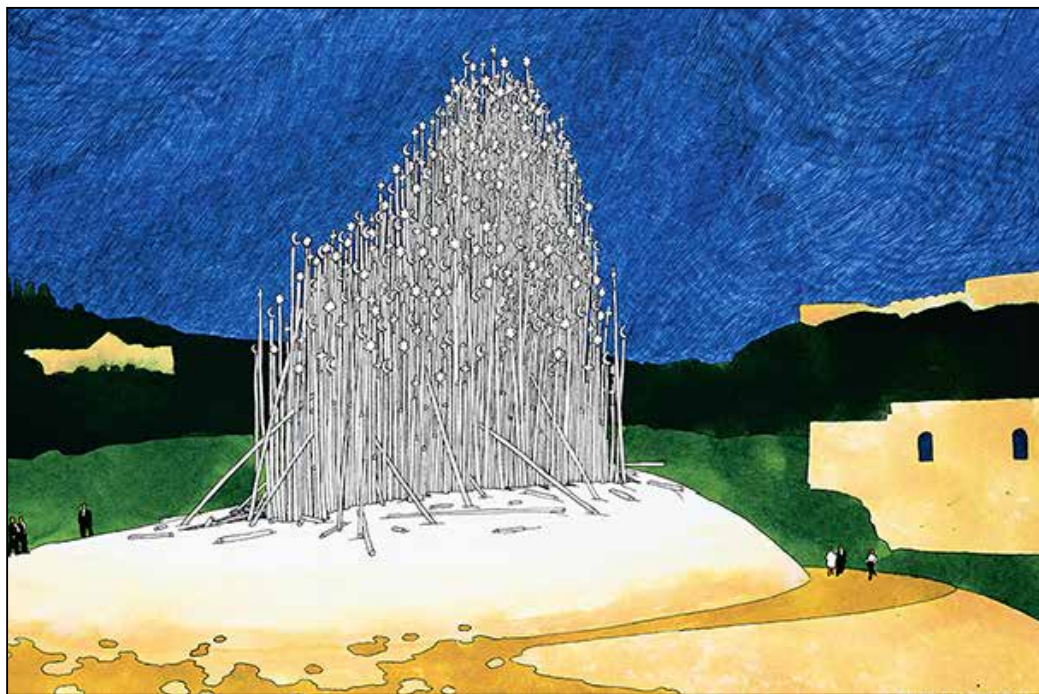
The Jerusalem Peace Monument

In 1996, Dr. Jamal Al Majaida, a leading Palestinian intellectual, asked me to think about a monumental artwork that would address the special and symbolical status of Jerusalem, a city holy to three great religions. After intense discussions, this concept emerged.

The symbolism in the Peace Monument is of hope springing forth from a wound in the earth of Jerusalem. From this blood-soaked earth springs a "forest" of slender white rods, each bearing aloft the symbol of Judaism, Christianity, or Islam. Despite all the terrible things that go on and have happened in the Holy Land, this forest continues to rise from its roots in this place – toward Heaven.

I don't think I am alone in hoping that Jerusalem will finally become a true capital for three religions, three great cultures – a place open to everyone, open to new energy.

I have sent the blueprints for this monument to representatives of all the interested communities, and the discussions continue. I remain hopeful for the future.



A monument planned for the city of Jerusalem, cradle of three great Abrahamic religions

Jan Sawka, The Sawka Team

Unveiling of the Peace Monument (New York, USA, 2010) (<http://jansawka.com/soloExhibitions/2010unveiling.html>)

The New Peace Monument Homepage (<http://www.peacemonumentjerusalem.org/home>)

GERALD CELENTE'S FOUR RULES OF PEACE

In a recent renewal letter to subscribers I told them that “The 1st Great War of the 21st Century has begun.” I warned that the world is currently on a march toward death and destruction of cataclysmic proportions.

As an incentive to renew their subscription, I promised them that in this Winter Trends Journal I would provide a prescription for peace and offer remedies that could reinvigorate the world economy and advance civilization.

Not only did I put my word and integrity on the line, I put my money on the line. I said that if they didn't believe in my plan they could cancel their subscription within 60 days and get their money back.

Should you find my Peace Plan or my Four Rules of Peace without merit and wish to cancel your subscription, we will send you a refund for any future issues you have paid for.

Gerald Celente

War and Peace “The 1st Great War of the 21st Century” has begun and we forecast that, if left unchecked, it will prove to be both the most widespread and the most destructive ever known to mankind. Yet, we believe it can be checked and stopped!

Yes, as promised, Gerald Celente has devised a unique, practical solution to stop the war trend in its tracks and help bring about a real and sustainable level of world peace. In the process, his plan will reinvigorate economies and, in the true spiritual sense of the word, advance the essential nature of civilization.

Laughing at him, are you?

Were you laughing at candidate Obama during the 2008 presidential campaign when he promised he would “repair the nation and heal the world”? If you were among the millions who believed Obama would deliver on his campaign promise of “Hope and Change,” you weren't laughing.

Unlike Nobel Peace Prize winner Obama and all those other politicians who talk peace but start wars, Celente provides a Peace Plan that is simple, practical, cost-effective and highly profitable. If implemented, it will bring peace.

THE FIRST RULE OF PEACE:

Part One of our Peace Plan calls for launching a televised extravaganza the likes of which the world has never seen. This “Greatest Show on Earth” will be watched by billions of viewers and bring in billions of “pay-per-view” dollars.



Anthony Freda / Dan Zollinger

Rule I: The World Leader Takedown Death Match. “Any world leader demanding that the leader of another nation step down from office is hereby commanded to personally appear for a Fight to the Finish, to be held in Arena di Verona, the splendidly preserved Roman amphitheater in Verona, Italy. Refusal to appear will result in immediate dismissal from office.

In the words of 2nd Degree Close Combat Black Belt Gerald Celente:

“If you call him out, take him out, or get out!

Today's Commanders-in-Chief are Cowards-in-Chief. They will blithely “call out” the leader of a sovereign nation and tell him his time is up, that it's time for him to leave. Not one of them is man enough to take him out themselves. Tough talk but no action.

All of them cowards, they are prepared to start the war and then send others to fight and die and do the dirty work. The time has come to make these leaders take personal responsibility for their decisions and to leave us out of their psycho-trip.

Look at these ‘leaders!’ Listen to these little boys shooting off their big mouths, declaring, for example, that Assad of Syria ‘must go.’ Can you imagine Barack Obama, David Cameron, François Hollande, or any of the others man-

ning up, going face to face and taking out the 'brutal dictator?'

Their hypocrisy is disgusting, their behavior is revolting, yet no one ever calls them out on their personal cowardice. Certainly not their fellow politicians, not the media, not the general public and not even all those 'brave young men and women in uniform,' who face death while following orders issued by their Cowards-in-Chief. The soldiers don't realize they are not serving their country but serving the deranged obsessions of their Presidents, Prime Ministers and Chancellors."

It is high time that new and effective rules are put in place for Presidents, Prime Ministers and Chancellors to follow. And under the terms of Rule I: If you start the fight, fight the fight.

"Those who declare war must be the first to fight the war. Then, and only then, after they put their own lives on the line will they have the moral authority to call on others to join the fight."

Two principles provide both the moral underpinning and the historical precedents for putting such a plan in action:

1. Although today's leaders behave as though they are political royalty and dictate from their thrones, they are no more than public servants and, indeed, they commonly refer to their office and to their tenure as "public service."

Therefore, *We the People* are entitled to demand that they follow our orders: If they "call out" someone, such as the leader of another country, they are commanded to personally take him out or get out of office.

2. Since they glory in their role as Commanders-in-Chief and leaders of their nations, they should be, in the hallowed tradition of former commanders and leaders, honor bound to behave as warriors. What used to be the norm is barely even a memory.

Not all that long ago, the leaders were the warriors, and first into battle: Hannibal, Alexander the Great, Alaric the Hun, Genghis Khan, Richard the Lion-Hearted, William the Conqueror, Tamerlane the Great, Napoleon, The Duke of Wellington, George Washington – the list is long. Shakespeare's historical dramas accurately depict the warrior kings and all their nobles actively involved on the battlefield.

In the United States, politicians publicly revere the

memory of America's Founding Fathers and pretend to be true to their principles and their examples. But in practice, when it comes to living up to those principles and examples, they are all just talk. Unlike George Washington, the first of the Founding Fathers, who personally led the troops to victory in the American Revolution, NOT ONE of the American Presidents responsible for starting the losing wars in Korea, Vietnam, Iraq and Afghanistan fought in any of them.

If American presidents are going to "revere" their Founding Fathers, they must emulate them. Instead, they talk about all those brave young men and women in uniform who made the "ultimate sacrifice" by dying for their country. They visit military hospitals to pay pious homage to the limbless and maimed-for-life, sordidly exploiting the visits with photo-ops and nauseating electioneering:

"I think about the young sailor I met at Walter Reed Hospital still recovering from a grenade attack that would cause him to have his leg amputated above the knee. And six months ago we would watch him walk into a White House dinner honoring those who served in Iran (sic) – tall and 20 pounds heavier, dashing in his uniform, with a big grin on his face, sturdy on his new leg. And I remember how a few months after that I would watch him on a bicycle, racing with his fellow wounded warriors on a sparkling spring day, inspiring other heroes who had just begun the hard path he had traveled. He gives me hope. (Cheers, applause.) He gives me hope." (Transcript of Barack Obama's 2012 Convention acceptance speech.)

Gerald Celente's peace plan does not stop with cowardly Commanders-in-Chief and swivel-chair generals who send the troops to battle from the safety of their offices. It not only applies to government officials at every level, but also extends to the men and women on the street.

THE SECOND RULE OF PEACE:

The motto for the Peace Plan is, "Not just leaders and generals, but everyone who's for the war, fights the war! Everyone who's in favor of war, funds the war!"

Rule II. Pay With Your Life or Pay Up. "If you support the war(s), yet can't put your life on the line because you're too old or infirm to put on a uniform, you MUST either pay up or shut up. A 'War Tax' will be levied on war hawks. One way or another, those who support the war, MUST pay for the war."

THE THIRD RULE OF PEACE:

Rather than permit Presidents, Prime Ministers or Chancellors to unilaterally declare war, or allow packs of politicians to plunge a nation into war, the people will decide.

Rule III. Direct Democracy - Let the People Vote.

Since the burden of war, in terms of money and lives, is placed squarely upon the shoulders of the public, the people, not politicians, should vote on waging war and the names of who voted yea or nay shall be recorded.

In the United States, citizens who honor the principles of the Founding Fathers (such as those of Washington, who vehemently opposed foreign entanglements) will not be required to support the demands made by traitors to the principles of the Founding Fathers.

THE FOURTH RULE OF PEACE:

If you support attacking a foreign nation, you have no moral right to object when a foreign nation or nationals of a foreign nation that has been attacked attacks back. You will stop calling revenge attacks “despicable cowardly acts” carried out by “evil fanatical terrorists,” and “radical extremists who care nothing about the sanctity of human life.”

Rule IV. The Golden Rule. “Do unto others as you would have them do to unto you.” Alternatively, “Do not do unto others what you would not have them do unto you.” “Be not deceived; God is not mocked: for whatsoever a man soweth, that shall he also reap.” (Galatians 6:7)

Or as they say in the Bronx: “Payback’s a bitch.” (Anonymous 11:46)

Peace! Are You For It or Against It? There are marches for peace, protests for peace, petitions for peace. But none of them have brought peace. Regardless of the noble intentions of those who want peace, these customary methods are, or have been proven failures.

There is no hard historical evidence that one, or any combination of these methods, has ever stopped the march to war or ended a war once it started. Once the demonstrators leave the streets and go home, the energy dissipates, and the “authorities” carry on with their war-



Anthony Freda / Dan Zollinger

business-as-usual.

For example, it's widely believed that massive anti-war protests in the US brought the Vietnam War to an end. It's a comforting illusion, an example commonly used by peaceniks as a rallying cry for ever more marches, protests and petitions. The historical fact is that the protests and demonstrations went on for years. And so did the war.

But perpetuating that illusion also serves the Pentagon as a cover for its gross military failure. They blame their failure – after squandering hundreds of billions of dollars, killing millions of Vietnamese, sacrificing the lives of some 60,000 American soldiers, and ruining the lives of the hundreds of thousands of others left physically and mentally wounded – on the anti-war demonstrations. They claim it was the peaceniks and protestors that prevented the armed forces from waging its war with sufficient force and without restraint.

As for the petitions for peace, they provide people with the comforting illusion that, because they have signed their name on a piece of paper or sent an email, their voice is being heard and they are participating in the democratic process. But it is an act that takes no courage, little effort and produces commensurate results: None!

Regardless of how many names are on a petition and whatever percentage of people are opposed to a war, the warmongers-in-charge know that signatures on a piece of paper and emails have no compelling power behind them; they can be, and are, ignored with impunity, thrown into the waste basket or deleted. Nevertheless, the fiction that petitions are effective is perpetuated by both the powerless and the powerful.

The powerless believe they are doing something positive while the powerful are content to let them persist in that transparently mistaken belief.

Peace By Any Other Name While The World Leader Takedown Death Match is Gerald Celente's prescription to end wars, establishing peace on earth extends far beyond the rules that Presidents, Prime Ministers and Chancellors will be required to obey.

While their behavior can be clinically defined as psychopathic, the leaders are rarely labeled as such by society or the media. Yet, the atrocities they commit at a distance – bombing Baghdad, Tripoli, Kabul or Gaza, killing tens of thousands of innocent people – make their psychoses no different from those of the murderous lunatics responsible for the massacres at Newtown, Aurora, Columbine

and Virginia Tech.

But their grand-scale atrocities are never, ever, treated by the media or the public as insanity. Rather, the atrocities are euphemized as “foreign policy” and the mass murders sloughed off as “collateral damage.”

For example, listen to Secretary of State Hillary Clinton tittering on TV while celebrating the murder of Qaddafi. “*We came, we saw, he died (tee-hee)*.” Is this an appropriate reaction from a high government official?

And then there’s former Secretary of State Madeleine Albright, who defended Bill Clinton’s instigation of UN sanctions against Iraq on a *60 Minutes* segment. When the show’s host, Lesley Stahl, asked her: “We have heard that half a million children have died. I mean, that’s more children than died in Hiroshima ... is the price worth it?” Albright replied, “We think the price is worth it.”

And how about all those Republican presidential hopefuls during the 2012 nomination process who outdid each other with promises to be the first to launch preemptive strikes against Iran or any nation or leader deemed a threat to the United States?

DR. DEATH

Who could forget former Vice President Dick Cheney – the perfect model for a comic book evil mastermind – the fiendish puppet master pulling the presidential strings, arrogantly berating anyone daring to challenge his definition of torture as “enhanced interrogation techniques,” or the legality and morality of the cruelty he so ardently endorses?

These are the moralizing madmen and madwomen who pontificate from their positions of high office, telling the rest of us what we must believe ... and who should be killed next.

There is no end to it, and there never will be until their psychoses are correctly diagnosed, disseminated to the world at large and viscerally understood by the public at large – who have been, to a considerable extent, brainwashed by the media and the entertainment industry into regarding psychosis as “normality.”

As we exit 2012, the “culture of cruelty” that has long permeated American society has reached a level where it can no longer be overlooked, explained away, or whitewashed. It’s virtually inescapable. PG-rated movies provide X-rated content. No X-rated sex for the kiddies, of course, just over-the-top, big-screen, X-rated graphic mass murder and violence to excite the malleable, inquiring minds of minors. TV, music and video games provide a 24/7 diet of low-life filth and grotesque, graphic garbage to hypnotize and mesmerize children of all ages.

Nevertheless, video game producers, network executives, cable operators, Hollywood moguls, psychologists,



“experts,” “pundits” and every Tom, Dick and Harry that knows better all claim that being inundated with wanton non-stop violence has no effect on the mind. To them, it’s just “entertainment,” and all that simulated violence ends at the end of the show, with no lasting effects from witnessing the blasting away of hundreds of virtual lives on the computer or TV screen.

But if these video games are so benign, how is it that the US military uses “Call of Duty” and other slaughter-packed video games to recruit and train soldiers? Or possibly, just possibly, is the military using these bloodthirsty, limb-ripping, head-blowing, torture-packed action thrillers to sanctify and justify the carnage their recruits are being trained to unleash?

Truly, if impressions didn’t impress, and lead to specific actions, there would be no advertising industry. If it is possible to seduce people into buying products (many of which they never thought they wanted or needed) how is it possible that the entertainment industry’s 24/7 obsession with violent, graphic murder should *not* exert an influence on some level?

Obviously not everyone is affected the same way, and for the vast majority, the simulated violence does end with the end of the game, movie, or TV show.

Nevertheless, an impression is made, even if it is only to desensitize the viewer to the effects of violence. And the mentally disturbed, many of them medicated with high doses of psychotropic drugs, may well be pushed over the edge to act upon their darkest thoughts. For them the violence may begin with the *end* of the game.

Yet, in 2012, following the murder rampage in Newtown, the connection between video games and “entertainment” violence (movies, TV, music) was broached in the media, but discounted with claims that there was no scientific evidence connecting violent video games with violent actions.

It was analogous to tobacco industry executives, who for years swore before Congress that there was no scientific evidence that cigarette smoking is addictive and causes lung cancer. It was later proved that there were studies and the executives were lying.

In the case of video games, a new study from Ohio State University found that those who play violent video games for three consecutive days show increases in aggression and hostility with each day played. <http://researchnews.osu.edu/archive/violgametime.htm>

Trendpost

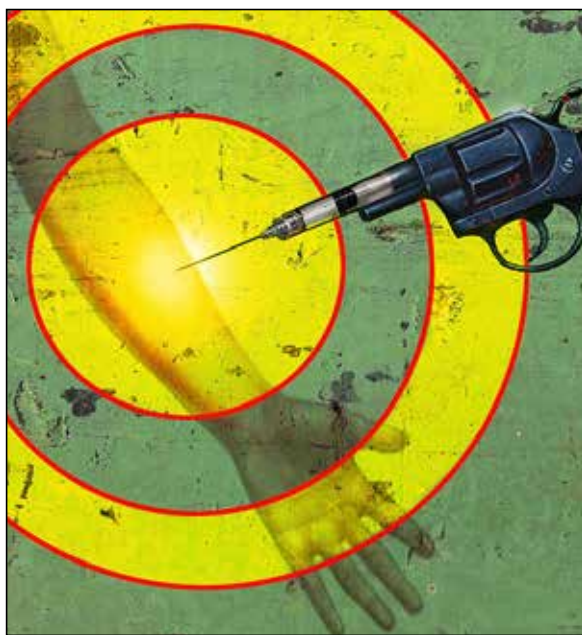
Why isn't there Peace on Earth, Good Will Toward Men? If violence begets violence, why cannot peace beget peace?

Why is the march to war far more appealing than the call to peace? All it takes are a few speeches by crazed leaders, and a drumbeat by the media, to get the flags flying. And the soldiers line up and sign up to make the ultimate sacrifice while a patriotic public rallies in support.

Yet talking peace or marching for it lacks public appeal and generates little excitement. Has the concept of peace become so foreign that it cannot be realized or even understood?

Is life on Earth just one big free-for-all in a dog-eat-dog world, where it's every man for himself?

As we head into 2013, there is a general sense that the future will bring more of the same, but worse. This in itself is a testament to our society. Think about it. What are the consequences of



accepting the belief that tomorrow will be worse than today, that wars are inevitable, and that economic conditions for most people will not improve?

If those are the beliefs, so it will be. The thoughts are the causes, and the realities are the effects.

Is the future predetermined then, inevitable? Does it have to be like this?

No, it does not. But the future will be one of escalating violence and more social and economic upheaval if the “culture of cruelty” is permitted to prevail.

Can it be reversed? Can a higher order of civilization emerge out of the chaos of today? Can there be the “Great Awakening” we are

forecasting? (see page 23)

YES! But for the future to change, the individual must change. And when enough individuals change, everything changes. But for that to happen, the change must start with an idea. And that idea is one that is as old as civilization: Life has meaning and as human beings it is our privilege and duty to manifest that “meaning” through our own inner work; a lifelong process of self-examination of personal weaknesses and the development of personal strengths to their highest level.

Peace and true prosperity will prevail only when there is a society committed to realizing the meaning of human existence, and that society is itself contingent upon a critical mass of people who are individually dedicated to a life with meaning.

However, in our current materialistic society, the idea of “meaning” has lost all meaning. What will it take to restore “meaning” to its rightful, central role in human consciousness?

Wars have been waged for as long as there has been recorded history. But throughout history there have been extended periods of peace in certain civilizations.

What those civilizations shared in common was a commitment to understanding “the meaning of life.” And although those civilizations may have waged wars, for the most part their energies were channeled into sacred art and architecture. Does beauty for the eyes beget beauty for the soul?

If modern civilization were committed to “meaning” and it produced music and art that nourished the soul, would that serve to “soothe the savage beast”?

Will it happen? Can it happen? What will make it happen?

Will Peace be a Top Trend for 2013?

Peace. Are you for it, or are you against it? It's up to you. It won't be a trend until you participate.

You decide. You know our motto: “Think For Yourself.” □

THE GREAT AWAKENING 2.0

The American Spirit is alive. The American people are waking up.

It was the first Great Awakening that provided the intellectual, philosophical and spiritual ammunition that ignited the American Revolution. And now it will be The Great Awakening 2.0 that provides the intellectual, philosophical and spiritual ammunition that will ignite the 2nd American Revolution.

In the decades prior to the Revolutionary War, an unprecedented religious revival, what came to be called “The Great Awakening,” swept through the American colonies. It began as a conflict that pitted religious traditionalists – who asserted that salvation could only be attained through adherence to a strict doctrine of ritual and ceremony – against a wave of colonial dissidents who viewed spiritual redemption as a personal quest, and salvation as the personal and moral responsibility of the individual.

Out of this ferment came the belief that “salvation” was as available to the common man as to any member of the religious orders or aristocracy, and along with it, the conviction that “All Men are Created Equal.”

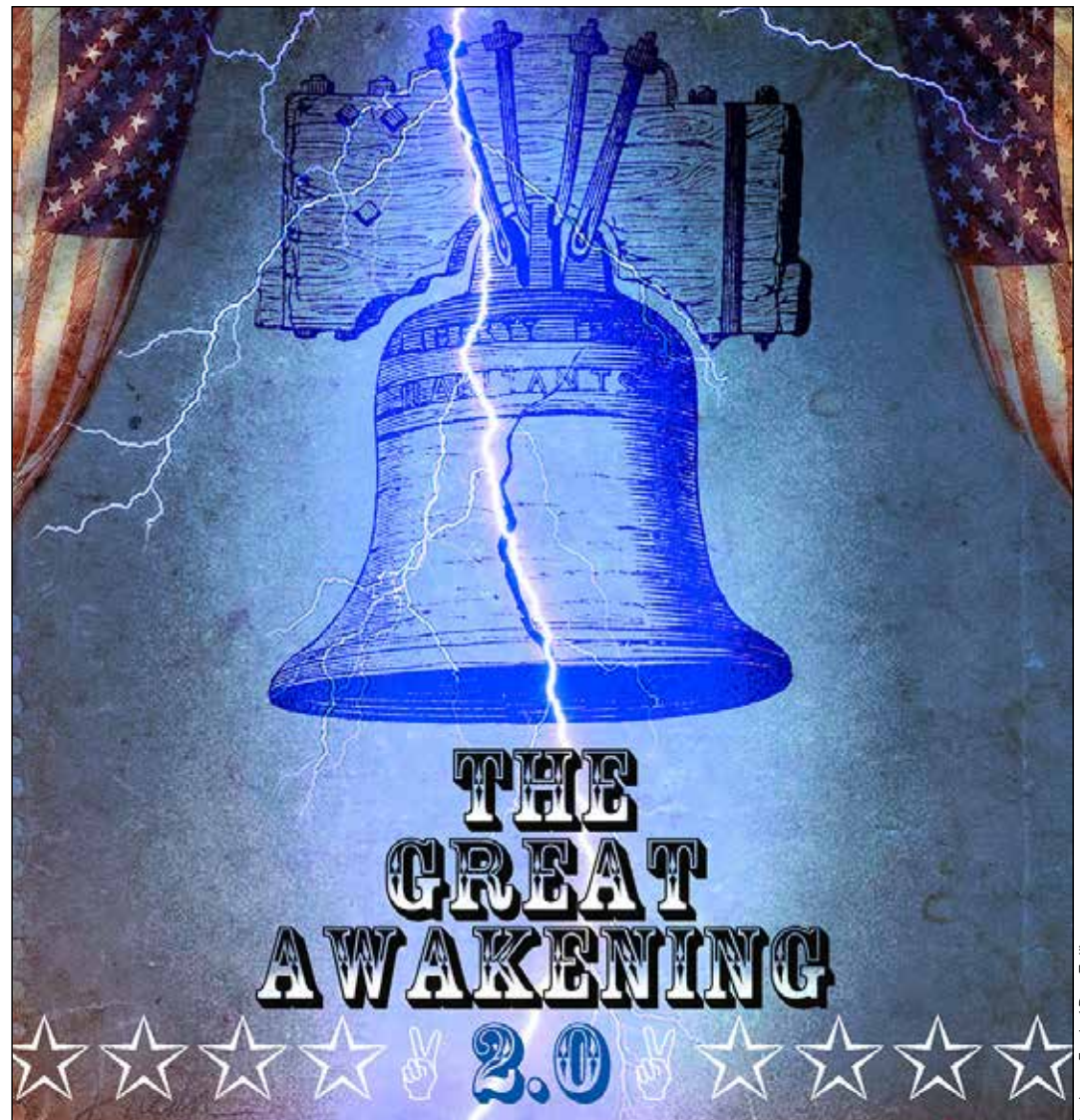
Whether they were German or Scandinavian Lutherans, French Huguenots, Dutch Calvinists, Scottish Presbyterians, Puritans, Quakers or Catholics, the colonists’ realization that religious power resided in their own hands led to a generalized questioning of “higher” authorities and the belief that legitimate political power did not lay in the hands of the English monarchy.

Thus, The Great Awakening created the climate

for the American Revolution (1776-1783) by giving the people the inner strength to revolt against a Crown that demanded American colonists obey laws and edicts that robbed them of their money and curtailed their freedom.

Believing that the true worth of the individual resided in his or her own moral behavior and not in their position in the class structure, and believing that “All Men Are Created Equal,” the “awakened” would no longer genuflect before King George III. In their Declaration of Independence, the Divine Right of Kings, a precept that had been in place for centuries, was abolished and with it the corollary belief in the superiority of a hereditary aristocracy.

There was a Great Awakening! The colonists knew that the royal gene pool was no better than anyone else’s. The



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royal blood did not produce a rare breed of superior human being ordained by God as entitled to rule. No person of any class was of a higher class. The “divine” bloodlines through which power, prestige and privilege flowed from royal head, to lord, to nobleman were cut by the common man. To Thomas Paine, it was *Common Sense*:

“To the evil of monarchy we have added that of hereditary succession; and as the first is a degradation and lessening of ourselves, so the second, claimed as a matter of right, is an insult and imposition on posterity. For all men being originally equals, no one by birth could have a right to set up his own family in perpetual preference to all others for ever...”

Thomas Jefferson, writing to George Washington from France observed:

“I was much an enemy of monarchies before I came to Europe. I am ten thousand times more so since I have seen what they are. There is scarcely an evil known in these countries which may not be traced to their king as its source ...”

The King is Dead, Long Live the King

“Plus ça change, plus c’est la même chose.” The titles have changed, yet a new ruling class behaves and rules as though it were ordained by God. They proselytize for political religions that the masses proudly practice – Democrat, Republican, Labor, Tory, Social Democrat, et al – they’ll say and promise whatever is required to capitalize upon on the fears, weaknesses and desires of wayward public souls.

“The more things change, the more they stay the same.”

The red carpets are rolled out and the honor guards salute their 21st century Kings and Queens – the Presidents, Prime Ministers and Chancellors – with the same pomp and ceremony once accorded only to those of royal blood.

They wave to the cheering serfs below from the steps of their jumbo jets. Heavily guarded, bulletproof cavalcades whisk them through cities and towns. Highways and airspace closed, all plebian traffic halted, the 21st century royalty are delivered to their destinations unimpeded.

Above it all, accountable to no one, politicians, masters of finance and corporate billionaires are in a

“The red carpets are rolled out and the honor guards salute their 21st century Kings and Queens – the Presidents, Prime Ministers and Chancellors – with the same pomp and ceremony once accorded only to those of royal blood.”

class of their own. Today’s autocracy masquerades as democracy. *“Plus c’est la même chose.”* Thrones by any other name, from behind their presidential and prime ministerial desks they issue royal edicts, commands and executive

orders that the citizenry *must* obey.

“There never was a throne which did not represent a crime ... the institution of royalty in any form is an insult to the human race.”

Mark Twain.

But rather than crumble under such scathing denouncements, the new royals and the nouveau aristocracy have metamorphosed into a cast of “leaders” and “lawmakers” who grant themselves special privileges that enrich them financially and enable them to live above the law. Dukes, earls, barons – parliamentarians, senators and congressmen – *“The more things change, the more they stay the same.”*

Great Awakening 2.0 In 2013, there is no “Fanfare For the Common Man.” Only the too-big-to-fail are worth saving, and more and more of the common men and women have come to realize it.

Around the world, distrust and disenchantment is turning into universal disdain for and hostility toward the new millennium ruling class. Whether it be government-imposed austerity measures that have pushed billions into poverty, bankster swindles that have turned multi-millions of foreclosed homeowners out into the streets, or vulture capitalists who have sold off valuable profitable company assets, driven thriving businesses into bankruptcy and outsourced jobs to cheap labor markets ... *“plus ça change, plus c’est la même chose.”*

Yes, The Great Awakening 2.0 will precede the Second American Revolution! But this time the roots of revolution won’t be found in religious conflict, especially in Western countries where the once-faithful flocks of established religions have long since dispersed, and the power of the clergy has greatly diminished.

And like the first Awakening, the new Awakening will also be based on spiritual fundamentals. But unlike the 18th century religious revivals, this time people will search for and discover that the God they seek and vow to obey lives within their souls. Believing in themselves and believing in what they are doing, they will do it. □

SECESSION PROGRESSION

By Thomas Naylor

"We should devote our efforts to the creation of numerous small principalities throughout the world, where people can live in happiness and freedom. The large states ... must be convinced of the need to decentralize politically in order to bring democracy and self-determination into the smallest political units, namely local communities, be they villages or cities."

Hans-Adam II
Prince of Liechtenstein
The State in the Third Millennium

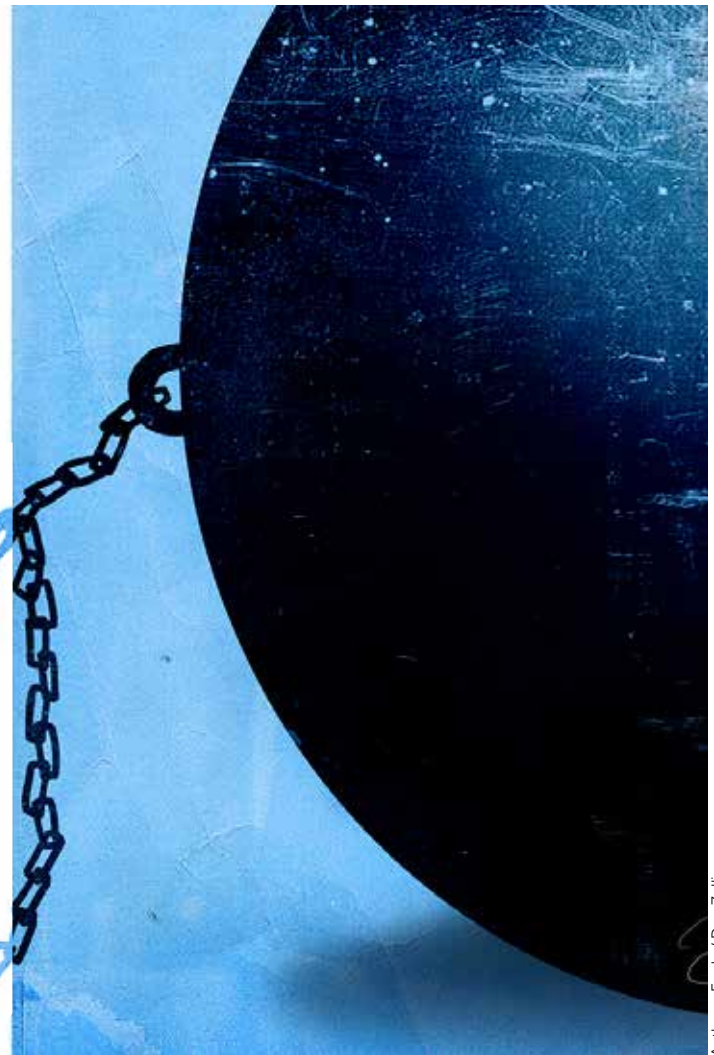
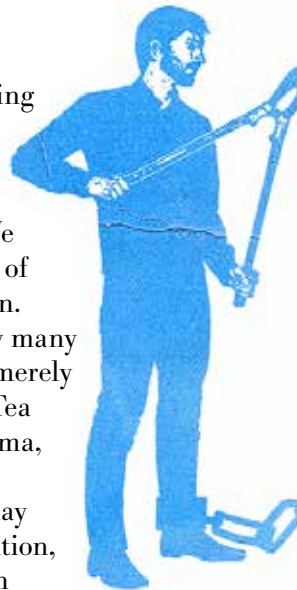
Almost immediately following the re-election of Barack Obama, over one million Americans have signed petitions on a White House website known as "We the People" calling for the secession of their respective states from the Union.

Contrary to the view expressed by many of the politically correct, this is not merely a knee-jerk, racist reaction of some Tea Party types to the re-election of Obama, but rather it is part of a well defined trend. Americans are not alone. Today there are, in fact, 250 self-determination, political-independence movements in play worldwide, including nearly 100 in Europe alone, over 70 in Asia, 40 in Africa, 30 or so in North America, and 15 to 20 on various islands scattered around the globe. We could be on the brink of a global secession pandemic!

We live in a mega-nation world. Fifty-nine percent of the people on the planet live in one of eleven nations with populations of over one hundred million people. These mega-nations in descending order of population size include China, India, USA, Indonesia, Brazil, Pakistan, Nigeria, Bangladesh, Russia, Japan and Mexico. Extending the argument one step further, twenty-five nations have populations in excess of 50 million; seventy-three percent of us live in one of those countries.

Too Big to Fix Most of these mega-nations, such as China and Russia, have highly centralized, relatively undemocratic governments. And while the United States promotes itself as a democracy, in reality it is a camouflaged autocracy controlled by Wall Street, Corporate America, and various foreign interests.

While pretending to be a democracy, the US engages in



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the rendition of terrorist suspects, prisoner abuse and torture, the suppression of civil liberties, citizen surveillance, full-spectrum dominance and imperial overreach. Its president has even granted himself the authority to order the assassination of anyone, anywhere, anytime, with no questions asked, no trial, no due process.

In addition, since the end of World War II, a plethora of highly centralized, undemocratic international mega-institutions have evolved to deal with such issues as national security, peacekeeping, international finance, economic development and international trade. They include the United Nations, the World Trade Organization, the World Bank, the International Monetary Fund, the European Union and NATO. What these institutions have in common is not that they are too big to fail. Rather, they are too big to fix.

No doubt the implosion of the Soviet Union in 1991 and the breakup of Yugoslavia have contributed to the self-determination dynamic in Europe. Active separatist movements can now be found in Bavaria, Belgium, Bulgaria, England, Italy, Lapland, Poland, Romania, Scot-

land, and Spain. The situation has been exacerbated by the stagnant European economy, the fall of the euro, and increasing doubts about the European Union itself.

Scotland (UK), Flanders (Belgium) and Catalonia (Spain) have the most high-profile self-determination movements in Europe. The Scottish National Party has called for a 2014 referendum on Scottish independence. Recent elections in Catalonia provided additional momentum for Catalan self-determination. Last year Belgium went 535 days without a properly elected leader because of the toxicity in the relationship between the wealthier Dutch-speaking Flanders majority and the poorer French minority.

In Asia, Bangladesh, China, Myanmar, India, Indonesia, Japan and Pakistan all have political independence movements. Hong Kong, Tibet and Xinjiang are the best known self-determination movements in China. Kurdish separatists can be found in Iraq, Turkey and Iran. Indonesia granted East Timor its independence several years ago and also reached an agreement with the province of Aceh, which is now governed as a special territory. India is also awash in separatist movements, even though secession is illegal there.

LINES IN THE SAND

Hundreds of African tribes are trying to shake off artificial boundaries imposed on them by nineteenth-century European colonialism. Igbo, Ijaw, Ogani and Yoruba are all separatist movements in Nigeria. Sudan recently split into two parts.

For reasons which are not entirely clear, there seems to be less interest in Latin America in self-determination and political independence than in any other part of the world. Although there are a half dozen or so separatist movements in Brazil, such as the City of São Paulo, the United States of Northeast, and Rio Grande do Sul, it appears unlikely that any of these movements will gain traction.

The one exception to the rule in Latin America is the Zapatista movement in the State of Chiapas in Mexico, the poorest state in the country. Since the 1990s, under the leadership of subcommandante Marcos and the Zapatista Army of National Liberation (EZLN), the Zapatistas have sought to transform Chiapas into an autonomous self-governing region which supports the political rights of Mexico's native Indian population. It may be because in Chiapas, unlike most of the rest of South and Central America, there is a distinct ethnic division between its native Indian population and its ruling class.

After a near-miss in its 1995 referendum to achieve independence from Canada, the Quebec separatist movement fell into the doldrums for over 15 years. However, in September 2012 the Parti Québécois won a victory of sorts in

the Quebec provincial election and was able to put together a weak coalition government. The stability of the new government remains in doubt. There are also self-determination movements in Alberta and British Columbia.

The Second Vermont Republic As for the United States, for over twenty years I have argued that it was too big to govern and ought to be broken up. On October 9, 1990, three years before I moved to Vermont, the *Bennington Banner* published my piece entitled "Should the US Be Downsized?" In 1997 William H. Willimon and I published *Downsizing the USA.*, which called for Vermont independence and the peaceful dissolution of the American Empire. We argued that not only was the US government too big, but that it had become too centralized, too powerful, too undemocratic, too militaristic, too imperialistic, too materialistic and too unresponsive to the needs of individual citizens and small communities. However, since we were in the midst of the great dot-com/real estate boom, few Americans were interested in downsizing anything. The name of the game was "up, up and away." Only bigger and faster were thought to be better.

Prior to September 11, 2001, my call for Vermont self-determination and dissolution of Empire America fell mostly on deaf ears. It was as though I were speaking to an audience of one, namely myself. But George W. Bush's ill-conceived, myopic, guns-a-blazing response to 9/11 created a window of opportunity to broach the subject of Vermont independence with left-leaning libertarians who were receptive to the idea. Against the backdrop of the 2003 war with Iraq, we launched the Second Vermont Republic on October 11, 2003.

The Second Vermont Republic is a nonviolent citizens' network and think tank committed to:

1. The peaceful breakup of mega-nations such as the United States, Russia, and China.
2. The political independence of breakaway states such as Quebec, Scotland and Vermont.
3. A strategic alliance with other small, democratic, nonviolent, affluent, socially responsible, cooperative, egalitarian, sustainable, eco-friendly nations such as Austria, Finland and Switzerland which share a high degree of environmental integrity and a strong sense of community.

There are four reasons why supporters of SVR want to secede:

1. The US Government has lost its moral authority. It is owned, operated and controlled by Wall

Street, Corporate America, and the Likud Government of Israel.

2. The US is unsustainable economically, environmentally, socially, morally and politically.

3. It is too big to govern, as is illustrated by Congressional gridlock.

4. It is, therefore, unfixable. A White House that is obsessed with drones, death squads, F-35s and kill lists does not resonate with the Green Mountain State state-of-mind.

Obviously this non-violent, socially responsible drive for secession is not – as it is so often painted by the mainstream media and the political parties – a wacko fringe movement of unhinged malcontents.

By the time George W. Bush left office in 2009, there were at least 30 separatist movements in the United States. No doubt the post-Obama election secession petition drive has injected new life into all of these self-determination movements. The secession petition for Texas alone contains over 120,000 signatures. A dozen or so of the state petitions have over 25,000 signatures, the number required to trigger a White House response.

Could it be that Americans have not only rediscovered the right of self-determination but also the American Declaration of Independence as well? “Whenever any form of government becomes destructive ... it is the right of the people to alter or to abolish it, and to institute a new government.” Alteration and abolition include the right to disband, or subdivide, or withdraw or create a new government.

So how is it possible that on the one hand there are nearly a dozen highly centralized mega-nations whose populations are spiraling upwards, while simultaneously over 250 self-determination movements worldwide that aspire to split off from mega-states such as China, India, Russia and the United States?

Strange as it may seem, the field of thermodynamics may shed some light on the issue (notwithstanding the fact that I considered it to be the most obscure subject I ever studied when I was a student in the Columbia University School of Engineering back in the late 1950s).

According to the *second law of thermodynamics*, heat will flow only from a hotter object to a colder object. More generally, the direction of spontaneous change in isolated systems of all sorts is toward maximum disorder. This concept is known as entropy. Therefore, it is hardly surprising that large, highly centralized, undemocratic nations such as the United States, China, Russia, and India are starting to come unglued at the seams and will eventually descend into chaos.

The economic, financial, social and political implica-

tions of all of this disorder could prove to be staggering. It could also unleash an unprecedented burst of freedom, energy, creativity, and productivity.

We are truly entering uncharted waters. History provides no working model to follow. There are no books or articles available to tell how to navigate through the turbulence created by a sea of secession movements. □

About the author: Thomas Naylor founded the *Second Vermont Republic* and was Professor Emeritus of Economics at Duke University; co-author of *Affluenza*, *Downsizing the USA*, and *The Search for Meaning*.

IN MEMORIAM

Thomas Naylor, for years our good friend and valued *Trends Journal* contributor, passed away, aged 76, shortly after sending us this article. His combination of wisdom, courage and tenacity was rare. He cannot be replaced. Not only will Thomas be missed by those who knew and loved him, his passing is a loss to mankind. Thomas was truly an American hero, committed to restoring America to its founding principles. He saw secession as the only viable response to the unresponsive, militaristic, corporate mega-nation America has become.

When Thomas Naylor contacted me over a decade ago about the need for and the feasibility of secession, I initially disagreed. I still believed, at that time, in the potential integrity of the Union. However, after several conversations and meetings, I realized that Thomas understood the problems at a deeper level than I did and that he was right. Washington, DC had become so entrenched and corrupted that it was beyond repair. Trying to reform the Democrats and Republicans would be like trying to reform the Bonannos and Gambinos.

Gerald Celente

Trend Forecast

Can it work? Will it work? There is no denying the yearning for secession is swelling and the movements to accomplish it are spreading. Yet, secession is still beneath the media radar. And instinctively, political parties worldwide deflect, deride and ignore the concept.

Yet, despite the universal disgust with political parties and equally universal distrust of their governments by the governed, the vast majority of the populace is still unaware that the power to disassociate themselves from their unresponsive rulers lies within themselves.

It only remains for those who are aware to wake up the unaware. It is not impossible. If enough determined citizens take up the cause – both in self-defense and out of concern for their future – spreading the word and the spirit, the “word” will be heard and heeded.

ECONOMICS 2013 – On The Road to Financial Collapse

By Dr. Paul Craig Roberts

The world survived the Mayan prophecy, or perhaps the Mayan calendar is off by one year. 2013 could be the year that the Western world, based as it is on debt and fiat paper money that is printed in order to support debt, comes to an economic end. If not 2013, the odds rise for the following year.

The problem that the world faces is neither Mayan nor Biblical prophecy nor terrorism nor “entitlements.” The problem that the world faces is that the US dollar is the world reserve currency, which means the currency in which oil is billed and international payments are settled. The US dollar, formerly semi-sound, has been – since Quantitative Easing One (QE1) – printed by the central bank, the Federal Reserve, in fabulous quantities. The Fed’s main objective is to support a handful of US banks that deregulation allowed to become too big to fail and to finance trillion-dollar-plus US annual budget deficits that no one else but the Federal Reserve will finance at interest rates lower than the rate of inflation.

Since QE1, the United States has gone through QE2 and is now in QE3. Recently, the Federal Reserve announced a more than doubling of its bond purchases under QE3 to \$90 billion per month, split between US Treasuries and mortgage-backed bonds. That means one trillion and 80 billion new dollars (\$1,080,000,000,000) will be printed in 12 months. (The money is no longer actually printed; it is created electronically with the stroke of a computer key.)

“Bonds Away!” The prices of bonds move in the opposite direction from interest rates. If the Federal Reserve lowers interest rates (by purchasing bonds), the prices of bonds rise. If the Federal Reserve raises interest rates (by selling bonds), the prices of bonds fall. During these recent years of quantitative easing (large bond purchases by the Federal Reserve), bond investors have made money not from the interest on the bonds but on capital gains from their rise in price.

The Federal Reserve says that its low interest rate policy is directed at stimulating the economy and home sales. However, the main reason for the policy is to shore up the balance sheets of a few banks considered too-big-to-fail.

By driving down interest rates, the Federal Reserve’s bond



purchases keep the prices of debt instruments on the banks’ books (such as bonds and various debt-related derivatives) high, making it appear that the banks’ assets are worth more than they actually are. With their balance sheets now artificially inflated and the banks appearing solvent, they are absolved from the normal market forces that would otherwise put them at risk: they are too big to fail.

Moreover, by purchasing bonds, the Federal Reserve also keeps interest rates low and, therefore, the cost of Treasury borrowing low. Indeed, thanks to the Federal Reserve, the US Treasury can borrow money at interest rates that are below the rate of inflation.

This might sound like a good deal, except the outside world, which holds vast quantities of dollars and dollar-denominated financial instruments such as stocks and bonds, is nervously watching. For example, China, Japan and the sovereign investment funds of the OPEC oil countries together hold several trillion dollars of US Treasury bonds and other US financial assets. Their financial holdings, whether US stocks, US corporate bonds or US Treasury bonds, are dollar instruments. What is the real value of these instruments when the Federal Reserve is printing huge quantities of new dollars by monetizing the debt of banks too-big-to-fail and US Treasury debt?

If the outside world's concerns cause countries to begin selling their dollar-denominated financial instruments in order to lighten their investment exposure to US dollars, the Federal Reserve can create the money with which to buy the bonds and other financial instruments and, thereby, keep their prices high. However, to lighten exposure to dollars, foreigners then have to sell in foreign exchange markets the dollars with which they are paid. The sales of dollars would push down the exchange rate of the dollar and push up the exchange rate of the other currencies into which the movement occurs. The Federal Reserve cannot print foreign currencies (or gold) with which to purchase the dollars that are sold in the foreign exchange market.

Consequently, the dollar would decline in value and, therefore, the financial instruments (such as stocks, bonds, and derivatives) denominated in dollars would decline in value. As bond prices fall, interest rates would rise. At the current low interest rates, even a one percentage point rise in interest rates would be a large percentage increase and would result in a large decline in bond prices.

The value of a ten-year Treasury bond, currently paying less than 2 percent in nominal interest, would be destroyed should dollar problems cause US interest rates to rise to 5 percent or 6 percent. If the holder kept the ten-year Treasury bond until its maturity, the holder would receive the nominal value of the bond, but inflation could have reduced the real value of the bond to close to zero.

This should make clear the vulnerability of bonds. Both the dollar and bonds, considering their high prices and large supply, are bubbles. When the bubbles pop, people will be hurt.

Yet, many Americans believe that US Treasuries are "safe" investments. They are unaware of the possible wipeout of their bond investments by a fall in bond prices. Recently, a reader told me that higher interest rates made bonds more valuable, because they pay higher interest. This is only true of the new bonds that carry the higher interest rate. The prices of existing bonds fall when interest rates rise. Currently, bonds are highly priced because of the Fed's low interest rate policy. A rise in rates would knock down the values of the bonds.

The Bubble Machine It is unclear why the Federal Reserve believes that it can create new dollars without restraint without the dollar losing value. Perhaps the Federal Reserve and the US Treasury do not understand that if the US dollar loses value, so do dollar-denominated financial instruments, and, therefore, interest rates would rise.

If we suppose that somehow, magically, the Federal Reserve can print dollars without the value of the dollar falling, so that all is well on that front, there remains the

derivatives front.

One too-big-to-fail US bank has derivative exposure equal to world GDP. How one US bank, JP Morgan Chase, acquired exposure to derivatives equal to \$70 *trillion* is an untold story. The four largest US banks have derivative exposure of \$227 *trillion*, which is 3.3 times world GDP and many times the banks' risk capital.

Many derivatives are simply bets that the price of a stock, bond, or other financial instrument will rise or fall. For example, suppose an investor owns the bond of a company. The bond pays well, and the investor wants to keep the bond. However, the investor is worried that the company might not be able to pay off the bond, in which case the investment would be lost. The investor decides to hedge the investment by paying a premium to an insurance company for which the insurance company promises to insure the investor against any loss in the bond's value.

MONEY JUNKIES SERENADE

One problem with derivatives is that investors can insure or hedge against the decline in value of financial instruments even though they do not own the instrument. In other words, hundreds or thousands of investors can bet on the future values of financial assets without owning the assets. This is one way in which derivatives can balloon in amount.

Hopefully, the derivative exposure – essentially uncovered bets on interest rates, mortgages, currency exchange rates, and prices of oil and other commodities and equities – nets out in some way so that the net exposure to risk is far less than \$227 *trillion*. Nevertheless, if enough of these bets go wrong, banks can go bust.

So far the "euro crisis" promoted by the US and Western media has protected the US dollar by sending euro holders fleeing into dollars, and the Federal Reserve's purchase of the banks' bad bets has kept economic Armageddon at bay. However, the Federal Reserve cannot forever create new dollars with which to purchase the banks' bad bets and with which to finance the huge annual operating deficits of the US government without undermining confidence in the dollar.

Sooner or later the world is going to abandon the US dollar as the currency in which international accounts are settled. With this drop in the demand for the dollar, its price or exchange rate will fall, and import prices will rise. As the US is now an import-dependent country, from that day on, Americans who walk into Walmart will think they have walked into Neiman Marcus. □

About the author: *Fomer associate editor of the Wall Street Journal and columnist for Business Week, Dr. Paul Craig Roberts served on personal and committee staffs in the House and Senate, and served as Assistant Secretary of the Treasury for Economic Policy during the Reagan Administration.*

GENERATION "EFF'D:" WHAT THEY WANT, HOW TO SELL THEM AND WHAT THEY'LL DO

"The Baby Boomers' satisfaction with products lies in the products themselves. The Millennial generation values products for their ability to enhance experiences – and that will change not only marketing strategies but the consumer economy itself."

The above observations reflect the generally accepted belief of advertisers who devise campaigns to appeal to these two key demographic market sectors – Baby Boomers and the so-called Millennials.

If you watch TV, chances are you remember seeing the

following two ads, or others like them.

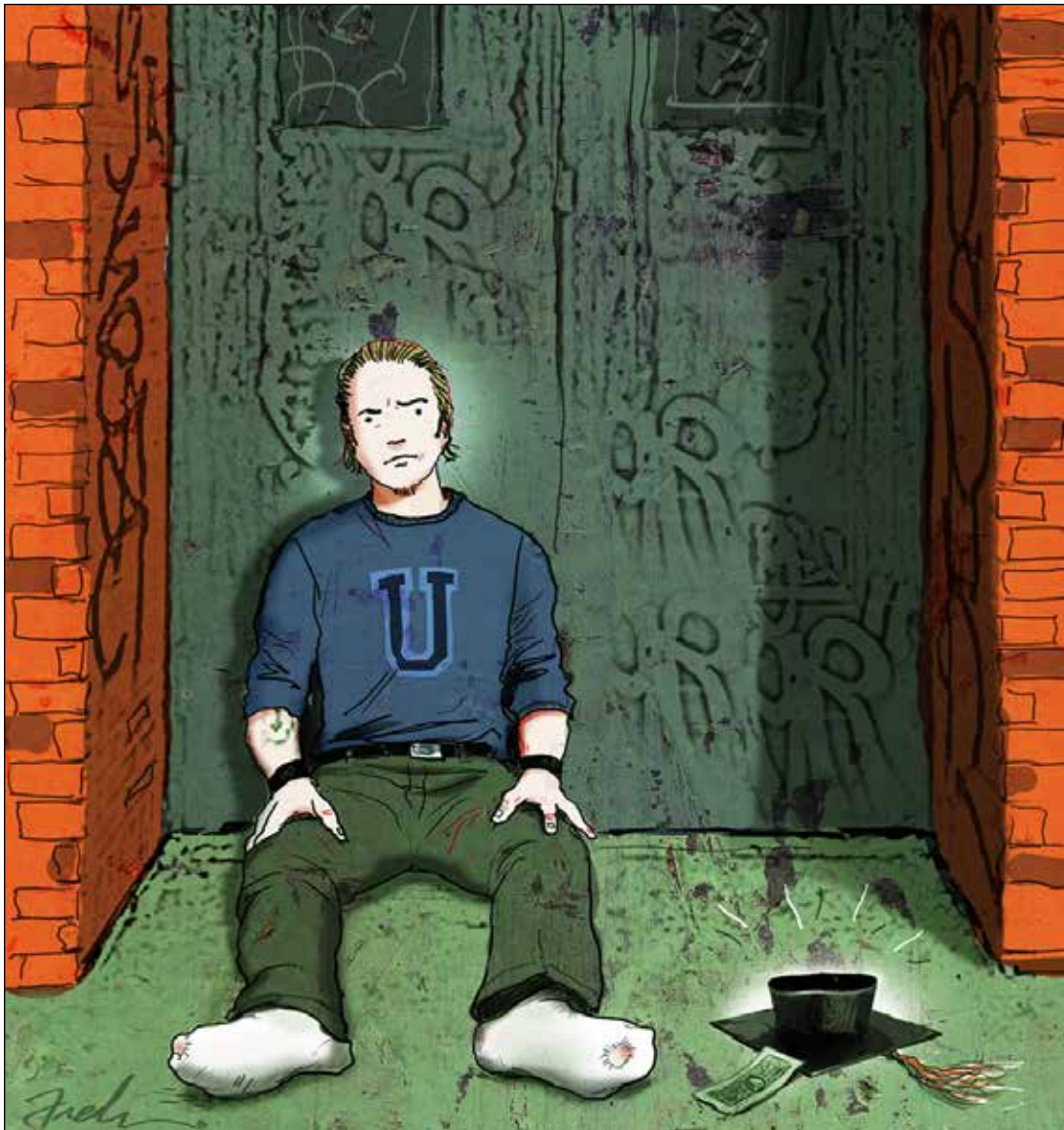
In an oft-run ad for a luxury car tailored to Baby Boomers, a silver-haired gentleman in a crisply tailored suit unlocks the door of a sleek sedan. He settles back into the cushy leather seat, adjusts the electronic comfort controls in the silent interior, programs in soft music, then cruises along the streets of his city enveloped in a cocoon of self-satisfaction and success.

In the second commercial, targeted to Millennials, a group of rowdy twenty-somethings drive through a city center in a low-price hatchback with the windows down and open to the world around them. They're laughing, talking, at least one has an mp3 player's buds jammed in her ears, while another is busy texting away.

The message of the Baby Boomer ad is: "I've made it! Look at the satisfaction I find in driving this car my success has earned me."

The message of the Millennial ad is: "Hey, gang, let's grab our gear and do something ... since we have plenty of time on our hands and can do what we want. We don't have to worry about the future, it will be waiting for us when we get there."

The Boomer market is, by now, a tried and proven one, while the exuberant Millennials are yet to be defined. Marketers are still attempting to find the key to turn them into a malleable, predictable mass of conspicuous consumers, since they shift



Anthony Freda / Dan Zollinger

their buying habits as rapidly as the socioeconomic world around them shifts.

This is Not Your Father's Oldsmobile

Like those old Oldsmobile commercials that attempted to project youth and vitality into an aging, outmoded and stodgy brand, the advertising industry's attempts to win over the Millennials (which Gerald Celente poignantly characterizes as "Generation Eff'd") are falling flat and doomed to fail.

But unlike the Olds ads, the new attempts are not failing because of a branding issue, but because of a brand new issue.

DECLINE AND FALL OF EMPIRE AMERICA

Not only is it "Not your father's Oldsmobile," it's not your father's country either. The nation that for two centuries earned and owned the title of "Land of Opportunity" has – thanks to its power-mad leaders, rapacious multinational corporations, money-junkie Wall Street gamblers, a complicit corporate media and a numb, dumbed-down passive public – squandered its birthright.

The America that was is no more and, if the trend lines currently in place continue, will never be again. But that's not the image America sees when it looks in the mirror. At every patriotic opportunity, from the Super Bowl to political conventions, the crowds are ready and eager to cheer, "USA, USA, we're Number 1."

Indeed, throughout the 2012 election cycle, the interminable, narcissistic bravado displayed by President Obama, his challenger and the entire gaggle of political hopefuls was designed to pump up the populace with empty rhetoric.

Whether it's a down-and-out Rust Belt crowd, unable to make ends meet and worried about losing what little they have left, or an arena packed with hopeful college kids, the pitch from both camps was essentially the same. The country may be going through difficult times but the best is yet to come! Why? Because the American worker is the smartest, most talented, hardest working, best-educated, most resourceful worker in the world and because, having ignored all other countries, God blessed America.

In his campaign speeches Obama declared that the US has "... the best universities and colleges in the world," and that he was "betting on" American workers. For his part, failed presidential candidate Mitt Romney also played up the All-American theme, and trumped Obama by declaring the USA "the greatest nation in the history of the earth."

It was an absurd display of hubris to ignore thousands of years of human civilization and declare America

the greatest nation in the history of the world, especially with the USA hanging on to just a shadow of its former geopolitical/economic dominance.

The facts were in plain view and the numbers didn't lie:

In 2012, some 47 million Americans were on food stamps, up from 30 million recipients at the time Obama took office. In "the greatest nation in the history of the earth" – with the official poverty line of \$23,050 a year for a family of four and \$11,170 for a single person grossly understated – some 50 million Americans lived in poverty, up from 37 million in 2006.

Median household income, adjusted for inflation, was down some nine percent from its 1999 high. Between 1979 and 2007, households in the middle 60 percent saw their average real income rise from \$44,000 to \$57,000, while in the bottom 20 percent, average household income hardly increased, rising from \$15,500 to just \$17,500. Today, about one out of four workers in the United States brings home wages that puts them and their families at or below the federal poverty level.

A 2012 UNICEF study showed the US Child Poverty rate was the second highest among developed nations. Only Romania (which most would be reluctant to include with other developed nations) ranks higher, with 25.5 percent of its children living in poverty, compared with 23.1 percent in the US.

By comparison, income for households in the top one percent had more than tripled.

What may have sold well on the campaign trail wasn't selling well in the retail marketplace and would not bode well for a consumption-driven society which accounts for some 70 percent of the US Gross Domestic Product.

Yes, America had unquestionably been the greatest consumer nation in the history of the earth, but a historical shift in the nation's economic and financial landscape was re-shaping America's buying habits, a result of necessity and, possibly, even a reflection of a changing philosophy.

The "Good Old Days" From 1920 through the end of the 20th century – with time out during the Great Depression and for temporary recessionary spells in the 1970s and 1980s – the Baby Boomers and their parents lived in an economic Land of Plenty. For the 77 million people born between 1946 and 1964, jobs were waiting for people to fill them; if you didn't like yours, or lost it, you could find another one.

Buying a house was seen as a guaranteed good investment. Nothing stood in the way of trading up the Chevy for a Rocket 88 and even, one day, a Cadillac. Retirement years were "golden years" for a broad swath of the working class; pensions, benefits, savings, plus Social

Security assured millions of retirees financial freedom and security.

But those days are long over. Back in 1991, half of all American workers planned to retire before they reached the age of 65. Today, that number has declined to 23 percent, with 74 percent of them expecting to continue working during “retirement.”

Forty-six percent of all American workers have less than \$10,000 saved for retirement, and 29 percent of those have less than \$1,000. Thus, according to an AARP survey of Baby Boomers, 40 percent of them plan to work “until they drop.” And today, unlike during those “golden years,” one out of six elderly Americans lives below the federal poverty line.

As the Baby Boom generation moves into retirement age, the “shop ‘til you drop” addiction that characterized their years of plenty will not be a vice available to the Millennial Generation. Born from around 1980 through 2000, also about 77 million strong, for them the economic promise of perpetual growth and abundance once perceived as a birthright has been replaced by a bleak future and an economy of constraints.

“Compared with the generation coming of age three decades ago, many young people today earn lower wages but must pay more for health care, child care and housing,” finds “The State of Young America,” a report by Demos, a New York-based think tank and advocacy group. “Even as higher education is more important than ever to economic success, the price of a degree continues to soar beyond the reach of millions. The reality is that it is simply harder to work or educate one’s way into the middle class.”

In sum, the Demos report concludes that the Millennial generation is slated to become “the first generation to be worse off than their parents.” Generation Opportunity, a conservative political organization for Millennials, polled their client generation in June 2011 and found that:

- 44 percent will delay buying a home;
- 28 percent will delay saving for retirement;
- 27 percent will delay paying off student loans or other debt;
- 27 percent will delay going back to school/getting more education or training;
- 26 percent will delay changing jobs/cities;
- 23 percent will delay starting a family; and
- 18 percent will delay getting married.

While these statistics reflect reality in “the greatest nation in the history of the earth,” rarely are they added up to form a cumulative picture. Nor are they analyzed

for their portentous implications and used to formulate plans and strategies that might reverse the troubling trends.

But this should surprise no one. After all, the belief that God blesses America is unwavering, and America continues to see itself as *the* youthful superstar on the world stage, rather than as the militarily bloated, economically indebted, social derelict it has become.

The Prognosis for the Millennial

Malaise While our analysis and conclusions may be regarded as incendiary and unsettling, both are based upon cold, hard, unchallengeable facts:

HIGHER EDUCATION

■ **As important as ever.** College pays (for those who can find a job). In 1980, a man in his mid-30s or younger with a college degree earned about \$9,000 more than a man with only a high-school education; today, the difference is \$20,000 and rising. Women with college diplomas similarly have doubled their earning advantage over women without the four-year certificate. Also, during the current recession, a person without a college degree is twice as likely to be out of work than is a college graduate.

■ **More expensive than ever.** Over the last 30 years, average tuition at both public and private four-year colleges tripled and has nearly tripled at community colleges. That’s due, in part, to states’ recession-inspired cuts in budgets for higher education occurring as the schools’ operating costs have steadily risen. In 1983, state colleges paid 23 percent of their operating costs with money raised through tuition; today, it’s 40 percent.

■ **Indentured Students.** To meet those higher tuition fees, students are mortgaging the rest of their lives (at least until, or if, they can manage to pay off their loans). While 46 percent of four-year college students and two-thirds of community college students work more than 20 hours a week, two of every three graduates today still leave college with an average debt of \$26,600, a doubling in the number of indebted graduates since 1992. Among students still in college, 15 percent fewer have jobs than five years ago; presumably, they’re relying more on credit cards and student loans to pay their bills.

Part of the reason for the indebtedness: 55 percent of federal financial aid was grant-based in 1980, while only 36 percent is now; the gap has

been filled by federal, state and private loans. Moreover, students who do get federal Pell grants for college get less: in 1980, Pell grants covered an average of 64 percent of a four-year tuition bill; today, it's 34 percent – a reduction of almost half.

As a result, according to the Pew Research Center's 2012 report, "Millennials: A Portrait of Generation Next", 19 percent of the nation's households – and a record 40 percent of all households headed by someone younger than age 35 – owed student debt in 2010, more than double the share two decades earlier and a more than 20 percent jump from the 15 percent owing student debt in 2007.

■ **Income isn't incoming.** Median earnings for young men working full-time have slipped by 10 percent since 1980. Earnings for those without four-year college degrees have fallen in all categories. Among 18-to-24-year-olds, men with a high-school diploma earn an average of \$10,000 less annually than they did in 1980, while women earn \$2,500 less. Men with associate's degrees have lost four percent in earnings, women one percent. Men with four-year college diplomas are earning only one percent more than they did in 1980, a gain that translates to about \$700 – not even enough to keep up with student loan payments.

While incomes have risen more for women – largely because so many more are earning college degrees than in the past – females still typically earn less than men in the same jobs.

THE WAR ON PROSPERITY

■ **The rent is too damn high.** This is the new America. The college degree costs more, the job it leads to pays less, servicing the cost of getting one is a financial albatross, and the cost of a basic necessity, shelter, keeps climbing.

In 1980, rent took up 23.7 percent of the income of 25-to 34-year-olds. In 2009, it jumped by nearly half, to more than 32 percent of their income.

■ **Sinking in Debt.** In 2007 – the most recent year for which data is available – 18-to-24-year-olds averaged \$2,519 in long-term credit card debt, which was roughly equal to that segment's debt load in the 1980s. But 25-to-34-year-olds had accumulated balances averaging \$6,255, up 81 percent from the same age group in 1989. And, 24.3 percent of their income went to service debt (including credit cards, student loans, and mortgages). This was a 25 percent larger share of earnings tithed to debt

payments than in 1989.

A 2011 study by PNC Financial Services calculates that it's not uncommon for Millennials to stagger into their 30s saddled with \$45,000 in debt (mostly student debt). While the numbers don't lie, they can't capture the human, emotional cost; the toll taken on the psyche of young people just starting out in life. Spending more than 40 percent of one's income on debt payments is considered a sign of "debt distress."

In 2007, 15.7 percent of all indebted 25-to-34-year-old households and 12.2 percent of all indebted 18-to-24-year-old households were debt-distressed. That compares to 12.9 percent and 9.1 percent, respectively, debt-distressed in 1989, increases of 25 percent to 33 percent.

■ **Where Have all the Good Jobs Gone?** In October 2012, Millennials age 18 to 29 were punished by an unemployment rate of 11.8 percent, a rate one third greater than the national average. If those Millennials who'd given up looking for a job are included, the rate would be 16.6 percent.

With more than half of America's recent college graduates either unemployed or working in a job that doesn't require a bachelor's degree, graduate school attendance has spiked by a third since 2007 on the assumption that an advanced degree will provide advanced job opportunities. While jobs that pay more are not guaranteed in the highly competitive and shrinking job market, what is guaranteed is that the already deep-in-debt indentured students will sink deeper in debt.

To make matters worse, unlike in those USA days of yore, when legions of workers began to retire by their mid-fifties, when Millennials emerge from college they confront a job market clogged with Baby Boomers unwilling or unable to retire.

On the other hand, in certain cases, Millennials hungry for work and welcomed as cheaper labor replacements, are pushing higher-paid Boomers out. And, in the foreseeable future, given the prospects of a tepid-at-best economic recovery, the current crop of Millennials will be subject to similar job pressures as they are forced to compete with newer graduates, presumably better equipped with the latest skills and ready to accept even lower entry-level wages.

Thus, it follows that Millennials who finally find work will begin their earning years late, reducing their total lifetime income by tens or hundreds of thousands of dollars that they would have otherwise spent on clothes, cars, and gadgets.

The Re-'X'-Tension We predicted it would happen, we detailed why it would happen and we wrote "History Before It Happens" 16 years before it happened. Back in 1996, in *Trends 2000*, at a time when there were more job openings than people to fill them, when police forces were dwindling because they didn't pay enough and fast food chains were competing for workers, we insisted that the employment shortage was temporary and a vast surplus labor pool was in the making.

Due to a variety of socioeconomic and geopolitical factors (among them, globalization, trade agreements, outsourcing, downsizing) we foresaw a long period of dwindling job opportunities and declining wages that would define much of the American job market. As a result, we forecast a trend that no one was predicting but that today has become so commonplace that "experts," economists and social scientists speak of it as though they knew it all along and now accept it as the "new normal." We called it the Re-extended family; young adults moving back home after graduating high school or college, or never leaving home because they can't find a job that paid a self-sustaining wage – or can't find a job at all:

"Twenty-six! Time to have your own place, but you're back at home. You've made the choice. You could leave and just scrape by in a hole somewhere. Home is the preferred solution even without the space and the privacy. You're not alone or unusual in that respect."

Today, the number of 18-to-24-year-olds living at home due to economic hardship is up since the beginning of the Great Recession. That's not surprising. What is surprising is that the majority of the roughly 60 percent increase in 24-to-35-year-olds moving back in with Mom and Dad are single men.

The result is a generation delaying its entry into economic and self-sustaining adulthood – launching a career, marrying, buying homes, raising families (Millennial women's birth rate is about 8 percent lower than Boomers' at the same age), and doing their share to fuel the US economy, in which 70 percent of GDP is derived from consumer spending.

Marketing to Millennials The dilemma: how can you sell houses, cars, clothes, big-ticket items, branded essentials and non-essentials to people who are cash-strapped or cashless? How will marketers persuade this economically challenged generation to part with the money it does have and keep its consumer-reliant economy growing, or at least stabilized while facing the prospect of ongoing decline?

Marketing is a matter of stimulating people's hidden desires and persuading them that a particular product will satisfy the yearning. Advertising itself is a form of sorcery; it works upon the will. If you drink this beer, buy that car, wear that label, or use that shampoo that gorgeous woman (or handsome man) will be yours.

Charles Schewe, professor of marketing in the Isenberg School of Management at the University of Massachusetts Amherst, and his colleagues have made a number of observations regarding Millennial buying habits and behavioral patterns.

They divide Millennials into two psychographic and demographic segments. Those now in their mid-20s to mid-30s tend to be both "green" and somewhat religious, having come of age when those two themes were permeating American culture. They also tend to value thrift, having been obliged to maintain households in the midst of the Great Recession, which has turned out to be a values-shaping necessity for this group.

ALL FOR ONE AND ONE FOR ALL

The younger segment of Millennials is just now graduating high school and college. While Boomers at this age prided themselves on their individuality (even as they succumbed to the corporate and political conformism they derided their parents for), the younger Millennials espouse and place a high value on group participation and the community.

Schewe also finds that these late-wave Millennials have a more marked "live for today" attitude, perhaps because they've witnessed their parents' carefully accumulated savings and strategically managed career paths nuked by the "Panic of '08" – the great economic ambush that came amid the illusion of a world flush with money and changed their young lives.

Possibly as a corollary of their live-for-today outlook, this group takes green for granted, is too young to take an interest in thrift or saving and as a consequence of their exposure to America's failed Iraq/Afghan Wars and other military and geopolitical blunders, is less patriotic.

Living off their parents' largesse and, perhaps, student loans that haven't yet begun dunning for payments, the Millennials are still sheltered from having to make it on their own in the real world. Schewe found their attitudes are not simply expressions of immaturity and inexperience, but rather represent a coherent set of values based upon a conditioned belief in their own "entitlement."

Indeed, these were children like no other children ever born into any previous society. From birth, their parents told everyone how "special" their newborn was. From being "special" without having achieved anything out of the ordinary, these ordinary kids went on

to be praised and rewarded no matter what they did. The members of this “self-esteem” generation are always winners, and even when they lost there would usually be a trophy awarded just for taking part.

Of course they feel “entitled.” Why shouldn’t they? They rule households. Hollywood and the media portray these little wonder boys and girls as worldly, resourceful, magical, composed, reasoned and able to solve complex problems with clarity, fairness and the wisdom of Solomon.

“Millennials see the world as a kind of collapsed hierarchy, where they’re already on the same plane as everyone else,” says Angela Hausman, Associate Professor of Marketing at Howard University. “They don’t need to buy certain products to show everyone they’ve made it. They think they’ve made it already. They think they should be able to walk into the CEO’s office and swap ideas – an attitude that’s already causing huge problems of adjustment in corporate America.”

Trendpost

What “buying triggers” lie concealed within the psychological profile of Millennials waiting for savvy marketers to activate?

Among them is their “self esteem” complex, which has created a broad and very simple opportunity for marketers to say, “Buy this because you deserve to have it.”

This easy, straightforward approach speaks directly to Millennials’ live-for-today, feel-good-now impulse and also to their understanding of themselves and their “special” place in the world: “I’m entitled to this; therefore, it should be mine.” Out comes the credit card.

That strategy is a clear winner when marketing to younger Millennials, but the generation’s leading-edge inhabitants tend to be a bit less self-indulgent. A sub-demographic among them has developed an appreciation for thrift that has turned them into relentless bargain hunters. With a few key clicks on a smart phone, shoppers can compare prices and delivery charges on the same item from hundreds of retailers.

Across the Millennial spectrum there is “... a pervasive attitude of ‘What are you going to do for me?’” says Hausman. This has prompted retailers to pursue what she calls a “pay it forward” strategy in marketing products: they give something for nothing. Increasingly, companies offer free shipping or a loyalty rewards program; but perhaps the best example is the legion of bands and musicians who give away songs on their web and Facebook pages to introduce a new CD.

“Millennials want access,” she adds. “They want to be able to say to their friends, ‘Hey, I heard this and it’s not even in the

***“Give Millennials plenty of money
and job advancement opportunities and they
too would shop ‘til they dropped.”***

stores yet. You can’t even hear it on the radio yet but I heard it.” The “cool factor” no longer lies in owning the most expensive product but in having experiences that others haven’t.

And technology has become the milieu in which Millennials’ experiences are embedded. The earbuds are in and the cell phones are on – and advertisers know it. Commercial messages swarm across the Twitterverse. A store can instantly download an ad or coupon to a person’s cell phone as the person strolls by the store’s front door.

Facebook pages are networked and friends tell friends about the cool store where they just bought their cool shoes. Cars and phones that advertise themselves as surrounding Millennials with an array of technological options outsell those that don’t.

To some, this presages a grand convergence. Sales of such products as television sets, home theaters, and even iPods are declining because Millennials are able to combine these things in a single device. They text each other on their smartphones or tune their phones to Hulu to watch television shows for free. Thanks to the emergence of cloud computing and electronic tablets, some even wonder if notebook computers are destined to soon become quaint relics.

While the Millennial Generation grounds itself in technology and boasts a lifestyle centered on it, considering this generation to be unique because of its hand-held appendages, social networking skills and advanced technologies is delusional. In real life, they’re just Average Joes and Jane Does.

Technological wizardry combined with parentally cultivated “self esteem” in no sense makes them superior human beings. In real life, they are mere mortals who have to face real life’s trials and tribulations like everyone before (and after) them: wake up, go to work, hate/love/tolerate a job, suffer heartaches, heartbreaks, sickness, financial pressures.

While some researchers say that Millennials are bracing for a simpler way of living and are separating happiness from material possessions – finding it in relationships and experiences instead – this “money isn’t everything” pop-culture marketing belief has already been applied to successive generations. Give Millennials plenty of money and job advancement opportunities and they too would shop ‘til they dropped.

In view of the practical consequences of the 21st century life pressures confronting the Millennials, the trends that will define a new consumer economy are beginning to emerge and take shape:

■ **Tomorrow’s market for home ownership will be smaller.** Fewer people will qualify for mortgages, home ownership will be less common, and new homes will tend to be smaller. Remodeling and re-

refurbishing older homes, not building new ones, will become the new normal. In fact, the tepid housing recovery in the US is already leaving first-time buyers behind. This segment, historically accounting for over a 40 percent share of the market, according to the National Association of Realtors, has fallen some 10 percent.

■ **Technology will continue to claim a large share of consumer spending.** But the technology will tend to be portable. Homes will no longer have three or four television sets or telephone extensions – and while it’s generally obvious that well-outfitted smartphones and other hand held devices will give every family member instant access to what they want, what’s not obvious is the next generation of breakthrough techno-devices that will propel consumer spending.

■ **Energy costs will claim a larger share of the wallet.** Until an alternative, cheap and plentiful transportation fuel replaces petroleum, not only Millennials, but people in general will avoid moving beyond existing suburbs, settling closer to urban cores to avoid high energy costs. Exurban development, already in a slowdown, will slow further, especially given the glut of existing homes in existing suburbs and some urban centers.

■ **Carless and Footloose.** Car ownership among Millennials is already on a downward trend and despite auto industry marketing efforts sales will not significantly rebound. Ownership will become even less common as costs of fuel, insurance, and the vehicles themselves rise.

■ **Back in the halcyon days of the auto industry, more than half the drivers were under the age of 40.** Today, that number has fallen some 20 percent and only 22 percent of drivers are in their 20s or teens, down from a third in 1983. Public transport will take on greater importance and, given sufficient voter pressure, mass transportation will be grudgingly allotted a larger share of the public budget.

■ **Millennials shop up or down.** They tend to patronize deep-discount retailers and upscale specialty stores, are relentless coupon-clippers, and will continue to drift away from conventional chain stores like Kroger’s or J.C. Penney.

■ **Cyber-Shopping or the Shopping Experience?** Consumers buy socks, washing machines, and other commodity products on-line, where costs are cheaper because sellers don’t need to maintain brick and mortar emporiums.

Yet, despite the desire and/or necessity for savings, avid shoppers will have difficulty kicking their

“retail therapy” habit. Small entrepreneurial retailers, big box and big chain stores and even malls will live on. However, retailers will need to “pay it forward,” giving shoppers an excuse to make a special trip and treat themselves to what the industry refers to as “immersive buying experiences”. (Think “Rainforest Café.”)

Events, changing décor, appearances by celebrities, and gifts for shoppers will become not only more common but more necessary for conventional retailers’ profitability.

■ **Advertising will be personalized and digitized.** Mass-market advertising and promotion is already fading away as sellers realize its inefficiencies. Data collected automatically about individuals as they browse websites and purchase products on-line is already enabling marketers to target customized ads and marketing strategies to specific individuals.

This ability to collect data will become increasingly sophisticated as the Internet-connected television sets and new, yet-to-be-developed home and personal entertainment devices enter the market.

■ **Marketing will be collaborative and will pretend to have a conscience.** The parentally pumped-up “self-esteem” generation that believes they have both the worldly knowledge and the divine right to swap ideas with the CEO expects to do the same with brands they favor.

Companies will need to craft marketing plans that give the illusion of reaching out to and including Millennial customers in their product development, planning and execution. The buzz in the advertising industry is the idea of “participants” replacing “audience” and “end users”; while older generations were seemingly content to be customers of Johnson’s Shoe Emporium, this new cohort expects to be part of “Team Johnson.”

In addition, leading-edge health and environmentally conscious Millennials are, like many of their health and environmentally conscious Boomer parents, more likely to patronize brands that are associated with a social cause. For the Boomers it was Ben and Jerry’s (before they sold out to the multinational Unilever), for the Millennials it’s Stonyfield Yogurt’s “10% of Profits to the Planet.”

Despite the harsh financial challenges confronting the Millennial generation of consumers, marketers – like lawyers – will always find ways to make their case. And they certainly did in 2012. Witness a Thanksgiving weekend that saw a six percent rise in spending, six percent more traffic, and sales increase of 13 percent over 2011.

Clearly, to date, despite the Great Recession and polls showing growing public distaste for rampant conspicuous consumption, no alternative to a consumer-driven economy has been embraced. However, as Empire America continues its decline, which we forecast is inevitable, necessity will, sooner or later, become the mother of such an alternative.

Trendpost

The Model T 2.0 – A Hidden Millennial Market. First there was the Model T, the everyman's car, and then there was the Volkswagen, the "people's car." We forecast that if and when an on-trend automaker realizes the vast potential of designing a low tech/low cost, lively, high mileage, low maintenance and long-lived vehicle, Millennials will jump back into the market.

Trend Forecast

From the many highly educated Millennials with no jobs or jobs that barely pay the bills and have nothing to do with their expensive diplomas, to those without formal educations but with skills and talents, millions of Millennials face a bleak future and they know it. Young, increasingly restless, ambitious, hormones raging and raging mad, they're a revolution waiting to happen.

Once again, history is about to repeat itself, but as always, while the song is the same the lyrics change. Their Boomer parents and grandparents rebelled during the Vietnam War for one reason and one reason only: their lives were on the line.

Today's Millennials will be rebelling for one reason and one reason only: Their livelihoods are on the line.

To date, their deep-seated and seething anger is not being recognized for its revolutionary potential by the political, media, business and even, in its fullest sense, the entertainment sector. Yes, the street lyrics may be angry and there is a new "Rage Against the Machine," but it has no focus, no organization behind it and no philosophical foundation to build on.

Regardless of disparate cultural and ethnic backgrounds, united by prolonged straitened circumstances, the Millennials, and only the Millennials, have the energy and the anger to man the barricades. They are also the only group who can afford to rebel: they number in the millions, they cannot be foreclosed, they cannot pay off their student loans, bankruptcy is no longer an option for them—indentured-for-life, and having nothing left to lose, they're ready to lose it.

The Brighter Side of Getting Eff'd Rather than regard the revolution-in-waiting as alarming, we should view it as one of the most positive developments since the onset of the New Millennium. Appropriately, it's not Generation X or the Boomers but the Millennials that have the potential to unleash a cultural, philo-

sophical, political and spiritual revolution that can reverse the current negative socioeconomic and political trends and subsequently establish an agenda for positive transformation.

This is the New Millennium! Yet, despite the power of increasingly sophisticated software, in virtually every major institution (government, business, education, health, etc.), the old Industrial Age mindset still prevails. The Millennials are uniquely positioned to become the face of a prosperous and enlightened New Age. How? Not only by recognizing their potential strength, but also, through their example, by uniting all the generations to "support the troops."

No! We are not referring to the malevolent, misguided patriotism promoted by psychopathic Presidents, Prime Ministers and Generals who send young men and women off to make the "ultimate sacrifice," dying in losing foreign wars initiated under false pretenses and for trumped-up reasons.

No. These are troops of a different order. A general perception prevails among the population that the nation and the world are in such terrible shape that nothing can make it better, that the social fabric has been irreparably destroyed and systems and institutions are so corrupt that attempting to improve them is futile.

SOCIAL TONIC

Is this new defeatist attitude justified? Is the nation terminally ill and beyond cure?

Not all illnesses are terminal. If an individual becomes ill, even seriously ill, does that mean his or her health cannot be restored under any circumstances? Analogously, a sick nation could be nurtured back to health. But not by the very systems and institutions that have brought on the condition and that insist upon prescribing failed remedies that only make the nation sicker.

No magic pill exists to cure a chronic degenerative disease. Convalescence is a long process that requires discipline, dedication and often a radical lifestyle change – along with a willingness to seek alternative solutions. Analogously, there is no magical manifesto to cure a sick society.

However, given the tools available to the Millennial Generation and their unique skill sets, should they seize the moment and act upon the opportunities, they could be hailed as the Renaissance Generation rather than going down in history as Generation E'ffed.

After all, the Italian Renaissance followed hard upon the heels of the devastating Black Plague and gradually shed its light upon the whole of Europe.

So too, a Renaissance light can shine "from sea to shining sea" and all around the globe. □

ENERGY 2013 — THE YEAR OF THE FRACK

Lacking the super-charged excitement of the race for the White House, the titillation of the sex scandal that brought down CIA Chief David Petraeus, or the drama of going over the fiscal cliff, a new development that could prove to be a mega-trend for decades to come registered only briefly in the financial news headlines.

The grand promise of an energy-independent America, a promise that has eluded the last seven US presidents, was suddenly on schedule to become reality. Apart from freeing the US from reliance upon foreign sources, America was on track to replace Saudi Arabia as the world's largest energy producer.

Just six days after Election Day, an International Energy Agency report projected that the United States will become "all but self-sufficient" in meeting its energy needs "within two decades" as the result of dramatic technological advances in oil and natural gas extraction. This would not only discredit the widely-held doomsday prophecy of "Peak Oil," but possibly alter America's Middle East geopolitical/military policies.

US to be world's top energy producer

The US will overtake Saudi Arabia and Russia to become the world's largest global oil producer by the second half of this decade, according to the International Energy Agency, as the shale revolution redraws the global energy landscape.

The agency's latest World Energy Outlook said the US could be almost self-sufficient in energy by 2035, marking "a dramatic reversal of the trend seen in most other energy-importing countries". It said the US would overtake Russia as the largest gas producer by 2015.

The resurgence in US oil and gas production, it said, was spurring economic activity "with less expensive gas and electricity prices giving [US] industry a competitive edge." Last week, a Germany industry lobby group warned that US companies are enjoying a rising advantage in energy costs.

New extraction techniques – most notably hydraulic fracturing, or fracking, and hori-



zontal drilling – have unlocked huge hydrocarbon resources previously thought unrecoverable.

If realized, the IEA's prediction could have significant implications for global commodity markets and the broader geopolitics of energy. Some analysts have wondered whether an energy-independent US would still guard the world's critical sea lanes such as the Strait of Hormuz in two decades' time – and whether China, whose reliance on Middle East crude imports was growing, would replace it.

The increase in US domestic production comes as new fuel-efficiency measures in transport imposed by the first Obama administration are set to reduce oil demand sharply. That will lead to a fall in US oil imports, which the IEA says will plunge from 10m barrels a day to 4m b/d in ten years' time.

According to the IEA, which advises industrialized countries on energy policy, the US will be producing 11.1m b/d in 2020 compared to Saudi output of 10.6m b/d. (*Financial Times*, 12 November 2012)

In the *Financial Times* and *The New York Times*, from *National Geographic* to the *Guardian*, the story ran globally and all glowingly reported on the many positive elements of the IEA findings, with virtually no mention of the heatedly debated risks of hydrofracking.

Several nations have already banned fracking. Have their governments bowed to tree-hugging, enviro-maniac pressure or is there sound science behind the bans? You know our motto: "Think For Yourself!" The following detailed *Trends Journal* study provides the pros and cons you need to form an informed decision.

Hydrofracturing: The Devil Is In The Details

By Bennett Daviss

When it comes to extracting oil and gas from shale, it's hard to find a middle ground opinion. Supporters point out that shale development – and its process of hydrofracturing (fracking) the hard, tight rock to free the energy-producing natural gas and oil trapped inside – is creating new jobs by the tens of thousands and will make America the largest energy exporter by 2017. Opponents insist it will bring on an environmental Armageddon. Proponents claim that by fully embracing fracking, the intractable Great Recession can be transformed into The Great Resurgence. Swaths of the US are already sprouting jobs the

way that a meadow grows wildflowers. Homeowners' gas bills are shrinking; home prices are rising. Once-shuttered factories are humming, tax bases are growing, and teachers are back in the classroom.

Opponents cite the price: the ground water and air will slowly be poisoned, the earth beneath your feet will become unstable, and in all likelihood thousands will be felled by mysterious, crippling, life-long illnesses.

The Great Gas Rush Fracking is the energy industry's 21st century equivalent of the the 19th century Gold Rush – in the frenzy to develop natural gas and attendant oil that's been locked for eons inside shale rocks miles underground – and many governments around the world are eager to mine their own reserves.

The temptation is proving irresistible to many. In the northeastern US, the Marcellus shale has been estimated to hold as much as 50 trillion cubic feet of recoverable natural gas, enough to deliver an economic value of close to a trillion dollars.

In Montana and North Dakota, the Bakken shale finally is beginning to surrender its riches, anywhere from two to 12 billion barrels of recoverable oil. In Texas, the Eagle Ford shale may produce 20 billion barrels of oil and 150 trillion cubic feet of gas in the decades ahead, possibly making it the richest petroleum boom in the state's oil-soaked history.

Less spectacular shale prospects include the Haynesville in Louisiana, the Barnett in west Texas and the Antrim in Michigan. A dozen smaller pools across the continent have been mapped. And now the Utica shale – as much as two miles below the Marcellus and potentially even richer – is being cracked for the first time.

As the result of a confluence of new shale drilling technologies, previously inaccessible natural gas deposits have become both feasible and profitable and the impacts of these new riches are rippling through the American economy. Natural gas prices fell by half at the wellhead – from \$7.33 in 2005 to \$3.65 in 2009 – and dropped below \$2.90 early in 2011. This price drop is projected to save households that burn gas for heat an average of \$926 a year by 2015 and as much as \$2,000 annually by 2035.

More broadly, new shale finds have boosted domestic oil production by more than 1.5 million barrels a day, sparked an economic renaissance in the American Midwest, begun to revive American manufacturing, and poised North America to become the world's largest fuel exporter within five years, a rank it could hold on to for years.

Why now? Although the oil industry has coveted shale's riches for decades, only recently has the coupling of new technologies and rising oil prices made it not only pos-

sible, but profitable. Shale is hard and tight, so a conventional well punched through it vertically can't coax enough oil and gas to be profitable. But drill-bits can now be steered to travel horizontally, exposing as much as a mile of paydirt in a single well.

That's where the controversial practice of hydraulic fracturing or "fracking" comes in. To crack open the shale so it surrenders its riches, a slurry of millions of gallons of water laced with surfactants and other chemicals, and carrying sand grains or other forms of grit, is pumped into a well under enormous pressures. The pressure breaks the rock and the tiny grains lodge in the cracks to prop open microchannels so the oil and gas can be drawn off. Engineers also have learned how to put stoppers in horizontal wellbores. This allows them to section off portions of the hole to focus fracking pressures in smaller areas, forcing cracks deeper out into the productive sections of rock.

But fracking, and particularly the disposal of used fracking fluids, has been implicated in everything from escalating air pollution and the destruction of household water wells to hundreds of localized earthquakes in shale-producing and adjacent non-shale producing states.

Both federal and state regulators have been slow to act. But a showdown that pits public pressures for basic safety against private profits and economic imperatives is inescapable.

Made in The USA While some states may be "going French" in their zeal to ban fracking, shale development will gallop headlong in most of the United States for two main reasons: jobs and money.

On the money side, there is money to be made and money to be saved. Although America's profligate use of oil has come at a high price, renewable fuels to replace our demand for petroleum have not been sufficiently developed. As the world's economy retreats from the edge of collapse, competition for oil will resume among nations and prices will resume their relentless rise.

In addition, a barrage of environmental regulations will wipe out 36 gigawatts of coal-generated electricity across the US by 2022. To replace that capacity, and meet growing demand, utility companies will burn the majority of this new gas and use it to fuel 60 percent of all new generating capacity through 2035. Gas-fired plants are cheaper and faster to build and, because gas is the cleanest-burning fossil fuel, the plants pass regulatory muster

"... the disposal of used fracking fluids, has been implicated in everything from escalating air pollution and the destruction of household water wells to hundreds of localized earthquakes in shale-producing and adjacent non-shale producing states."

more easily.

New reserves of domestic gas are an equal blessing for manufacturing. According to a 2011 study by the worldwide consulting firm IHS Global Insight, a steady supply of low-cost fuel in the US Northeast and Midwest will be a ma-

jor factor in boosting the nation's manufacturing output by nearly five percent by 2035 and shifting the US economic balance back toward manufacturing. All this will be due to improved international competitiveness – driven, in part, by cheap and plentiful fuel.

Steel companies are building or rehabbing millions of square feet of factory space in Ohio and Pennsylvania, lured by the promise of long-term supplies of low-cost fuel. The thousands of construction jobs generated are expected to give way to tens of thousands of direct and indirect new jobs throughout the region.

DOLLARS AND SENSE

"In our area, we've created or announced about 1,500 direct jobs and several thousand indirect jobs," says Eric Planey, director of international trade for the Youngstown-Warren Chamber of Commerce in Ohio. "There's a general rule in economic development that every job in manufacturing creates and supports eight jobs indirectly."

Companies that make chemicals and plastics are also returning to the US after moving away in the 1990s. Natural gas fuels factories and also is a key raw material in making everything from tires to pantyhose. Plastics and chemicals made in most other parts of the world will become steadily more expensive while US output should stay cheap because of plentiful US shale gas supplies.

As a result, Dow Chemical, South Africa's Sasol chemical company, and others are planning a future here. Shell Oil's chemical subsidiary has announced plans to invest as much as \$4 billion to build the first gas-processing plant in the US Northeast for the chemicals and plastics industries, a project that could deliver 10,000 permanent direct and indirect jobs.

The result of all this, according to an American Chemical Society study, should be a 25 percent increase in US chemical production, valued at \$32.9 billion and delivering 17,000 new knowledge-intensive jobs in the American chemical industry. The study also predicts 165,000 jobs in the supply chain and related industries together with 230,000 jobs sparked by the \$16.2 billion capital investment that chemical companies will put up to make

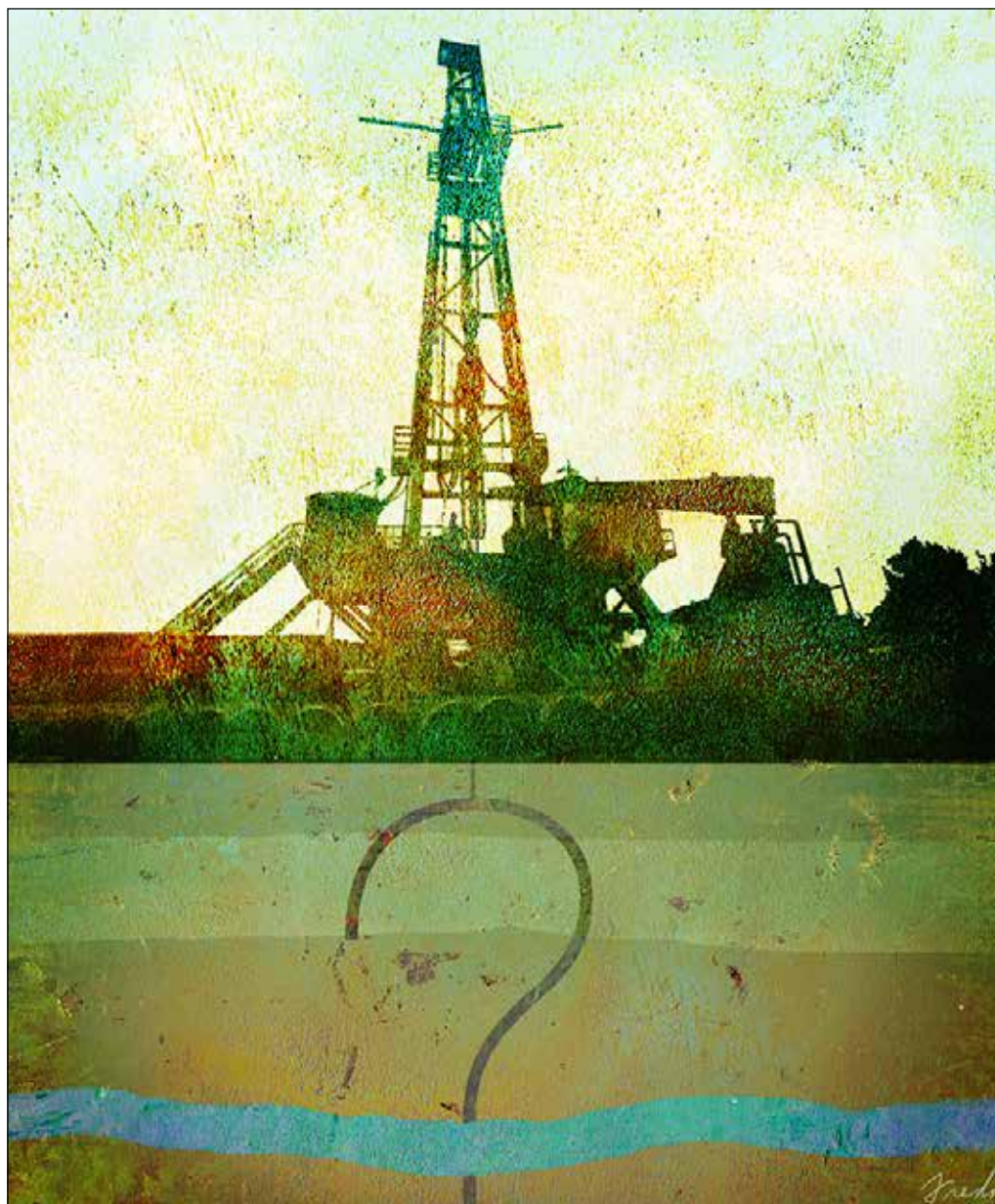
it all happen. This plays out to a \$132 billion boost in US GDP, in addition to \$49 billion in plants and equipment. By 2010, the US trade surplus in chemicals and plastics had jumped 28 percent from 2009 to a record \$16.4 billion.

The US expects to produce so much gas that many domestic producers are planning to become exporters. US shale gas is cheap, delivering energy at a cost equivalent to oil at less than \$25 a barrel. In addition, when natural gas is frozen, it shrinks to occupy just one six-hundredth of its normal volume.

Nations and industries coping with \$100-a-barrel oil – and with natural gas prices often indexed to those of oil – are lining up to buy US fuel at a fraction of the cost. As a result, US regulators have been deluged by at least 18 new applications from firms planning to build gas-freezing export facilities along the Gulf of Mexico. (At present, the US has only one such plant – a modest operation in Kenai, Alaska, that was slated to close until Japan, its sole customer, was swamped by the Fukushima disaster.)

The proposals are mounting so quickly that the US Federal Energy Regulatory Commission has stopped processing them until it finishes analyzing the potential rise in future domestic gas prices that a thriving gas export industry could cause.

Then there's the shale gas industry itself – projected to add 870,000 jobs to the US economy by 2015 and a total of 1.66 million by 2035. Indirectly, it is estimated that an additional one million jobs have already been created, with another 1.5 million projected by 2030. Workers in the industry average more than \$28 an hour in pay and benefits, while Americans working in the downstream supply and supporting industries average over \$23 an hour – more than workers average in the manufacturing, transport, education, or hospitality sectors.



Anthony Freda / Dan Zollinger

Hellzapoppin But when you deal with the devil, eventually you pay the price for easy riches.

That price could, literally, be your home. In 2007, a house in Bainbridge, Ohio, exploded in flames. Investigators blamed the presence of methane, found throughout the neighborhood's tap water supply. A study concluded that fracking pressures pushed the methane, which pooled naturally thousands of feet underground, through a system of cracks in surrounding rocks until it infiltrated the groundwater supply that the taps drew from.

If not your home, the price could be your home town. In Three Rivers, Texas, a crossroads for work in the Eagle Ford shale play, housing is in such short supply that a homeowner installed a shower in his garage and rented the building as a home to 12 oilfield workers. The tiny

town's roads are crumbling under the 18-wheelers' thousands of trips a month to and from wells and supply depots; the local McDonald's has to bus in workers from Beeville, 34 miles away. "Where did my town go?" one resident wondered.

But even those of us who don't live in the path of the drilling rigs will pay a share of the price. The first big-ticket item is the safety of our water supply.

In one noted Wyoming case, an oil company fracked a well with a relatively modest 82,000 gallons of chemicalized water at 3,600 pounds of pressure per square inch. A thousand feet away, a home's water well exploded like Old Faithful. It was theorized that the excruciating pressure needed to break the rocks shattered them all the way to the water well. When the woman who lived in the house developed a rare form of adrenal tumor, she began a battle with the oil company to learn which chemicals the fracking fluid had contained. After months of wrangling, the woman's lawyers obtained documents showing that the company had been using a surfactant called 2-BE in frack fluids in the area. 2-BE has been linked to just this rare form of adrenal tumor.

Why was a rare carcinogen part of the driller's fracking cocktail?

Fracking cocktails Fracking fluids are more than 90 percent water and usually about five percent sand that is used as a "proppant" – granules that lodge in the cracks that a frack makes in rocks to hold them open so oil and gas can flow out. But fracking fluids for a single well can contain 10,000 gallons or more of "exotic" chemicals, sometimes by the dozens, including such things as isopropyl alcohol, ethylene glycol (better known as antifreeze), and chemicals already ranked as carcinogenic or toxic, including benzene and lead. Some of these substances are polymers, added to reduce friction and allow the frack to gain more pressure. Gelling agents such as hydroxypropyl guar and diester phosphoric acids boost viscosity to carry the proppant farther out into the rocks. Cross-linking agents such as zirconium and ionized boron thicken the gel even more. Alkalies may be added to raise the well's pH level, which keeps dissolved metals from settling in the well. Biocides are pumped in to kill bacteria that might lead to the formation of deadly hydrogen sulfide gas. Clay stabilizers keep clay particles afloat so they don't clog the rock fractures. Scale inhibitors keep pipes and equipment clean. Enzymes and oxidizers are then used as "breakers" to break down the gels and cross-linkers after the proppant is delivered so the spent chemicals are easier to get back out of the well. Surfactants also smooth the exit of the used fluids. Acids can be thrown in to "normalize" the well's pH level as part of the post-fracking process.

While much of this exotic concoction is collected back out of the well at the end of a frack, some stays downhole to flow up later with the oil or gas – and some inevitably goes astray.

In northwestern Louisiana, 16 cows died after drinking water that was contaminated by fracking chemicals. The company responsible refused to name the contaminants, saying the details were proprietary. In a Pennsylvania case, 28 beef cattle were sequestered after drinking from a pond containing fracking chemicals. The following spring, only three of the 11 calves born to the cows survived.

After alarms began to sound over fracking's effect on water supplies, *The New York Times* reviewed documents from gas wells in Pennsylvania and West Virginia. The study found at least 116 wells produced wastewater containing radioactivity 100 times beyond the US Environmental Protection Agency limit for safe drinking water. No one plans to drink used frack fluids, but conventional water treatment plants aren't equipped to handle radioactivity. As a result, this radioactivity can flow through treatment plants into public water supplies. Scientists at the University of Pittsburgh measured water coming from gas operations and through a treatment plant and found barium at 14 times the standard concentration, radioactive strontium at 746 times the EPA's suggested level for potable water, and bromides at more than 2,000 times the level that mandates reports to be filed with environmental regulators. In water treatment plants, bromides can react with other chemicals to form compounds linked to cancer and birth defects.

Unquenchable But the shale boom's thirst is unquenchable. In Pennsylvania, the Aqua America water company evicted all 37 residents of the Riverdale Mobile Home Park after winning approval from the Susquehanna River Basin commission to build a water extraction facility on the site that would supply drillers with three million gallons of fresh water a day for fracking operations.

That's barely a drop in the bucket. Fracking a single well in the Marcellus shale typically uses four to six million gallons of water, most of it purchased from municipal water supplies or through permits to draw from public lakes and rivers. According to David Yoxtheimer, a hydrogeologist at Pennsylvania State University's Marcellus Center for Outreach and Research, fracking soaks up as much as 15 million gallons of water in the state every day – an estimate that environmental observers believe to be far too low.

"But Pennsylvania uses 9.5 billion gallons of water a day," he notes, pointing out that fracking makes up barely one thousandth of one percent of the state's water use.

“The state puts more water on golf courses than into fracking,” he adds.

That may be true now, but perhaps less so in the future.

“The Marcellus has only been drilled for a few years and producers are talking about drilling it into the next century,” says Robert Watson, an adjunct professor of petroleum engineering at Pennsylvania State University who’s been drilling and fracking wells in the northeast US for 40 years. “What happens after a few thousand wells become tens of thousands?”

The Big Bang A 2011 study by Duke University claimed that groundwater in parts of New York and Pennsylvania overlying the Marcellus and Utica shales contained much greater concentrations of methane near fracked wells and created risks of explosions. Chemical signatures proved that the traveling methane had come from fracked wells. In December 2011, for the first time, the EPA acknowledged that chemicals used in fracking could be shown to have contaminated drinking water – this time near the town of Pavillion, Wyoming, where residents with affected wells were told to ventilate their homes when they take a shower.

The Independent Petroleum Association of America strongly disputes these results, citing flawed methodology in the latter case and noting that the Duke study failed to mention that methane also was found in groundwater too far away from drill sites to have been affected by development. An investigation that year by the US House of Representatives found that of 750 chemicals used in fracking, about 650 are known carcinogens regulated under the Safe Drinking Water Act – although most are present in only trace amounts. But even in small proportions, those chemicals in a six-million-gallon frack can amount to thousands of pounds of toxic sludge.

Texas, Colorado, Arkansas, and other states hosting shale drilling have passed laws requiring drillers to publicly disclose the additives in their fracking fluids. But not before Halliburton, the leading supplier of fracking materials and technology, threatened to ban the use of its products in Colorado and deny the state millions in shale-related royalties if regulators forced it to disclose its proprietary recipes. Halliburton and other well-servicing companies make the case for intellectual property: each firm prides itself on knowing how to mix just the right fracking cocktail to get the best results from a particular rock. For the same reason that Coke doesn’t tell Pepsi its formula, one fracking specialist doesn’t want to disclose to competitors just what’s in its recipes.

***“... even in small proportions,
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frack can amount to thousands of
pounds of toxic sludge.”***

There’s a certain validity to the argument, industry engineers say. Although virtually all of the chemicals are widely known, each company is always looking for new additives or different ratios that will let it cut costs or deliver better re-

sults. Some of these compounds, perhaps, could be dispensed with as a result of demands for better environmental stewardship. But oil and gas producers say they can’t alter their formulations much before wells’ production rates, costs, and lifespans will suffer.

While most environmentalists agree that fracking procedures can threaten surface water sources, the consensus is that larger national water supplies are, at least at this time, not endangered. There’s little likelihood that the Ohio River or Ogallala Aquifer soon will be awash with fracking fluids; and drillers point out that shale deposits typically are far deeper underground than are aquifers.

However, the long-term threat remains a matter of debate.

“At properly selected sites, the risk that fracking fluids will migrate through rocks to reach groundwater is relatively low,” acknowledges Briana Mordick, a petroleum geologist with the Natural Resources Defense Council (NRDC). “However, geologic characterization of a drilling site is often overlooked by drillers and not required under most regulations.”

But with the number of wells increasing exponentially, and with the environmental fallout from fracking still scientifically undetermined, such long-term projections of widespread effects to air, water and earth are subject to revisions.

DON’T HOLD YOUR BREATH

There are also fears that the new shale wealth will exact a high price in air quality: drilling and fracking pours out fumes and diesel exhaust in volumes that, over time, could cause illness as drilling continues to expand in populated areas. A three-year study by the University of Colorado School of Public Health released earlier this year found dramatically elevated levels of airborne toluene and xylene, both neurotoxins, and ethylbenzene, which can damage kidneys, near homes in Garfield County within a half-mile of drilling operations.

In response, the US Environmental Protection Agency has finalized regulations capping emissions during various stages of drilling and production and specifically targeting the volatile organic compounds that fracking spews in clouds. The EPA estimates that the rules would reduce emission by as much as 95 percent. The Obama adminis-

tration has given the industry until 2015 to comply so that it has time to buy, install, and learn to use the necessary controls and equipment.

While three years may appear to be a reasonable amount of time for industry to comply, for people living in the immediate vicinity of fracking operations who are exposed to toxic fumes (containing as many as 16 chemicals including benzene, a carcinogen), three years could mean the difference between life and death.

They Can Dig It The fracking frenzy also has set off a secondary boom in mining. The best sand for fracking has a high silica content – fine enough to mix well with the slurry but tough enough not to be crushed by rock pressures as it props open the fracked cracks – and comes from the US upper Midwest. Michigan, Illinois, and Minnesota all are seeing a sand mining rush, but Wisconsin is ground zero. By October 2011, the state had 22 frack-sand mines, most of them open pits, at work or being permitted, with 16 more planned.

Scrubbing clumped clay from the sand grains requires, of course, water. An Enron sand mine in Texas is projected to need 3,700 gallons of water per minute and as much as two billion gallons annually. One Wisconsin mine has forecast its needs at only 200 million gallons a year, still enough to tax limited groundwater reserves in towns nearby. Then there's crystalline silica, an airborne dust and proven human carcinogen that can float from the scrubbers and into the nostrils. Inhaling silica dust, even in very small quantities (OSHA allows 0.1 mg/m³), can lead to respiratory diseases such as silicosis, bronchitis, or cancer.

While many towns can control the siting of sand mining operations through local zoning ordinances, others have lacked such laws. Two Wisconsin towns that tried to enact zoning controls after mining operations were proposed were sued, either by the mining company or by landowners wanting to cash in.

Stand Your Ground Another byproduct of fracking, which could be both costly and deadly, is a risk to the very stability of the ground.

In shale formations, some of the fracking fluid pumped into the well stays in the formation and is gradually drawn out with the oil and gas that's produced. But as much as 80 percent of the used fluid comes pouring back out when the frack is completed. And drillers have to do something with this "flowback."

Frequently, drillers truck or pipe flowback to disposal

"Geologists also blame the underground injection of flowback for 1,200 small earthquakes in Arkansas."

or "underground injection" wells because it's easy and cheap: the flowback is pumped into porous, empty underground rock formations where it can stay, in theory, forever.

But then the ground began to shake. Oklahoma averaged 50 earthquakes a year until 2009; in 2010, undergoing a shale drilling boom, it recorded more than 1,000. Geologists also blame the underground injection of flowback for 1,200 small earthquakes in Arkansas.

Studies linked the disturbances to injections of flowback into rock strata too close to geologic faults, the ground surface, or populated areas. In 2011 and early 2012, a strip of Texas around Dallas and Fort Worth recorded 68 earthquakes, an eightfold increase over the number recorded during the same number of previous months. About a third of the shakers were located within two miles of injection wells. When the earth began to tremble in drilling areas around Youngstown, Ohio banned fracking altogether pending a study and now has proposed rules to govern fracking in the state. Other states, and 96 individual towns in New York, also forbade fracking altogether.

A Fracking Fukushima? As trends go, development of gas and oil trapped in shale is still in its early stage. In just a decade, shale gas has rocketed from two percent of US natural gas production to an astounding 37 percent today. Yet, for all the debate it has incited, the empirical data regarding its long-term effects simply does not exist because the trend is so young.

Still, at this stage of the debate, most geologists do not expect that injecting flowback will cause a fracking Fukushima – a large-scale disaster in a populated area.

"Because the volumes of fracking fluid being injected are relatively small, especially compared to waste water disposal and geothermal energy production, fracking is unlikely to trigger earthquakes that can be strongly felt at the surface, let alone cause damage to buildings," says Ms. Mordick of the NRDC. "However, earthquake risk still needs to be accounted for when siting injection wells but this is rarely, if ever, done."

There are ways other than deep injection to manage flowback. It can be pumped into double-lined pits and left to evaporate – but then the remaining residue, with those nasty ingredients still in it, has to be detoxified before it's dumped or buried. Pennsylvania and a few other states permit the briny waste to be disposed of by spreading it on roads, another form of open dumping.

In some areas, flowback has been taken to public wastewater treatment plants, cleaned, and then discharged into rivers or other public water sources.

“But Pennsylvania had to effectively shut down the shipping of any of the wastewater to publicly owned treatment facilities because the plants weren’t equipped to deal with the toxins, radioactive waste, or the high salt content,” says Kate Sinding, a senior attorney with the NRDC. The industry may build its own treatment facilities designed to handle the array of chemicals in flowback, but that poses problems of its own: to capture the salts, a treatment plant would have to evaporate the flowback’s water – an energy-intensive process on its own. Also, no plan has been offered to handle the remaining toxins. As of now, flowback ranks with nuclear waste as a toxic residue that no one has figured out how to deal with effectively, safely, and permanently.

So some drillers have begun recycling flowback. They capture it in tanks at drillsites, bring in a mobile filtering system to screen out debris, and then remix the flowback with more fresh water. While this mollifies regulators and environmental activists somewhat, it leaves questions still addressed best through regulation – such as how to handle the contaminated, highly concentrated residue.

Drillers also have alternatives to water. Among them is fracking with foam made from nitrogen or carbon dioxide mixed with just a dash of water. But, while such methods cut fracks’ use of fresh water by as much as 95 percent, they carry complications of their own. For example, fracking with nitrogen could leave enough nitrogen in the rock formation that the resulting gas would be too low in heating value to be mixed with other gas in the US pipeline network.

Also, fracking with carbon dioxide is likely to raise greenhouse gas emissions – and there’s no guarantee that waterless fracks will work as well as “wet fracks” in shale deposits.

“There’s no perfect solution,” says one industry insider. “No matter what fracking method is used, someone’s interests are going to be damaged.”

Holding The Tiger’s Tail Regulators are only beginning to attempt to manage the consequences of shale development’s consequences – especially with the oil and gas industry buttering up national politicians and political action committees with almost \$20 million during the 2010 election cycle. For example, disposal of the slop and debris from oil and gas operations has been, and continues to be, exempt from federal laws governing hazardous waste.

Petroleum interests carry just as much clout at the state level, where the shale boom has set off David-and-Goliath-style confrontations.

In Pennsylvania, towns were using their zoning ordinances to forestall, contain or prohibit drilling activities.

Some towns’ zoning regulations banned drilling completely and courts have upheld those actions. But no more. Instead, following years of negotiation, the petroleum industry was allowed to pay an “impact fee” in return for a state law revoking the power of towns to use zoning laws to restrict the location of oil and gas drilling. But the impact fee – or severance tax, as it is termed in other states – is regarded by fracking opponents as negligible compared to the profits reaped by the energy companies and the environmental damage wreaked.

A provision buried in the state’s law also enables doctors to gain access to information about the chemicals in frack fluids but forbids them from disclosing that information to anyone else – especially their patients.

Despite attempts to keep their state from imposing its will on local communities, fracking-friendly Ohio, for example, is among the states to outlaw local controls over drilling activities.

“We’re defending communities’ rights to use their traditional power to govern local land use to control where and how much fracking takes place,” says Kate Sinding, the NRDC attorney. “Without that power, we’re concerned that we could see the industrialization of our agricultural, rural, and even suburban communities at a completely unprotected level.”

FRACKING FIGHTS

In Colorado, towns that have used zoning regulations to contain drilling rigs have landed in court, where the threat of lawsuits by deep-pocketed business interests can easily deter smaller towns from taking the risk. New York state courts recently sided with towns that wielded local land-use regulations to ban drilling in certain areas. Ironically, Texas is the only oil state that enshrines in law towns’ rights to control drilling through zoning regulations.

As states respond to the environmental threats and damage posed by shale development, some are striding, others dawdling.

“Pennsylvania did update a number of its regulations under the previous administration but we don’t expect to see any significant changes under the current one,” says Sinding. Colorado’s legislature is arguing whether to grant localities the power to sequester drilling. Wyoming and Texas have passed new laws requiring drillers to disclose the ingredients in their fracking cocktails.

After the earthquakes rattled Youngstown in 2011, the state of Ohio set down new strictures on shale wells: drillers must disclose all chemicals in their fracking fluids and post their recipes online; disclose all water sources for fracks, including withdrawal rates and volumes; take pre-drilling water samples within 1,500 feet of a horizontal well shaft and include the results in their drilling

permit applications to the state as well as share information about chemicals with doctors and their patients.

“The states are catching up but they’re doing things piecemeal,” says Amy Mall, a senior policy analyst of oil and gas issues for the Natural Resources Defense Council. “The new rules don’t reflect what we know about today’s technology and its impacts or the environmental protections that are already available.”

The sheer volume of drilling in or near residential areas, the impact of massive horizontal fracks, and monitoring tools such as microseismic detection haven’t been incorporated into states’ new rules, she notes.

“No other state has done what New York did, which is to suspend fracking until an environmental review was completed,” she said, “Current rules could be reviewed and new ones put in place to address these issues comprehensively.” Governor Andrew Cuomo pushed regulators and the state’s legislators to hurry the process so the economic momentum of shale development wouldn’t slow, causing some observers to wonder how comprehensive the result would actually be. In the end, Cuomo’s administration moved toward rules limiting shale development to five counties along the Pennsylvania border and only in towns that voted to approve drilling.

“What we’ve seen so far,” Sinding adds, “is that no state has a combination of the right regulations and adequate resources to enforce them.” She notes that Pennsylvania updated its regulations and hired hundreds of new enforcement officers but violations of the regulations continue “at about the same rate as before the new regulations took effect. So that raises the question of what’s needed to bring the industry into compliance. You have to be able to answer that question and put that structure in place before you can determine whether shale development could take place at a level of tolerable risk.”

Frack the Vote The US seems to be moving in the direction of controlling the risks, despite impressions created during the presidential campaign. Republican nominee Mitt Romney proclaimed his intention to ban federal controls on fracking and let each state regulate the controversial practice – or not – in its own way. Perhaps predictably, Barack Obama’s approach, as both a president and a candidate, has been more nuanced: he’s touted the torrent of new domestic fuel and opened more than 700,000 acres of public lands in Utah, Wyoming, and Colorado to shale development and fracking; but he’s also taken the first federal baby steps toward mitigating fracking’s dangers.

“The new rules don’t reflect what we know about today’s technology and its impacts or the environmental protections that are already available.”

In March 2011, Obama charged Steven Chu, his energy secretary, to form a study committee to make recommendations within 90 days about steps that could ease the conflict. The seven-member panel included oil industry executives and consultants and former government officials

with ties to the oil industry; the environmental community carped about the presence of only one of their own among the group. Still, the committee made several recommendations, now under review, to rein in the fallout from fracking. They call for:

- wider, easier public access to information on shale gas development, including data from regulatory agencies.
- improved communications among state and federal oversight agencies and expanded use of shared databases.
- safeguarding water systems by tracking frack fluid shipments to and from drilling sites.
- faithful use of state-of-the-art practices to ensure that drilling and fracking don’t taint groundwater or surface water sources, public disclosure of the chemicals included in frack fluids, and using more natural gas and less diesel fuel to power drilling equipment.
- banning drilling from areas of special environmental sensitivity.
- drilling more than one well from the same drilling pad – a practice increasingly common in the industry already.

To date, the Obama administration has not announced a deadline for the recommendations to be approved or enacted. However, in May, the administration proposed a new, three-part fracking rule to govern drilling operations on federal and Indian-owned lands stating:

- all chemicals used in a frack must be publicly disclosed – but only after the frack has been completed.
- drillers must submit, and receive approval of, water management plans before a well is drilled.
- drillers must abide by new, more stringent guidelines for sealing the length of a wellbore and receive approval for their plans for encasing a well before the well is drilled.

Most shale states have adopted these rules or some version of them, while some drillers have moved on their own to tidy up their practices:

“I was on a well recently where they won’t even let the



Anthony Freda / Dan Zollinger

drillhands chew tobacco,” one industry consultant says.

Predictably, environmental activists say the rules don’t go far enough, while industry representatives complain of government intrusion.

Perhaps the most immediate impact on fracking of the president’s reelection will be on the fate of an EPA study commissioned by the US House of Representatives in 2010. The House mandated a stringent review of the George W. Bush administration’s ruling that fracking poses no danger to drinking water. This ruling, known as the “Halliburton loophole” after the oilfield services company that vice president Dick Cheney once headed, allowed fracking to be exempted from regulation under the Clean Drinking Water Act. If the new study reverses the finding, fracking could be placed squarely under federal control.

So far, Obama has stepped timidly amidst the fracking controversy but, freed from concerns about re-election, he may use the study’s conclusions to take bolder steps to regulate fracking, even if it costs jobs and raises energy prices. On the other hand, considering his environmental backtracking record, he may declare himself a friend of fracking. (See [Trend Trackers Tip](#), *Trends Journal*, Autumn 2012)

A World Away Other nations already have taken stronger steps than the US to regulate drilling and fracking. Political pressures in left-leaning nations in Europe and Scandinavia have long made fracking taboo. But tougher oversight abroad isn’t the only reason that North America will lead the world in shale development and production, at least through 2030. There are two others.

First, the US has a decades-long head start in creating the infrastructure of knowledge and equipment needed to tap shale gas and oil. American petroleum engineers have been fracking rocks for half a century and the onshore drilling fleet has more than 50 rigs outfitted with the sophisticated gear needed to frack a well. In contrast, all of Europe has perhaps five rigs – and almost no experience with fracking itself.

Second, the shales in other parts of the world aren’t necessarily the same as American shales. When Poland and China drilled into their oil-bearing shales and tried to frack them, relatively small volumes wafted out. According to Paul Stevens, an industry analyst for the British analytical firm Chatham House, that means “the people doing the R&D have to start all over again.”

Stevens notes that European shales are generally deep-

er, less continuous, and tend to be clay-rich, making them more flexible and less brittle – in other words, poor prospects for fracking. While the US government subsidized decades of research in gas production from unconventional rocks such as shale, European governments have left that kind of research to industry. As a result, little has been done. “Who’s going to fund that R&D in a European context?” Stevens wonders. “I have doubts that we’ll see the sort of funding for R&D in Europe that may be needed.”

These and other factors will keep any significant competition for US shale producers at bay for at least the next ten years.

In Europe, a report released in April by the British Geological Survey estimates that Britain could have 200 trillion cubic feet of onshore shale reserves and more than a thousand trillion cubic feet offshore. Now consuming about 3.5 trillion cubic feet annually, these amounts would not only give the British Isles enough gas to be self-sufficient for centuries to come but also would rocket it into the world’s top four shale gas powers, alongside China, the US and Argentina. With the country now cautiously emerging from a fracking ban, exploration will proceed at a modest pace.

France had been planning a cautious test of fracking in its modest shale beds – until François Hollande was elected president in May 2012, in part on a campaign pledge to ban fracking entirely.

A November 2012 government-commissioned study that looked for ways to boost France’s wobbly economy pointed to shale exploitation as a possibility to cut the country’s double-digit unemployment rate and now-record trade imbalance. But before the report was even published, Hollande restated his implacable opposition to fracking anywhere in France, citing “the heavy risk to health and the environment,” and adding, “This will be my policy throughout my term of office,” which ends in 2017.

Poland, which relies on coal for 90 percent of its domestically produced fuel, has been estimated to have the third-largest shale reserves in Europe. To stake its claim as the leader in European shale production – and to develop technical expertise it can market to its neighbors – the country has granted more than 110 exploration licenses to Chevron, ExxonMobil, and other firms. But early tests of its shales have been disappointing, yielding smaller volumes of gas than expected. As a result, ExxonMobil has abandoned the country – in part, some suspect, because the company has just signed a major deal with Russia, which sees Poland as a potential threat

“Leaders of environmental groups in Poland report being visited by secret police and threatened by Mikołaj Budzanowski, Poland’s treasury minister.”

to its dominance of Europe’s gas market.

And now Poland faces another challenge: a populace growing vocally unhappy about fracking. Activists are publicly protesting and groups are disrupting meetings of energy companies.

In November 2011, a flash mob unveiled a banner reading “Frack You” at a meeting of Halliburton, Talisman Energy, Dow, and the Polish government’s energy agency.

Leaders of environmental groups in Poland report being visited by secret police and threatened by Mikołaj Budzanowski, Poland’s treasury minister. In a press interview in October 2012, Budzanowski said, “This kind of organization should accept that there are limits to its activities. In my opinion they have passed their limit. If I were [among the protesters], I would reconsider doing any further work against” shale development in Poland.

“My suspicion is that national oil companies, not the international majors, will ultimately develop Polish and other shales because these projects won’t be commercially viable for publicly traded companies,” says Susan Sakmar, an international oil analyst and the author of *Energy for the 21st Century*, to be published in 2013. “Costs outside of the US are much higher and the financial frameworks, environmental issues, and volumes of production may not be attractive to the majors.”

But now Europe has an ace up its sleeve, or more accurately, in Algeria. The North African nation is estimated to lie atop 231 trillion cubic feet of recoverable shale gas, enough to supply the entire European Union for a decade once trans-Mediterranean pipelines are laid to augment those already sending Algerian gas to Italy and Spain. Royal Dutch Shell and others have already signed exploration deals.

China’s shale future may be Poland’s, writ large. It’s not surprising that China, one of the world’s great land masses, should have among the largest deposits of shale gas – as much as 36 trillion cubic meters, by various estimates. China has forecast production of 6.5 billion cubic meters in 2015 and at least 10 times that amount by 2020. But, as in Poland, early tests using conventional fracking techniques flowed little, if any, gas or oil and baffled engineers. “China might need to re-invent fracking for its own rocks,” one industry observer says.

Russia may be the only country with large shale gas reserves that’s not rushing to exploit them. The reason: Russia also has the world’s largest reserves of conventional natural gas – which is easier and cheaper to collect than shale gas – and an infrastructure to market

it. The problem for Russia is that no one else is waiting.

Europe gets more than 25 percent of its gas from Russia. But Russian gas prices are indexed to those of crude oil, so as oil prices rise, so does the amount of money that Europe tithes to Russia. As a result, Russia's customers are seeing gas prices poised to soar past \$13 per million Btu's while the US wellhead price has recently fallen below \$2.

Russia also hasn't been a friendly vendor, sometimes withholding gas when displeased with political decisions in particular customer countries. As a result, European gas use is plummeting as the countries once in thrall to Russia replace the costly fuel with record imports of cheap, dirty American coal. But seeing cheap gas flooding the globe from shale-producing countries, Europe is likely to be eager to trade coal for this cleaner option. In grudging response to this new reality, Russia is now drafting a plan to develop its own expertise in shale.

The shale tide has caused other export troubles for the Asian bear. Russia had been planning to supply as much as 10 percent of North America's need for imported gas within a few years. Now that potential importer is ready to become a formidable exporter. China also recently halted a pending gas deal with Russia, ostensibly over price. But China, speeding to develop its own vast shale reserves, is rethinking the need to commit itself to Russian gas at all. This loss of future trade is an early warning signal: a third of the Russian government's income stems from oil and gas production and now a 2012 Baker Institute study warns that shale gas production around the globe could halve Russia's current gas sales in coming years.

Trendpost

Shale gas development will revive sectors of the US manufacturing economy over the next 20 years, creating more than a million direct and indirect jobs. Through 2020, wellhead gas prices will rise modestly from today's levels, as exports and new industrial users absorb more of the abundance of new domestic supplies but are likely to remain below \$5 per million cubic feet. US oil production will increase by at least a million barrels a day by 2015, but that won't be enough to make a significant impact on gasoline and heating oil prices, which will continue to rise as the world's economy heals. However, this abundance and the resulting moderating effect on fuel prices are likely to slow the wider adoption of renewable and alternative energies.

"... as fracking's impact on water supplies becomes more widely known, bottled water producers in areas that have no frackable petroleum deposits, such as northern New England, may see sales spike."

In the US, political gridlock in Congress will leave much of the needed new environmental regulation to the states, although pressure will grow for uniform federal standards. Through 2014, detailed controls are likely to remain piecemeal and will trail the need for oversight.

Regulations will be a factor boosting the cost of gas from its current lows, but producers and regulators are likely to arrive at a politically mediated compromise that doesn't stifle production or spike prices. Meanwhile, the industry will continue to refine its technologies in ways that cut air pollution, water use, and waste disposal.

As a result, the US, which has already overtaken Russia as the world's largest natural gas producer, will remain the world's premiere producer through at least 2020 as other nations struggle to build the infrastructure of pipelines, drilling rigs, technical savvy, regulation, and political acceptance. Shale-rich countries will continue to buy into US shale plays in hopes of gaining know-how as well as owning part of the proceeds.

THE BOTTOM LINE

Through at least 2016, investors still should be able to enter US shale plays profitably. Investing with drilling companies is the safest entree, as direct investments in oil leases, real estate in the path of drilling rigs, and more direct buys already have been bid up. Investors also shouldn't overlook companies and industries that will benefit indirectly from shale development. For example, as fracking's impact on water supplies becomes more widely known, bottled water producers in areas that have no frackable petroleum deposits, such as northern New England, may see sales spike.

In sum, shale gas and oil development shuffles the world's energy order. Traditional energy powers such as Saudi Arabia, Venezuela, and Russia will lose income and oil-based political clout and, over time, global fuel supplies will become more diversified. Countries able to tap shale for fuel will export less of their money and the need to send soldiers abroad to protect oil supplies will ease.

But all of that will happen in fits and starts. For at least the next 10 years, the US will be the biggest winner in the shale fuel revolution. The American economy will strengthen and diversify, the US's annual global trade deficit will moderate, its need to yoke its foreign policy to overseas energy dependence will lessen, and its military strategy can become more flexible. By then, countries adopting shale production technologies may also be able to consider adopting hard-fought US regulations governing this devil's bargain. □

SAFE FOOD

Are you gonna eat that? Unfortunately, the answer probably is “yes.”

Do you remember, some 20-plus years ago, when health food stores were few and far between? Tiny operations in the rundown sections of town, they were often run by health nuts and hippies who looked anything but healthy.

Organic food? Food was food. Thanks to agribusiness and advanced agricultural science, it was plentiful, cheap, luscious looking ... and that's all that counted.

By the mid-1990s the organic trend had moved into its early growth stage. Yet, when the first big wave of the chemical-free food movement began to hit the mainstream, it was derided as merely a fad, a self-indulgent affectation of well-heeled liberals.

That was then. Today, eating organic has moved solidly into the mainstream. More than just a healthier choice, eating organic has become a form of practical self-defense.

Attack of the Frankenfoods Where does it come from? What chemicals has it been doused with? How has it been genetically modified?

Nibble by nibble, nature's harvest is being adulterated and compromised.

Fruits and vegetables are imported from God knows where and no one knows what the hell's been done to them. Labels? Often there are none. And when there are labels, they don't reveal what the produce has been sprayed with.

Foods labeled “natural” may nevertheless have been bathed in weed killers or insecticides, or been genetically modified. Even Whole Foods Market – the chain whose slogan boasts “Nothing Artificial, Ever” – was accused in 2012 of having a range of genetically engineered foods on its shelves.

Now bioengineers are busy changing the genetic and molecular structure of food itself, and unlike much of Europe, North America is lagging in regulating this massive experiment that turns grocery customers into lab rats.



Anthony Freda / Dan Zollinger

Make it Your Way The most pervasive man-made change to farming – aside from the use of chemical fertilizers, weed-killers, and insect poisons – has been gene-tampering, more politely known as the creation of “transgenic” foods. Although genetically engineered crops are either tightly regulated or banned outright in much of Europe, the experiment is being conducted in the US by agribusiness corporations with little oversight.

Congress, fertilized by campaign money from agribusiness and biotech interests, has given regulators inadequate tools for controlling the spread of genetically altered crops. Partly as a result, the battle to limit the dominance of genetic engineering to the relatively few foods it already controls is gradually being lost in a world hungry for cheap food. In many European countries, where there is a heightened sensitivity to the quality and integrity of food, transgenic foods are prohibited and/or closely monitored and regulated.

According to the US Department of Agriculture’s Economic Research Service, 88 percent of the US corn crop, 93 percent of its soybeans, and more than 70 percent of North American cotton are made up of genetically altered strains created by agrichemical corporations such as Dow and Monsanto. As a result, these human-made genes are spread throughout the food system: corn, soy, and cottonseed oils are used in everything from soft drinks to breads.

Even health-conscious consumers who substitute soy milk for dairy and use soy oils are, more likely than not, ingesting genetically modified “health foods.” More than 90 percent of US sugar beets, as much as 15 percent of squash, and much of Hawaii’s papaya also have been genetically “enhanced.”

The odds are that some of these altered genes are awaiting you in your next meal or flowing through your body right now.

Money Madness Most of this genetic tampering wasn’t done to improve flavor or disease resistance. Instead, many crops have been engineered to survive heavy doses of glyphosate, an herbicide better known as Roundup. “Roundup-ready” plants, as they’re known, grow a cellular shield that repels glyphosate; the plants thrive while all other things growing around them wither.

But now the weeds are fighting back. Farmers find their fields increasingly infested by plants that shrug off glyphosate. According to botanist and weed expert David Mortensen at Pennsylvania State University, the number of US farm acres beset by Roundup-resistant weeds has quadrupled to more than 11 million acres since 2007. A recent US national survey by Dow AgroScience indicates that more than 50 million acres may already be infested

with one or more of these weeds.

In desperation, farmers are spraying more herbicide than ever to tamp down the rebellion. A study co-authored by Charles Benbrook, a research professor at Washington State University, shows that the planting of genetically engineered crops has increased herbicide use in the US by more than 90 million pounds in 2011. Reportedly, more than 500,000 acres of cotton fields in the state of Georgia can now require hand-weeding by crews with machetes because a half-dozen weeds in the state now resist every herbicide that farmers can legally use to control them. Globally, 21 varieties of glyphosate-resistant weeds have emerged; 14 of them are proliferating in the US.

As a result, farmers are in need of even more potent herbicides – and biotech companies are eager to oblige.

The Good Old Days The next generation of herbicide-resistant crops will be “2,4-D-ready.” If 2,4-D sounds familiar, that may be because it’s one of the two chemicals that make up Agent Orange, the toxic cocktail used to denude Vietnamese jungles during the ill-fated US war there and now blamed for countless cases of cancer and other diseases among American veterans of that conflict. (Recent studies have shown that 2,4-D can travel on the wind more than 50 miles from where it was sprayed.) And when weeds inevitably emerge that resist both glyphosate and 2,4-D, the seed companies will doubtless find an answer.

Their response is likely to resemble “SmartStax,” a family of corn, cotton and soy seeds devised by Monsanto and Dow that’s already in the ground. SmartStax crops not only resist a spectrum of herbicides, but also produce – in their own tissues – two versions of the pesticide known as BT. Already, Monsanto has acknowledged that SmartStax cotton in India has given rise to a resistant strain of bollworm and that Illinois SmartStax corn growers are battling resistant rootworms.

The biotech industry says that glyphosate passes harmlessly through the human body and that these unnatural plants pose no immediate threats to human health. However, European studies suggest that prolonged exposure may be linked to endocrine disruption, fetal deformities, and multiple myeloma. A recent Swedish investigation found that prolonged exposure to glyphosate doubled people’s risk of developing non-Hodgkins lymphoma.

Few independent studies – and fewer still that are critical – are published in the US. Under the regulations of the US Food and Drug Administration, genetic engineering is treated in the same way as conventional selective breeding. No safety tests are required; instead, companies can voluntarily consult with the FDA about

the crops' safety even though the agency has no power to rule. (This policy was announced by then-US vice president Dan Quayle in 1992 as part of a government deregulation initiative.) The FDA has said that it would like to regulate engineered crops in the same way it regulates new drugs – requiring safety tests as Europe now does – but has no power to do so.

Nevertheless, red flags are flapping. European researchers testing BT on human kidney cells found that long-term exposure to BT weakened cell membranes and, over time, compromised cells' metabolic processes.

The seed-tech industry dismisses such claims, noting that BT is a natural bacterial protein that people have been exposed to for years with no resulting damage. However, some research indicates that the plant-generated versions of pesticides differ chemically from those occurring in nature. A study published by the European Institute for Independent Impact Assessment in Biotechnology concludes that “It is not possible to assess risks to human health due to possible synergies” of BT and other chemicals in the same plant. “There have been no studies on potential health impacts due to combinations of the toxins or synergies with external factors. Not even the toxicity of single components ... has been sufficiently determined ... the mode of action of BT toxins is not fully understood and is controversial ... Thus, risks for human health caused by the BT toxins in SmartStax cannot be excluded.”

FRANKENFISH

That's not reassuring, especially at a time when genetically engineered meats are on the way to a supermarket near you. One type that has particularly alarmed food activists is AquaAdvantage, the so-called “supersalmon” invented by AquaBounty, a private company in Massachusetts. This Frankenfish has been engineered to grow up to five times faster than nature's own salmon and reach at least twice the size. The benefits are clear: the fish could feed more people faster while using fewer resources – and making more money for the company.

Up until now, the US Food and Drug Administration has never approved genetically altered meat or fish and has been dithering about what to do. One sensitive issue was that, by law, genetic alterations had to be regulated as a new drug and the agency was feeling its way to applying those regulations in this unfamiliar context.

But it now appears the FDA has resolved its own misgivings. Once again, as they so often do, the government put through a controversial policy directive that

***“No matter what precautions
you take, fish escape and once they do,
there is no closing that door ...”***

would have broad implications at a time that would attract the least public attention. On December 21st 2012, the Saturday before Christmas, it was announced:

FDA: Genetically engineered fish would not harm nature

The agency clears the way for the approval
of genetically engineered salmon as food

WASHINGTON (AP) – Federal health regulators say a genetically engineered salmon that grows twice as fast as normal is unlikely to harm the environment, clearing the way for the first approval of a genetically engineered animal for human consumption.

The Food and Drug Administration on Friday released its environmental assessment of the AquaAdvantage salmon, a faster-growing fish which has been subject to a contentious, years-long debate at the agency. The document concludes that the fish “will not have any significant impacts on the quality of the human environment of the United States.” Regulators also said that the fish is unlikely to harm populations of natural salmon, a key concern for environmental activists.

If FDA regulators clear the salmon, as expected, it would be the first scientifically altered animal approved for food anywhere in the world.

Critics call the modified salmon a “frankenfish.” They worry that it could cause human allergies and the eventual decimation of the natural salmon population if it escapes and breeds in the wild. (AP, 21 December 2012)

Beyond the disquieting fact that AquaAdvantage is a life form that is also a brand name, there are additional concerns. Although AquaBounty says that its fish will all be females, it admits that the odd male may slip through from time to time. Although the company says that its robofish will be raised only in land-locked farms, it has proposed a growing facility that would flush water into the Atlantic Ocean – raising the prospect that a fertile fish could enter natural fisheries and crossbreed with wild salmon, dooming the natural strain over time. “No matter what precautions you take, fish escape and once they do, there is no closing that door,” worries one supervisor with the US Fish and Wildlife Service. “It is very bad precedent to set.”

In addition, farmed salmon already are given more antibiotics by weight than any other factory-farmed crit-

ters; and some research indicates that transgenic fish might be more susceptible to illness than natural strains, which could call for even more antibiotics in their food stream – and, therefore, finding their way into human bloodstreams.

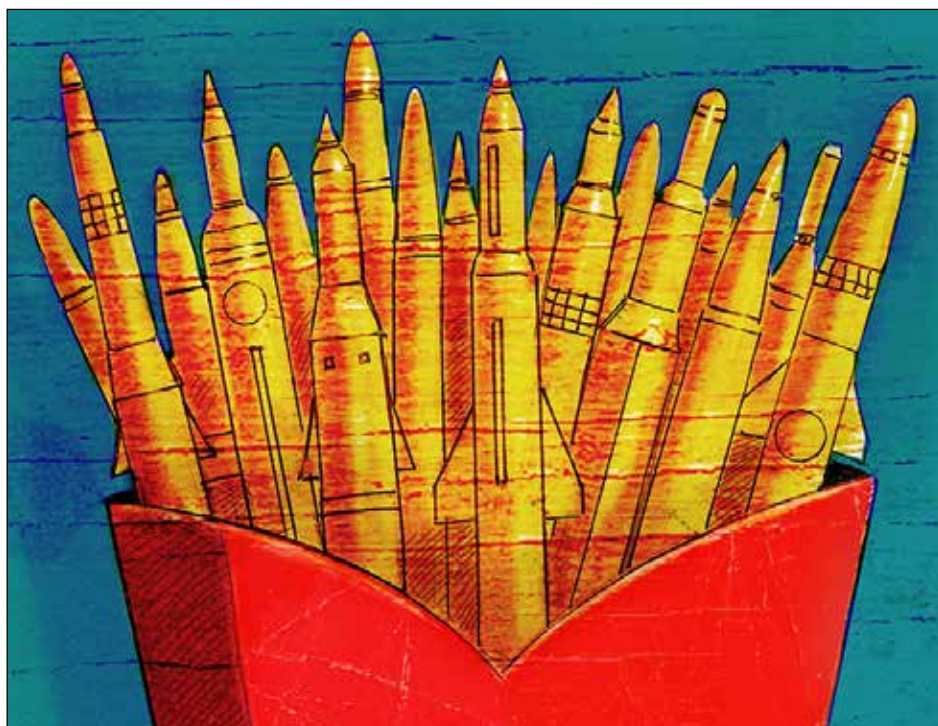
The FDA's approval would pop a cork: a queue of engineered meat is lined up behind the supersalmon. Scientists have grown so-called “enviropigs” that digest phosphorus from plants more efficiently, cutting feed costs and environmental pollution from pig poop. Another venture is breeding goats that make a protein in their milk that combats diarrhea in children. Virus-resistant chickens, beef with healthier fats, and dairy cows resistant to mastitis and requiring fewer antibiotics are all awaiting the decision.

Given the FDA's track record of approving the use of pesticides and chemicals on plants and foods and permitting GMOs – a natural outgrowth of its revolving-door policy in which industry executives are drafted into government positions and government regulators are drafted into high-paying industry jobs – industry profits appear to be put above concerns for the public's health.

We Have a Small Problem While the struggle over genetically altered food goes on, a new battle is brewing. This one confronts the odd combination of food and nanotechnology.

Nanotech is the field of engineering that manipulates materials at the molecular level. In some cases, engineers have created machines the size of molecules – wheels, levers, and gears that can enter your body, travel your arteries, and deliver a drug or stab a tumor.

But biotech companies are prepared to loose much simpler nanomaterials into the food chain. Nanoparticles of silver are being targeted for food packaging because silver kills bacteria and lengthens a food's shelf life. Nano-zinc oxide could be used in packages as an anti-microbial. Nano-silica is being used in some powdered soups in Europe to reduce clumping and nano-titanium dioxide in containers is already being used in packaging to prevent damage to food from ultraviolet rays. Larger particles of titanium dioxide are used to whiten some foods such as candies and powdered sugar and is considered safe by current standards; however, a US study in 2012 found that most of these particles already are small enough to be



Anthony Freda / Dan Zollinger

absorbed by the human gut, leading US regulators to call for studies. Nanostructured foods – said to have better flavor and more consistent texture – are in the works, along with nutritional supplements that are closely ordered at the nano-level to improve absorption.

The European Union has held firm against nanomaterials and only a few have infiltrated the food system there. In the US, though, foodmakers have a free hand. Under current US regulations, food firms have the power to decide that a material recognized as safe for use in or around food in its macro-form must also be safe at the nanoscale.

But materials at the nano-level have been found to be more reactive with other substances than they are in macro forms; there's also no guarantee that the particles can't migrate from food packaging to the food itself. Chinese scientists have gathered evidence that microscopic bits of silver, if leached from food packaging, have the ability to interfere with DNA's replication and to reroute molecular pathways that could lead to genetic mutations.

The FDA has issued guidelines on the food-related use of nanomaterials that foodmakers are free to follow or ignore. Meanwhile, although the US EPA has called for systematic safety testing of nanomaterials, actual testing has yet to begin and, as these materials slip into the food stream, real regulatory controls are years away.

Tell No One It's not surprising that people are surprised to learn the extent to which their foods are being altered and adulterated. The US biotech food industry has successfully fought almost every move to label foods as

having been, or not having been, the subject of bioengineering. More than 60 countries from Australia to Russia, Mexico to China, either require transgenic foods to be labeled or have banned them outright. But in the US and Canada, genetically or chemically altered foods can be sold with no warnings on packages to let consumers know what's inside.

In November 2012, California voters defeated Proposition 37. The measure, formally known as the "California Right-to-Know Genetically Engineered Food Act," would have required any food knowingly made with genetically altered elements to be labeled as such. It also would have prohibited any such foods from being advertised as "natural."

Monsanto, Hershey, and other food giants dumped \$44 million into a campaign to defeat the measure, claiming it would raise grocery prices and harm small, independent food stores. Proponents could muster only \$7 million. The proposition was defeated by a 51 percent to 49 percent margin.

MONEY TALKS

The industry is used to these fights. For years, many dairies injected livestock with growth hormones to increase production. The food industry spent millions in legal fees to successfully keep state laws in place forbidding dairies not using the additive to advertise that fact. Finally, in 2010, an Ohio appeals court lifted the label-muzzling law and the use of growth hormone dwindled.

From that victory, and from Proposition 37's near passage, supporters of labeling have taken heart. They see renewed efforts and new opportunities to push labeling laws at the state level, especially with more than 70 percent of North Americans telling pollsters they want food labels to tell them which foods are transgenic. Look for state-level laws permitting or requiring labeling to proliferate in the years ahead.

Eating Safe The regulatory issues, as well as the recalibration of social norms and expectations, will take years to play out. Meanwhile, if you don't want to eat frankenfish,



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soy that's also a pesticide factory, or corn dusted with an iconic poison, there are three key steps to eating safe, clean food:

Eat Organic Governments set standards for foods that are labeled "organic." In the US, any meat, dairy product, or produce labeled as organic must:

- be produced without poisons, pollution, or human tampering. The criteria for earning the "organic" label excludes such techniques as genetic engineering, dusting with factory-made poisons, or fertilizing with sewage sludge.

- not be produced using substances banned by the USDA's National List of Allowed and Prohibited Substances for organic foods.

As a rule, the list bans "synthetic substances unless specifically allowed and non-synthetic substances unless specifically prohibited." For example, a livestock vaccine is an allowed synthetic substance in raising organic meat and arsenic is a prohibited natural substance.

- be certified as organic by a trained, USDA-authorized agent as following all relevant regulations and guidelines.

Prepared foods made with a variety of ingredients can be labeled as organic if:

- at least 70 percent of the product is made with certified organic ingredients (other than salt and water).
- the remaining 30 percent of ingredients don't use growing methods or substances excluded by the National List.
- product labels state the name of the certifying agent on the information panel.

In contrast, calling a food "natural" has become meaningless. It's a way for a food producer to try to cash in on current cachet without having to make a genuine effort to improve food safety or quality. Technically, anything can be called "natural" if it wasn't made in a factory. However, it can contain engineered genes, ingredients sprayed with chemicals in the field, and other things that are far less wholesome than the word implies.

Think Hydroponics Food grown hydroponically is typically grown indoors, with seeds embedded in an inert medium such as ceramic beads and flushed with liquid nutrients. The lack of soil means no weeds and, therefore, no herbicides. Also, insect pests can be far more easily controlled by the introduction of predator bugs and benign sprays, some as simple as soap or garlic dissolved in water. Because they often are grown using chemical fertilizers, some hydroponic crops can't be designated as organic. But, even so, these foods are less likely to carry harmful substances than those grown outdoors.

Eat Local Food produced close to where you live is likely to be fresher and, therefore, more flavorful and nutritious. You're also more likely to be able to track the food's origins so you can know where and how it was grown. There are three common venues for local foods, all of which are growing in popularity at dramatic rates.

- Farmers markets have doubled in number in the US since 2002 and numbered more than 6,100 in 2010. When buying direct from a farmer, a consumer can quiz the grower about chemical use and other concerns. In return, farmers learn what consumers care about and can tailor their crops and growing practices accordingly.

- CSAs are farms that have adopted "community supported agriculture," which began in Chile, Japan, and parts of Europe before spreading to the US in the 1980s, where they now number more than 5,000. A CSA enrolls consumers as members who commit to pay an annual fee and, in return, receive an allotment of the farm's produce throughout the growing season. Farmers can project their income, grow what their member consumers want, and consumers know where their food is coming from and how it was grown.

- Food co-ops typically emphasize organic foods and produce that was grown near the co-op store or at least in the same region. Because a co-op is a business owned, at least in part, by its customers, co-op store managers are responsive to the needs and desires of member-owners.

Co-ops often feature information about local farms that supply them and are committed to sourcing food of high quality and minimal human interference. According to the Minnesota-based Food Co-op Initiative, more than 300 new food co-ops are being organized in the US to join the more than 5,000 already here.

Trendpost

The growing awareness of possible dangers associated with GMOs, chemically grown and pesticide-treated foods – combined with increasing populations and changing weather patterns – will most likely curtail supplies and increase demand for "safe food."

In 2012, farmland prices shot up 15 to 25 percent across the Great Plains and other agricultural regions in the United States. Should global warming patterns associated with climate change prove to be a trend rather than a meteorological anomaly, in all likelihood new farm belts will spring up in formerly hostile and non-arable environments. The trend-savvy with the expertise and/or the will to work the land or invest in it will want to carefully monitor relevant climatologic developments.

The worst drought conditions in 80 years that prevailed throughout the US this past summer continue. Among the many consequences: Water levels have fallen in the Mississippi river, the nation's busiest waterway, to such an extent that barge traffic has been severely curtailed and navigation is perilous.

If such weather patterns are actually a harbinger, and a new Dust Bowl is in the offing, arable land and food prices will skyrocket, creating new opportunities for a generation of pioneers to settle and develop new frontiers.

Resources

Food and Water Watch

1616 P St. NW #300
Washington DC 20036
202-683-2500

www.foodandwaterwatch.org

One of the most active watchdog groups publicizing issues and actions around safe food.

Organic Consumers Association

771 So. Silver Hill Dr.
Finland MN 55603
218-226-4164

www.organicconsumers.org

A small but well-informed organization alerting consumers to dangers to the food system.

Local Harvest

www.localharvest.org

More than half of all CSA farms in the US belong to this organization, which has a farm locator on its website.

Coop Directory Service

1254 Etna Street, St. Paul, MN 55106
651-774-9189

www.coopdirectory.org

Locate a food co-op near you.

The Food Co-op Initiative

www.foodcoopinitiative.coop

The source for details and guidance in organizing a food co-op.

NEW MILLENNIUM EDUCATION

If America's Founding Fathers were to return for a visit, despite the centuries that have passed, there is one thing they all would recognize.

George Washington wouldn't recognize today's weapons of war or the airborne "wagons" that move troops.

Ben Franklin wouldn't recognize the modest box on your desktop as a printing press. Our tweets and e-mail blasts wouldn't seem familiar to Thomas Jefferson as the usual means of communication.

And while they wouldn't recognize the little red schoolhouse in the factory-size edifices schools have grown to be, all of them would recognize today's classrooms – because these chambers still so closely resemble ye olde schoolrooms, where the teachers wore buckle shoes and powdered wigs.

Obviously, there are differences. Today, classrooms have phones on the wall, whiteboards instead of chalkboards, and students use those strange boxes with alphabet keyboards instead of slates. But outdated textbooks are still on the shelves; teachers talk and students listen; bells ring and the school calendar is still organized around the growing season.

Of course, schools are trying to bend themselves into a shape that captures the digital revolution. Education budgets are laden with technology spending, even though many teachers don't quite know yet how to effectively use the gear they're being handed. These efforts take some steps forward but still don't come to grips with the larger issue point: The digital revolution will reshape our bricks-and-mortar education system just as thoroughly and dramatically as it has reinvented our bricks-and-mortar retail economy.

The reason is that economic forces are transforming education from a time-based process to a performance-based process.

For most of the 20th century, education revolved around teachers lecturing about a subject for a given amount of time. After X-hours of listening to lessons and cranking out "plug-and-chug" drills, students were officially deemed educated and trundled out of the schoolhouse door like a crate of widgets being sent to the loading dock. When the economy ran on factory labor and middle management, in a world where the US was the only economic superpower, it was good enough.



Anthony Freda / Dan Zollinger

Now, it's becoming clear that an education system is relevant only if it produces students who've mastered intellectual and social skills. Creativity, analytical thinking, intellectual flexibility, clear communication, and the ability to work independently as well as smoothly in teams are what the new century demands. The concepts of "seat time," credit-hours, and gentleman's Cs are shrinking in history's rear-view mirror.

Lectures and drills are being replaced by student projects and portfolios. Even education's bricks and mortar centers may go the way of Montgomery Ward and K-Mart, with an online presence taking precedence. The home-schooling movement is growing by as much as 12 percent annually in the US and is also on the rise in countries from Mexico to South Africa. Though home-schooled kids often take part in school-based activities such as music programs and sports, alternatives at YMCAs, community music centers and little-league groups are making conventional schools even less relevant.

In the case of high school students still being educated inside school walls, educators are seeking to hold onto teens bored by, or alienated from, the classroom by putting courses on-line, doing away with conventional schedules and, in a growing number of cases, with attendance requirements. As attention spans and school budgets continue to shrink, this trend will grow.

As evidenced by the dramatic decline in book sales and newspaper circulation, reading the printed word on the printed page is fast becoming a quaint pastime for old folks. Ask anyone under 20 and they'll tell you that no one reads things printed on paper – like textbooks – any more. Children as young as three are being introduced to

electronic slates and tablets, some before they've held a pencil or been taught what a blank sheet of paper is for.

Classrooms are replacing textbooks, chalkboards, and whiteboards with "smartboards" – a combination of an interactive computer screen; a whiteboard that can be written on and erased; and a magnetic slate. Teachers and students can manipulate shapes and numbers that stick to the board, write on it, and call up information and videos from the Internet all in the same lesson. This facile tool accommodates children with various learning styles – abstract, visual, kinetic – and can even crack the shell that envelopes children with autism and help teach them to communicate with others.

A number of new ventures are reinventing instruction for an on-line age. At the free Khan Academy website, for example, students watch short videos that explain everything from arithmetic and physics to the Greek debt crisis and the American Revolution.

Teachers then help students master the video's content. This approach reverses the conventional teaching model: in the past, the teacher gave information, then sent students off with loads of homework to struggle alone to understand the material.

Today, many schools are testing the idea that students can watch these videos at home to get the basic concepts, then come to school where teachers coach them, individually or in small groups, as they work on problems and projects that apply the videos' concepts to real-life applications.

Wired Brains The Khan approach highlights an intense debate now under way as public education labors to redefine itself: what is the role of a 21st century teacher? No longer the "sage on the stage" repeating the same lectures year after year, teachers are evolving into coaches – trained to recognize different learning styles among students and prepared to give each student just the right suite of tailored tools, support, and guidance to enable them to succeed.

But in the electronic age, when the world's knowledge and videos of the best teachers at work are only a few mouse-clicks away, is the teacher more important than ever or a figure fading into history, like file clerks and wheelwrights?

This revolution is beginning to reconfigure not only our schools, but also our very ideas about what education looks like and can be.

Trends are born, they grow, mature, reach old age and

die. The New Millennium Education trend is in its infancy and its future will be linked to the infants of today.

Never has there been a generation born into an age of such advanced technology. Not only are today's toddlers gaining access to devices that were designed for adults, they are mastering them effortlessly – as though these advanced skills were included in their genetic make-up:

Toymakers tremble as tots turn to tablets

Step aside Barbie. The hottest gift for children this holiday season is not going to be a doll or a toy truck. It's a tablet.

Whether a new Kindle Fire, or a hand-me-down iPad, analysts predict 2012 will be the year children as young as three-years-old will unwrap tablets at trendsetting rates. And that has the traditional toy companies scrambling to stay relevant.

"The top two guys, Mattel and Hasbro, they are terrified," said Sean McGowan, managing director of equity research at Needham & Company, an investment banking firm. "They should be terrified, but the official party line is they're not terrified."

Toy companies have seen the trend coming, but have struggled to adapt to the new environment quickly.

The main danger for toy and board game makers is not just that their physical products are being displaced, but the amount of time children are spending with technology devices has skyrocketed.

"Everyone I know who has a kid under 10 has a tablet in the house. And that tablet is the babysitter," said Dylan Collins, an investor in Fight My Monster, an online gaming company.

Up against tech companies that make such engaging entertainment, the toymakers cannot compete, Mr. McGowan said. (*FT*, 23 December 2012)

Just as toy companies need to adapt to stay relevant, so do educational institutions. What is not yet fully recognized or understood is that the brains of this newest and unique generation are "wired" differently. And the education that is appropriate to them will have to be invented as the children grow up and mature.

New professions will be created to implement the new forms of education that develop and entrepreneurs will find new opportunities in the field. Watch for our special report on New Millennium Education in the spring issue of *The Trends Journal*. □



PARTY TIME

They're fired up, red hot, and rarin' to go. Down on their luck, and with things only getting worse, Americans are looking for the great escape. It's *Party Time*, and the young and the restless are getting ready to *Boogie Before the Lights Go Out*.

Happy Days are (almost) Here Again." In 2013, it feels like the 1930s all over again, and the timeline's actually playing out much as it did before. Back then, the Crash of '29, was followed by the

1930s Great Depression, followed by currency wars, then trade wars, and then World War II.

Now, the Panic of '08 has struck, countries around the world are mired in a Great Depression, currency wars are being waged, trade wars are heating up and world war is on the horizon.

Back then, no matter what their leaders said or promised, the public felt in their bones that the economy would not soon improve and that a war was on the horizon. In the mood for uplift, they turned to Swing, and danced



their troubles away.

Now, no matter what their leaders say or promise, the public feels in their bones that the economy is not getting better. They hear the war drums beating in the distance and feel the heat. It won't be long before a new musical beat puts people in a party mood and their happy feet start dancing.

But how long will it be before that happens?

Where's the Boogie? What's keeping American spirits so low and American toes from tapping? It's been five years since the Panic of '08 struck. What will it take to get them in the mood?

In the days of the first Great Depression, although the Big Band sound had been around, it wasn't until six years after the Crash of '29 that the dance craze known as Swing broke through the mainstream sound barrier and reverberated around the world. If history is to repeat itself, a new sound, style and beat should already be playing, ready to become the hot new craze.

It's now five years since the Panic of '08, and there is no new beat within earshot. Why not?

Despite the many similarities between the Great Depression and the Great Recession/Depression, there are also glaring differences. Throughout the Depression despair of the 1930s, there were comforting rays of hope. As bad as it was and as bad as it would get, there was even a feeling of gratitude. The down and out weren't alone. An alphabet soup of New Deal programs was passed to create jobs, build the infrastructure, and provide parks and recreational facilities to help lift the nation's spirits. Uncle Sam was on the side of the Average Joe and Jane.

Back then, bankers were "banksters" and the government held them responsible for their role in bringing on the Depression. Laws were passed to rein them in and prevent them from preying on the public in the future.

Today, the banksters are again held responsible for bringing on the Great Recession/Depression. But this time, Washington, having gutted the laws, was a partner in crime. Rather than punish them, Uncle Sam used his might and resources to bail out banks, financial institutions and industries.

Agree or disagree with the Depression Era New Deal policies that supported unions, established Social Security and passed laws regulating markets and industry, what should be clear is that the primary difference between then and now is that now only the Bigs count.

Regarded as "too small to save," but big enough to steal from, the public's tax dollars – dollars that could have been used for New-Deal type job-creating, life-enhancing programs – were instead funneled this time to the "too big to fail," while tax laws and loopholes were kept in place to further enrich the filthy rich.

Boogie Before the Lights Go Out Reinforcing the differences between then and now is Barack Obama's dismal failure to deliver on the "Hope" and "Change You Can Believe In" 2008 campaign slogan that helped catapult the former community organizer and rookie Senator from Illinois to the Presidency.

Five years and a trail of broken promises later, both the exhilaration of his victory and the belief that he was a man of his word are long forgotten. Not since FDR had a president possessed the tremendous level of public backing that would allow him to initiate bold new policies to steer the nation in a new direction. Canonized, lionized by his supporters and embraced by the media, the future was there for the taking.

THE HYPE OF HOPE

Obama promised to sweep Washington clean of insiders, bring the banksters to justice, rebuild America's infrastructure, renegotiate NAFTA – and while he was at it, also "heal this nation, and repair this world" – and the nation and the world cheered him into office.

Five years later, "hope" has faded and there has been little change to speak of.

Following his 2012 victory over Mitt Romney, there was no great media fanfare and few expectations. Reality has set in. There's no New Deal. The deal is: the government has the money but lacks the will, and either doesn't care or have the skills to advance any interests but their self-interest and special interests.

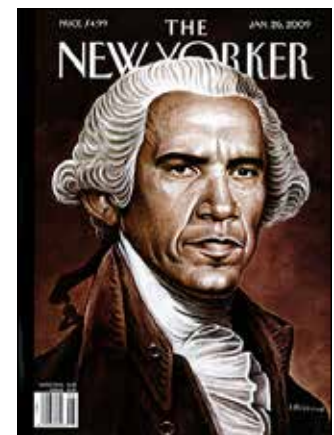
Yes, there are stopgaps and safety nets (food stamps, welfare, unemployment insurance, etc.) that provide some of the needy with subsistence-level life support. However, these programs have nothing of the New Deal's "let's-get America moving again" spirit, and can be emotionally deadening and degrading. Nothing is being created, produced or accomplished.

Trend Forecast

The general public still deludes itself into believing that Uncle Sam is there to help. But the awake and aware know full well that if they don't make "it" happen themselves, it's not going to happen.

For them, there is an upside to the downside. Washington's unwillingness to put the people's money to work to help the people will serve as a goad. It will force the tenacious and the undaunted to fall back on inner resources and creativity they never even knew they had.

Finding what they want to do and doing it will fill their lives with meaning. And when that begins to happen it will bring on an experiential high and a hunger for the kinds of art, music and entertainment that will enhance it.



A new sound and style will reawaken America's long-dormant "can-do" spirit. What will it be, and what will it look like? Although it's about a year or so away before it hits the streets, fills the airwaves, and makes it into the mainstream media, for those with an ear to the ground there's already a new sound beating beneath the surface.

Although "it won't mean a thing if it ain't got that swing," it will swing, but it won't swing the same.

And along with the new swing, a new sense of fashion will bloom, one that captures the melody and beats to the rhythm.

Trendpost

All aboard for the next trend to Profit City! As the new trend takes root and begins to flourish we will be tracking its path long before it shows up on the runways, the airwaves and the mainstream radar.

There will be unprecedented new opportunities for "on-trend" entrepreneurs across a gamut of business, entertainment and even educational sectors. Musicians, their livelihoods ravaged by the music-for-free digital revolution, will once again find gainful employment playing live in the clubs, dance halls and ballrooms that spring up to capitalize on the new trend.

On the fashion front a "dress-up-hot" craze initiated by women

will infiltrate the male psyche and the male ego, bringing about a boom in men's retail sales and clothing manufacturing.

Home grown and "Made in America," the new individualistic, boutique-friendly, Walmart-resistant styles will put "hip" back in hipster, replacing the scruff-cool uniform of staid plaid shirts, routine jeans, watch caps and baseball caps, inspiring a male fashion trend with a creative sense of slick and style not seen in recent history.

The outer reflects the inner and the inner reflects the outer. The external is a signature of what lies within. Just as there is a whole sociological science devoted to how body language (non-verbal communication) reveals much about the inner person, what the body is dressed in reinforces that silent language and wordlessly speaks volumes.

One More Time Will the new upbeat music, entertainment and style trends once again serve as a catalyst to lift sagging spirits and re-energize a downbeat America? It did in the 1930s. We believe it will again, and it had better, because the choices facing the populace are stark.

The people have a choice: to continue to kowtow, bend over, fold up, give up, tune out, whine and blame the government or, as that 1930s song has it, "pick yourself up, dust yourself off and start all over again." □

The Trends Journal

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