

THE TRENDS JOURNAL®



THE TRENDS RESEARCH INSTITUTE • FORECASTING WORLDWIDE SINCE 1980

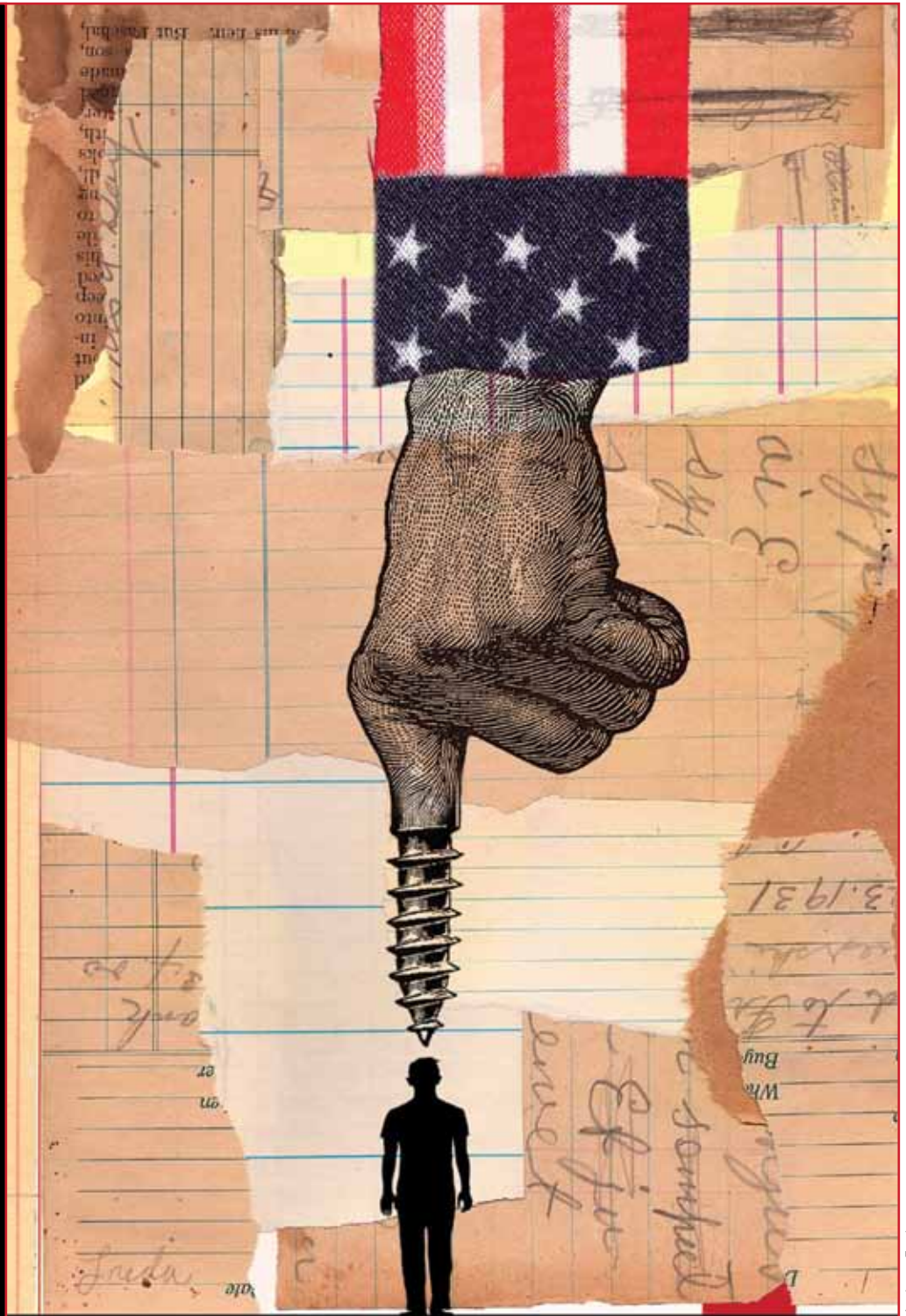
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SCREW PEOPLE

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Anthony Freida

THE VOICE OF THE MILLENNIUM®



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20th Anniversary Special

To commemorate this, our 20th year of publication, we're pleased to present this Special Edition of the *Trends Journal*, by far the longest and most comprehensive ever. What began in 1991 as an eight-page newsletter has evolved into a 44-page, full-color magazine.

We are continually upgrading, adding illustrations and photos whenever we find examples that truly are worth a thousand words. While we are proud of the new look and feel of the Journal, we are regretfully losing one of our longest-running and most cherished contributors: Michael Maslin.

His witty, often subtle, and always profound illustrations added both depth and humor to our pages for over 15 years. A long-time friend whose work often appears in *The New Yorker* and many other prestigious magazines, Michael has been generous with his time and talent. He will now be devoting his creative talents to illustrating his own concepts, rather than creating illustrations to fit our trend script ... and we will sorely miss him.

With the *Trends Journal* in evolutionary ferment and growing; with subscriptions flowing in and my radio/TV appearances increasingly sought after, just as we were pondering how to replace Michael Maslin, we were contacted by Anthony Freda. The graphic punch of his illustrations, as you can see by the cover page and will see throughout the *Journal*, capture the essence of our forecasts. We are delighted to have him as a member of our team.

The *Trends Journal* will also continue to feature work by Eugene Gregan, a personal friend and much-exhibited fine artist whose many striking and elegant paintings grace the walls of The Trends Research Institute.

On the editorial front, implementing our staff of trend-savvy regular editors and contributors, Dr. Paul Craig Roberts (former Assistant Secretary of the Treasury, economist and award-winning author) will continue to provide special reports and *Trend Alerts*® on subjects that he may be uniquely qualified to address.

And we're also pleased to welcome to our pages Ben Daviss, who penned the "Alternative Energy" and "Fortune in Food" stories in this edition. A prolific science and technology journalist (*Discover*, *Smithsonian*, and magazines and scientific journals worldwide), Mr. Daviss will keep subscribers on the cutting edge of breakthrough developments that will lead to investment opportunities.

In keeping with our ever-expanding coverage, beginning in February we will air *Trends in The News*® and "Carlin's Corner" video features twice weekly in the "Subscriber Area" of our website.

While we continually expand and change, what has not changed since 1991 is our subscription price! In a threatened and declining publishing market, the *Trends Journal* and The Trends Research Institute have thrived. We believe this can be attributed to the accuracy of our track record, our independence, and our ability to provide insights, strategies and guidelines for navigating these troubled times.

The path politicians and the special interests they represent are taking, lead to ruin. People often ask me what they can do to reverse the course? The choice is stark – **Renaissance or Ruin**. Do your part: Stand up, Speak out, **Spread the word!**

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History of The Future

Top 11 Trends 2011

WAKE-UP CALL

Empire America is on its deathbed. But in 2011, the politicians and the boosters are still chanting “We’re #1,” even though the statistics tell a different tale.

There was not a single recognized measure to support that hollow chant. Be it healthcare, education, longevity or working longer and vacationing less — the world’s former quality-of-life leader no longer wins, places or shows. In a blink of the calendrical eye, the United State of America had gone from first world to borderline third world.

Third world? Are we being overdramatic?

Remember Motown? Not just the driving music that swept the nation and the world, but the vibrant energy of the Motor City itself, symbolizing the heyday of America. Today, a derelict Detroit is testament to what America has squandered and what it has become. ([Click here to see “Detroit in ruins”](#))

From Sunbelt to Rustbelt, North to South, East to West, once-thriving cities have become little more than drug-infested slums. Nor is the decline confined to the bottom of the socioeconomic strata. According to a US Census Data analysis, in 2010 nearly one in three working families struggled to meet basic needs.

The “Decline of America” trend is nowhere near bottom, and there is worse to come.

\$2 Trillion Debt Crisis Threatens to Bring Down US Cities

Overdrawn American cities could face financial collapse in 2011, defaulting on hundreds of billions of dollars of borrowings and derailing the US economic recovery. (*UK Guardian*, 20 December 2010)

This looming crisis received relatively little press back in the States. Out of sight and out of mind, Americans behaved as though it was Christmas shopping as usual. Neither a municipal credit crunch nor cities turning into slums could stop those still “credit-worthy” Americans from spending beyond their means. Paradoxically, holiday retail sales were the best in five years even though wages slumped, unemployment rose and median household income kept falling ... along with consumer confidence.

U.S. Economy: Consumer Confidence Falls on Concern Over Jobs

Confidence among U.S. consumers unexpectedly fell in December, restrained by concern that jobs will remain scarce in 2011.

The Conference Board’s confidence index unexpectedly fell to 52.5, lower than the most pessimistic forecast of economists surveyed by Bloomberg News. (*Bloomberg*, 28 December 2010)

And what was it that the American consumer was putting under the Christmas tree and stuffing into stockings? No kiddies, it wasn’t presents made by cute elves in Santa’s North Pole workshop. The gifts of Christmas 2010 were most likely “made in China” by “slave” laborers earning, on average, about \$50 a week.

SOLD OUT

Beginning in the late 1980s, Americans had been sold, scared and harangued into globalization. Business leaders, economists and Presidents assured them that the standard of living would go up as a result of what they called “free trade.” The logic they used was simple: Americans could spend less and buy more because goods were produced by cheap labor abroad. And because the labor was so cheap, even accounting for transoceanic shipping costs, everything from socks to suits would be drastically cheaper. “Save money, live better” would become the American consumer’s mantra.

Sounded good! They would no longer have to do those dirty, polluting, menial manufacturing jobs. With their production base moved to cheap labor countries (Mexico, Indonesia, China, etc.) US companies would be free to do what they did best: innovate and go hi-tech.

Moreover, there was another upside to “free trade,” the boosters promised. As those emerging countries emerged, they would become consumer markets themselves, and American exports — agriculture, auto, aerospace, energy systems, hi-tech — would flourish.

Some companies and a few sectors did. But for the average working American, globalization proved disastrous.

It was a con job in principle and a catastrophe in practice, and those, such as Gerald Celente and The Trends Research Institute, who protested against having it shoved down their collective throats have been proven correct.

How many remember the 1999 “Battle in Seattle” when, to the surprise of the mainstream media and Washington elites, some 50,000 people marched in angry protest against the World Trade Organization Conference being held there?

And as for the anti-globalization forecasts that have proved accurate, they were ignored or written off as xenophobic, isolationist, reactionary and naïve. (See “Economic Globalization Backlash Building,” *Trends Journal*, Spring 1997)

In the Fall 1999 *Trends Journal*, with Europhoria at its apex and globalization presented as an economic panacea, we published our “Five-O Formula” defining market forces as they would actually impact the world economy. We posited the sum of “Overproduction,” “Overcapacity,” “Open Markets,” “Over Population” and “Online Business” to equal a near future of lower wages accompanied by low inflation.

By 2004, as the trend had progressed into its early growth stage, we forecast, “... a majority of American households will see their standard of living steadily decline, their cost of living rapidly increase, their wages continue to drop or stagnate, their pensions suffer and benefits decrease while working longer and harder just to stay even.”

But protests and forecasts notwithstanding, the will of the people and critical analysis did nothing to slow the march to globalization.

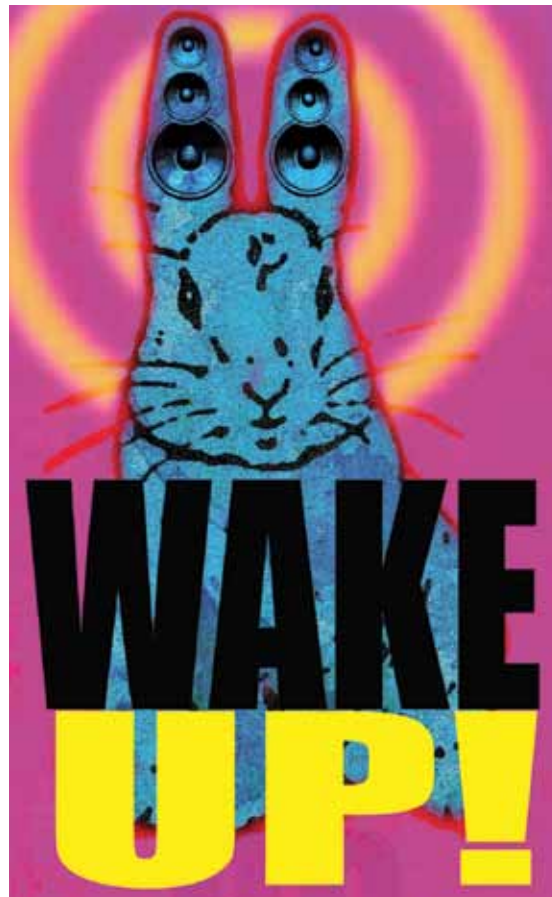
As a prelude to the future, the Seattle protesters were brutally beaten in a concentrated attempt to stifle dissent. Whether it was Carabinieri cracking skulls in Genoa, Royal Mounties bashing heads in Toronto, or American goon squad cops beating up coeds in Pittsburgh – whenever and wherever the people rallied to denounce globalization, governments brought their power to bear.

Bye Bye Miss American Pie For some, there was an upside to globalization. The biggest beneficiaries were the “Billionaires without Borders” – the multinationals who cashed in big by producing cheap and selling in high volume.

Not only the “Bigs” took advantage of low production costs, even the smalls followed the make-it-abroad, mark-it-up, sell-it-at-home program. Virtually every product that required human labor, be it factory floor or back

office, could now be outsourced. Thirty jobs lost here, 300 there, 3,000 somewhere else – the bulk of them ending up in China or India – they all contributed to the humbling of the once almighty American Empire.

Some rejoiced at the prospect of the American bully beaten to its knees – not by a superior power, but rather by its own suicidal excesses. There was no denying it. On the economic front, the United States’ cheap money policy was largely blamed for bringing on the global financial crisis that struck in late 2007. And a half-century of US imperial overreach was deemed responsible for Middle East instability, geopolitical destabilization, and for fomenting the global “War on Terror.” With few exceptions, even America’s remaining allies were hardly its close friends.



DRAGON BREATH

But not one among them is thrilled by the prospect of Uncle Sam being replaced by a conquering Chinese dragon. With its huge trade surpluses, deep foreign reserve pockets and growing military, China in 2011 will represent an even greater imperial threat than the USA.

The world watches with fearful fascination, wondering when, or if, or how China will rise to fill the power vacuum left by the dying giant.

Who could have imagined that the impoverished China of Mao’s 1970s Cultural Revolution would become the world’s second largest economy in 2010 ... rocketing past Germany and Japan?

With her endless supply of labor and a totalitarian

government beholden neither to a Parliament or the people, China stands alone in its ability to act unilaterally to implement any policy it deems necessary to grab an ever bigger slice of the world's natural resources and economic pie.

In the initial stages of globalization, the tens of millions of jobs outsourced to China were mainly of the unskilled and low-skilled variety; textiles, toys, novelty items, and basic industrial manufactured goods at unbeatable prices. Yet, if it was made in China, a foreign manufacturer had to provide the know-how to make it.

But as China's manufacturing base grew, so did its expertise. No longer confined to producing cheap commodity-priced items, China – like Japan, Taiwan and South Korea before it – has quickly morphed into a formidable hi-tech innovator and manufacturer ... not only able to underbid developed nations, but also to produce its own comparable branded product.

Innovation, once the province of the developed West, and especially the USA, is now too "Made in China." In 2009, the Chinese processed some 600,000 patents, compared to 480,000 in the US. China plans to raise that figure to one million by 2015 and double the number of its patent examiners to 9,000, while currently in the US there are only 6,300 such examiners.

Trend Forecast: Beyond the prospect of economic dominance is the reality that no nation on earth will be able to defeat the mighty Chinese dragon on the field of battle.

Those with short memories may need to be reminded that it was Chinese military support of both North Korea and Vietnam that ultimately forced the US to the bargaining table in those conflicts. And that was when China was a struggling third world economic lightweight.

Now, as tensions escalate between the Koreans, and long-simmering disputes heat up between China and Japan over contested islands, the bold promise that America will step up to honor its treaty obligations and defend its Asian allies against attack is nothing more than empty posturing and wishful thinking. And the idea that the US will pay the ultimate price in defense of Taiwan is either a suicide wish or a pipe dream.

After ten years, the vaunted US military is still mired

in Afghanistan, brought to a standstill by the ragtag, barefoot, lightly-armed Taliban. So inept and incompetent has its military become, that despite hundreds of billions spent on "intelligence" and warfare, it can't even achieve the first stated goal: bringing back Osama bin Laden "Dead or Alive."

Still stuck in the Iraq quagmire, and now venturing into Pakistan, Yemen – and who knows where else – to win the "War on Terror," the US will be in no position or condition to take on China.

Chinese Missile Tilts Power in the Pacific

A new Chinese anti-ship missile that will significantly alter the balance of military in the Pacific is operational, according to a senior US commander.

His remarks signal that China is challenging the US ability to project military power in Asia much sooner than many had expected. Defense analysts have called the Dongfeng 21 D missile 'a game changer' since it would

discourage US aircraft carriers from entering waters where China does not want them.

The land-based missile is designed to target aircraft carrier groups with the help of satellites, unmanned aerial vehicles and over-the-horizon radar. (*Financial Times*, 29 December 2010)

Chinese jet fighter 'sighting' raises fears over region's military power balance

Image reportedly showing prototype of China's fifth generation J-20 stealth fighter has been circulating on the internet of what is reported to be a new Chinese stealth fighter and "carrier-killer" missile has prompted concerns that a tilt in the balance of military power in the western Pacific towards China may come sooner than expected.

The emergence of the hi-tech weaponry – which would make it more difficult for the US navy and air force to project power close to Taiwan and elsewhere on China's coastline" (*UK Guardian*, 5 January 2011)

The first test of US impotence may prove to be the standoff between North and South Korea ... with or without



Chinese involvement.

For those who may have forgotten – or never knew – the 1950s’ Korean War, in which America fought to protect South Korea from Communist North Korean invaders,

ended inconclusively and ingloriously. Having lost more than 36,000 soldiers, unable to defeat the North (in what was whitewashed as a “police action”), and unable to extract a peace treaty, Uncle Sam cried “uncle” and settled for a cease-fire.

Despite saber-rattling by the US and South Korea, threatening to crush the North should it escalate the current conflict, Seoul, with some 25 million inhabitants living within easy 100-mile range, would be incinerated by a North Korean nuclear and/or conventional missile attack. Should war break out, the US will prove powerless and, once again, there will be no winner.

PUBLISHER’S NOTE: *During his visit to China in early January, at which time the Chinese military demonstrated its new stealth fighter, US Defense Secretary Robert Gates advised against underestimating the US or its military might. He warned, “I’ve watched this sort of cyclical view of American decline come around two or three times, perhaps most dramatically in the latter half of the 1970s,” he said. “And my general line for those both at home and around the world who think the US is in decline is that history’s dustbins are filled with countries that underestimated the resilience of the United States.”*

Gates seems to have forgotten that in the 1970s America’s mighty military got its clock cleaned by the Vietnamese. As for “history’s dustbins,” the only US military victories since the end of World War II have been against tiny Grenada and little Panama. The Gulf War was merely the opening battle in the Iraq War. (See “The Pentagon – The Untold Story,” Trends Journal, Spring 2010)

But in 2011, the prospect of an emerging Chinese military world power was rarely broached in an America still living its myth of invincibility, even with the scoreboard signaling imminent defeat.

There was no cure-all remedy available, or even imaginable, which would restore America to its former eminence. The American body, mind and spirit were all mortally afflicted. Bloated on Big Macs, terminally sedentary, debilitated by chemical-laced, additive-enriched, nutrition-free food; ravaged by pollutants in the air and

“The first reaction to a prognosis of terminal illness typically being denial, American life at every level has become one big ‘Reality Show.’”

toxic wastes in the water, the American body seemed beyond repair.

The American mind – brainwashed from birth by TV/Madison Avenue sorcerers, indoctrinated by mission-

aries (a.k.a. educators) and mesmerized by Washington Wise Men, medal-bedecked generals and Wall Street Con men – had lost the ability to think independently.

With the body spent and the mind fried, how could the spirit survive?

The first reaction to a prognosis of terminal illness typically being denial, American life at every level has become one big “Reality Show.” Nothing was real. It had become a “United State of Denial.” Everything was virtual, sanitized and orchestrated. Be it a pill, a politician or a pundit, it came in a package that promised “relief.” Tomorrow would be a better day.

But beyond the virtual reality of reality shows, real life went on. Real wars that killed and maimed millions, drove soldiers to suicide and drained the already depleted US treasury were whitewashed, turned into a made-for-TV mini-series cleansed of blood and guts and deceptively wrapped in red, white and blue.

Sinking economy, wealth-sapping foreign entanglements, falling real estate values, spiking foreclosures, systemic joblessness – no matter how dire and intractable the reality, there was a wizard on Wall Street or a politician on a TV soap box selling a simplistic solution that would ease the pain and lead to a cure. And no matter how transparently bogus the nostrum, a gullible, gutless, uninformed and delusional public would keep buying the same worthless product, peddled by the same snake oil salesmen.

The Political Reality Show 2010 ended on what the people were told was an “historic” note. Politicians, media, pundits – regardless of party affiliation, left, right or Tea – were united in predicting that the outcome of the November mid-term election would change the course of the Republic.

The on-trend, awake and aware minority (see “20 Percent Solution,” Trends Journal, Spring 2010) knew very well the election would do no such thing. History was not being made. If not exactly repeating itself, it was a variation upon an all-too-familiar theme: just another episode in the ongoing, made-for-TV Political Reality Show titled, “Jersey Shore on the Potomac.”

The bogus backyard barbeques, staged pep rallies,

mindless grade-school caliber debates of the mid-term campaign reduced momentous issues to meaningless sound bites. Mailboxes were stuffed with wads of glossy campaign propaganda that only those with nothing else to do with their lives would even bother to glance at.

The President (Philosopher-in-Chief) of the “Free World” took to the entertainment circuit, yucking it up with the ladies on daytime TV, and sparred amiably with late-night comedians and clowns, proving he knew how to reach out to the common folk.

And throughout, highlighting and defining the entire campaign spectacle, a media blitz of non-stop, over-the-top, pit bull attack ads tested the boundaries of slander and libel ... while filling the corporate broadcast coffers with billions.

Some accepted it as “democracy” in action, others saw it as no more than political theater – it was show business for ugly people. To the awake and aware, it was a freak show. (See [“There’s No Business Like Show Business,” Trends Journal, Summer 2010](#))

What Campaign 2010 was **not** was “historic.” By the time the final election results had been tallied, most of the electorate had forgotten what the candidates had promised, as well as the issues that had rallied supporters and provoked foes.

TWEEDLEDEE AND TWEEDLEDUM

The Democrat’s campaign line urged voters to stay the course. Progress was being made and, given more time, the President’s grand plans would be realized. The economic measures put in place by his administration had prevented the nation from plummeting into depression ... and although progress was slower than hoped, policies were in place that would create jobs, help small business and lead to a strong recovery.

On the Republican side, the line was that the President (and his allegedly “liberal” administration) was entirely responsible for the dire economic conditions and the ballooning budget deficits. They contended that most of the problems facing America could be traced back to January 2009.

Their party line was that prior to Obama’s election and the Democratic majority in Congress, the ship of state had been in steady and capable hands. Republicans promised that, once back at the helm, they would limit the size of the Federal Government, rein in spending, cut budget fat, eliminate/reduce entitlements (Welfare, Social Security,

Medicaid/Medicare), retain Bush tax cuts and overturn Obamacare – all of which, in turn, would get the private sector back into gear and create more jobs.

Pre-election polls correctly predicted a major Republican victory in the House and gains in the Senate.

On Election night, the soon-to-be-crowned House Speaker, John “He Never Met a Lobbyist He Didn’t Love” Boehner, laid out the Republican road map to economic recovery. “And for all those families who were asking, ‘Where are the jobs?’” Boehner speechified, “It means ending the uncertainty in our economy and helping small businesses get back to work.” And the crowd wildly cheered.

A moment’s rational thought reveals that “It” (i.e., jobs) had nothing to do with ending uncertainty, which in turn had nothing to do with small businesses getting back to work.

While it might be charitable to attribute such a stupid non sequitur to the exuberance of election night victory, the unfortunate truth was that it was no stupider than most of the campaign rhetoric from either side. Critical and complex issues were reduced to sound bites that were at best simplistic, but more commonly completely senseless.

“It means ending the uncertainty in our economy.” Throughout the campaign, the Republican line was that the business community’s lack of confidence in a Democrat-controlled government had produced the climate of “uncertainty.” With Republicans back in power, certainty would instantly replace “uncertainty” and the economy would “kick back into gear.”

But it was not “uncertainty” that sent millions of solid, long-term, well-paying jobs that would never return to China, Indonesia, Mexico, Honduras, Bangladesh, Vietnam, India, and anywhere else where cheap/slave labor was available.

“Uncertainty” was not responsible for the millions of foreclosed homes and the diving real estate prices. Nor did it have anything to do with the certainly fraudulent signing of affidavits by banking bandits used to throw people out of their homes and onto the streets. “Uncertainty” did not create the hundreds of billions in trade deficits, and the trillions in budget deficits.

And so it was, on election eve, that the new speaker-to-be spouted his victorious vacuities in perfect safety. The same press and pundits who, two years earlier, left unchallenged Obama’s empty promises of “Change We Can Believe In,” would extend the same courtesy to his opponents’ equally empty promises.

TWO HEADS, ONE PARTY

Aided and abetted by the press, both parties played up their differences as though it was a contest between gladiators. Yet, totally absent from the politicking, the promo-

tion and the coverage were their glaring similarities:

- Both parties were party to the bailouts, stimulus programs, and saving the too-big-to-fails.
- Both parties were party to renewing the Constitution-ripping Patriot Act, both supported intensified domestic spying, the torture of suspected terrorists, and the President's right to order assassinations of American citizens.
- Both parties maintained a bipartisan, unbroken silence on the crippling Pentagon budget and America's ruinous, murderous, illegal and lost-cause wars being waged in the name of the "War on Terror."
- In the midst of the 24/7 rant and rave of lies, accusations, character assassinations, attack ads, and insipid debates there was not – from any of the political frauds and windbags – one peep about the wars; their colossal cost in money, men, and morality. Not a word about the ten years of war in Afghanistan and its puppet government's daily puppet show of systemic corruption. Not a word about the ongoing reports of the thousands of civilian casualties "regrettably" slaughtered accidentally.
- Not a word about the US taxpayer-funded proxy war that paid the Pakistani army to root out the local Taliban – in the process destroying villages and uprooting millions of civilians.
- Not a word about the CIA expanding its role of spy agency to become a new branch of the armed services with its own fleet of unmanned drones that kill indiscriminately.
- Not a peep about the Iraq War launched in 2003 by President George W. Bush under the false pretense that Saddam Hussein had weapons of mass destruction and ties to Al Qaeda that posed a threat to the free world.
- Not a peep about the hundreds of thousands of Iraqi civilians and thousands of US military killed and maimed; a war still being waged by combat troops rebranded as "advisors."

Not only was the criminality and immorality of Bush's war ignored by all candidates, but no sooner had the election mud settled, than the immoral criminal himself surfaced through the slime. Silent and invisible throughout the entire campaign cycle, suddenly the former "Decider-in-Chief" returned for a spotlighted appearance on "Jersey Shore on the Potomac."

Bonus Baby With a new book to peddle and a tarnished image to polish, George W. Bush made the media rounds from Oprah to Limbaugh, from *The Wall Street Journal* to *USA Today*. In the hundreds of US broadcast hours and acres of newsprint devoted to his new act as "Autobiographer-in-Chief," the reliably servile, docile, passive, compliant, submissive, meek, obedient, biddable, pliable prostitutes posing as "journalists" and/or hardball interviewers sucked up, bowed down and once again gave [one of the worst Presidents in American history](#) yet another free ride.

The mainstream media had avoided asking the hard questions during the run up to war, and they now evaded their moral responsibility to investigate whether engaging in that war constituted criminal activity on the part of the administration. They fielded the former president's selective memories with softball queries and the respect due to a scion of one of America's "first families."

Asked if he regretted his decision to invade Iraq, Bush admitted feeling "terrible" and "sickened" when he learned that Saddam Hussein did not have WMDs. Rather than accept any responsibility whatsoever for laying waste a country that had done absolutely nothing to provoke the United States, he laid the blame squarely upon the Iraqi President:

"Saddam deceived everybody. He didn't want people to know he did not have them ... which is strange because I made it clear to him to let the inspectors in or we'll remove you from power; and he didn't believe me, sadly. My point is, the world is better with him gone."

That may have been Bush's point. And as might be expected, it went unchallenged by the reliably servile, docile, passive, compliant, submissive, meek, obedient, biddable, pliable prostitutes posing as "journalists" and/or hardball interviewers who, predictably, sucked up and bowed down.

Yet, it was a Bush "point" worthy of further exploration.

Was the world really "better" with Saddam gone? Had his death improved life in China, India, Canada, Australia, New Guinea, Grenada, Zimbabwe, Luxembourg, Argentina, Mexico ... or anywhere else?

Indeed, by any measure, unquestionably and incontrovertibly, not even Iraq was better "with him gone"! However brutal the Hussein regime (initially bankrolled and subsequently supported by the US for years) may have been, life in the "cradle of civilization" during the Hussein regime

had been a paradise compared to the devastation brought down upon that helpless country by George W. Bush and his “coalition of the willing.”

Moreover, Saddam did not “deceive everybody,” or for that matter, anybody. Iraq was flooded with inspectors who unanimously insisted there were no WMDs. The Bush & Co. response was: we know he has them but he won’t tell us where they are.

It was not Saddam who deceived everybody, it was George W. Bush. Playing upon the fear generated by 9/11, the “Deceiver-in-Chief” deceived the nation.

For his non-deception, Hussein paid with his life. For Bush’s grand deception, his decision to invade Iraq and for the mass murders that followed, he was paid some \$7 million for his self-serving book.

The incontrovertible fact was: the *only* reason the American people supported the invasion was because their President, Vice President, Secretary of State, Secretary of Defense, and a bipartisan flock of Congressional chicken hawks, war hawks and rabid neo-cons convinced them Saddam Hussein had weapons of mass destruction and ties to Al Qaeda.

The carnage was not unleashed because the world would be “better with him gone.” The **“point” is that was never the “point”!!!** Bush’s “point” in 2010 was not the “point” he made in 2003.

Had overthrowing Hussein been the “point” back in ‘03, the American people would never have supported the invasion. Indeed, the President and Congress had explicitly assured the public that “regime change” and “nation building” were not considerations in the decision to invade Iraq. Now, miraculously, nearly eight years later, what had not even been a consideration had become the “point.”

Lapdogs USA In the years subsequent to the Iraq invasion, evidence has proved that the Bush administration not only cherry-picked intelligence to reach a predetermined conclusion, but knowingly twisted information known to be unreliable into an unassailable argument for war.

Anyone, including ourselves, who questioned or chal-



Anthony Freda

lenged those conclusions was blacklisted by the media, threatened, and effectively accused of treason. Presidential mouthpiece Ari Fleisher – contender for the “Josef Goebbels Award for Distinguished Service” – declared, “There are reminders to all Americans that they need to watch what they say, watch what they do.”

As we would later document in a special *Trends Journal* report, “Trends and Tragedies,” TV and cable anchors feared reprisal. (See “Trends and Tragedies,” *Trends Journal*, June 2008)

“There was a sense, a pressure from the corporations who own where we work, and from government itself, to really squash any dissent,” said CBS’s Katie Couric. “I can remember getting in trouble with administration officials because of asking questions that they didn’t feel comfortable with.”

“There was just a drumbeat of support from the administration and it is not our job to debate them,” cowered ABC’s Charlie Gibson.

Studies showed that of the 393 on-camera sources appearing on ABC, CBS, NBC and PBS newscasts, only 1 percent were anti-war and just 6 percent expressed skepticism.

In that special report, we built the case that high crimes and misdemeanors had been committed by President Bush and others in his administration. The position we had taken from the onset of the war was irrefutably reinforced by additional information provided by former White House Press Secretary Scott McClellan, in his book “What Happened: Inside the Bush White House and Washington’s Culture of Deception.”

Whistleblower McClellan accused the White House of “spreading distortions,” “shading the truth,” speaking “half-truths,” and telling “outright lies” in a “political propaganda campaign to sell the war to the America people.”

But however compelling the McClellan evidence was, it was no match for the media’s complicitous counter-attack. Rather than focus on the damning revelations, the “journalists” grilled McClellan about his loyalty and questioned the motives behind his “kiss and tell” book. After a brief flurry of interest the media programmers pulled the plug and the book, and McClellan sank into obscurity.

PUBLISHER'S NOTE: *Even as Bush was famously claiming "Mission Accomplished," I was calling his Iraq folly "Mission Impossible." After seven full years of warfare, with only a make-believe "exit strategy" in place and no realistic end in sight, with city-size, permanent military bases and a billion-dollar US Embassy, Iraq has become an ongoing trillion-dollar money dump for American taxpayers, sapping the already depleted Treasury, and adding more debt to the already debt-burdened government. (See "Flash Point: Iraq," Trends Journal, Spring 2010)*

NO SALVATION FOR THE HYPOCRITE

Not only was the Iraq War costing America men and money, it was robbing the country of what was left of its spiritual integrity and moral authority.

The name of "God" has been consistently invoked throughout American history – from the Declaration of Independence to the present day. From Presidential State of the Nation Addresses to aspiring politicians in Podunk,

speeches routinely conclude with the request that "God Bless America." The Star-Spangled Banner, the Pledge of Allegiance, and even American money profess their belief and trust in God.

But invoking the name of God is one thing, and living according to the word of that God is quite another. The Gospels are specific on the matter. "Woe unto you, scribes and Pharisees, hypocrites! for ye are like unto whited sepulchres, which indeed appear beautiful outward, but are within full of dead [men's] bones, and of all uncleanness." (Matthew 23:27)

Read carefully, the Gospels make clear that salvation is open to all (thieves, prostitutes, sinners across the board) with the exception of the hypocrite who professes one thing and practices the opposite. For example, condemning terrorism and atrocities committed by enemies while condoning the atrocities associated with US occupations, CIA missile strikes, and officially sanctioned torture is hardly in keeping with the God the leaders profess to believe in.

Media Malpractice

If media malpractice were a crime, there would be few anchors and interviewers walking around loose. So slipshod has the media become, they have signed over their fourth estate responsibilities to a comedian.

From the *Financial Times* to *The New York Times*, the world media legitimizes comic Jon Stewart — e.g., the *Times* asking if he's the "modern Edward R. Murrow." So prestigious is the coverage that Kings, Presidents and Prime Ministers happily yuck it up on his late night show.

In the weeks before George W. Bush's return to the national spotlight, Stewart, the newly self-appointed "Sanity Czar," dismissed as "crazies" those who called Bush a war criminal.

Later, with Bush on the book circuit, Stewart elaborated on the point. Asked if Bush was a war criminal, he weaseled, "Now that may be technically true. In my world 'war criminal' is Pol Pot or the Nuremberg trials. I think that's such an incendiary charge that when you put it into a conversation ... it feels like a conversation stopper, not a conversation starter."

"Technically true"? No. Just **true!** Bush started a war under false pretenses that killed, maimed and displaced millions of Iraqi civilians, and killed and maimed tens of thousands of US troops.

"In my world 'war criminal' is Pol Pot."

And what world might that world be?

What's the difference between a Pol Pot who murders millions and the orders from George W. Bush to wage wars that have resulted in the murder of tens of thousands — and possibly hundreds of thousands — of innocent people?

And as for Nuremberg, in a sure "conversation stopper," those who were just "following orders" were sent to the gallows.

But America's leading proponent of "sanity" judges it too "incendiary" to hold Bush responsible for giving the orders.

Who is Stewart to acknowledge Bush as "technically" a war criminal and then refuse to discuss it further because it would be a "... conversation stopper, not a conversation starter"? Countless dead, hundreds of thousand wounded, trillions spent, but America's Clown-in-Chief doesn't want to talk about it? The Trends Research Institute respectfully submits that this is as delusional as it is gutless, stupid and arrogant.

Yet, it is this level of thinking that the media looks up to and world leaders descend to. It would be easy to write off the pencil-throwing, screaming Stewart as trivial and frivolous were it not for the fact that some one third of Americans under the age of 40 watch his show as their prime source for news.

Be it an individual or a nation, preaching “peace” while waging war is the ultimate hypocrisy from which – according to The Bible US leaders swear their oath of office upon – there is no redemption.

If it is not a matter of hypocrisy, then are they – Presidents, Congressmen, and media figures – a bunch of sociopaths who, by definition, suffer from an aggressive narcissism that deprives them of remorse or guilt? Incapable of accepting responsibility for their own actions, they depend on “glibness, manipulation and pathological lying to feed their grandiose sense of self worth, while callously lacking empathy for others.”

Whether moral hypocrisy or mental pathology, until the United States acknowledges and comes to terms with its own reality, there can be neither salvation nor recovery. Until it honestly assesses its own behavior and motives, America will not find the truth that will set it free.

It was not until post-World War II Germany was forced to confront its own dark past that a true rebirth of both the state and the psyche of its people could be achieved.

Wrong on War, Wrong on Economy In August 2007, as the first tremors of financial instability were being felt, we were warning that a major crisis was imminent. But back on the Beltway, despite the long trail of failures that defined his Presidency, the servile, docile, passive, compliant, submissive, meek, obedient, biddable, pliable prostitutes posing as “journalists” predictably sucked up and bowed down when the President spoke. “The American economy is the envy of the world, and we need to keep it that way. The fundamentals of our economy are strong ... job creation is strong,” Bush declared, while admitting, “I’m not an economist.”

During his 2010 book tour, in addition to his free pass on the Iraq War, Bush was also given kid-glove treatment over his handling of the economy, even though he admitted that he and his administration misread the state of the economy. “The house of cards was built on, you know, risky loans, and I was blindsided by the extent of the crisis.”

If the “fundamentals” were “strong” – as the Presi-



Who Killed The American Dream?

Eugene Gregan

dent had assured the nation – then how could he have been “blindsided”? Either he, along with all the President’s men, had been lying back in 2007, or they were incompetent ... or both. Yet, rather than confront the ex-President with probing questions, the media would, once again, defer to the residual power of the still royal Bush.

Giving the ex-President the benefit of the doubt, and accepting that he was “blindsided,” the only conclusion to be drawn is that George Bush, his White House economic team

and the Federal Reserve Chairman were all clueless. They had absolutely no idea about how to navigate the nation through a crisis which had been foreseeable, and that, in fact, was foreseen – but not by them. (See “Panic of ’08,” *Trends Journal*, December 2007)

Pretending to have an expertise they did not possess, the White House shills and Fed flacks took to the airwaves to assure the citizenry that they were on top of the crisis and had plans in place to deal with something that had “blindsided” them. They warned the nation that unless their proposed bailout policies were implemented, the entire economic system would collapse.

Despite public outcry, the bailouts were rammed through Congress. A series of ruinous measures, including TARP, in effect took the keys to the United States Treasury and turned them over to the Wall Street Mob. (See *Trend Alert* – “DC Heist: Wall Street Hijacks Washington,” 22 September 2008)

In just a matter of weeks, the intrinsic nature of the capitalistic system that had served the United States well enough for 200 years, was irrevocably altered.

In his first term, George W. Bush successfully ravaged the Constitution with the passage of the Patriot Act. Now, in the waning days of his second term, he successfully destroyed the economic foundation upon which the nation had grown and prospered from the time of its founding.

A new 21st century era of American reality had dawned. The people’s Rights had been abrogated, and their economic freedom subjugated to the demands of too-big-to-fail economic masters. *See Top Trend “Crackdown on Liberty” page 25.* ■

CRACK-UP 2011

What had begun under George Bush continued under Barack Obama. The names in the new administration had changed, but the game was the same. Americans would be forced to bail out more Bigs to save the economy, and they would be forced to relinquish more of their rights in order to maintain their “freedom.”

The Obama team of “brilliant” economists and wise advisors would assure the nation (as had Bush’s) that the economy would improve, real estate would rebound, business would grow, and jobs would be created ... if only Congress green-lighted their stimulus plan.

Obama barkers warned that without the stimulus, unemployment would hit about 8.5 percent in 2009, and peak at 9 percent in 2010. But an \$800 billion stimulus injection, they predicted, would create some four million jobs, hold the unemployment rate at 8 percent in 2009, and drop it to 7.5 percent in 2010.

Yet, with stimulus dollars flowing, the unemployment rate actually peaked at 10.2 percent in October 2009, and by November 2010, unemployment stubbornly hovered around 10 percent. Real, on-the-street unemployment, as experienced by the work-a-day populace, was nearly double the “official” number.

In short, that “momentous” and “historic” game-changing 2010 election meant essentially nothing – a shuffle of names and a change of clothes.

The only significant development was a November 3rd announcement from the Federal Reserve (which had nothing to do with people going to the polls). Emboldened by the failure of its previous rounds of economic stimulus, the Fed pledged to pump another \$600 billion of digital money not worth the paper it’s not printed on into the markets.

The international backlash was immediate. Gold, trading at \$1,324 per ounce on Election Day, would spike above \$1,400 within days.

Trendpost: With the wave of a White Shoe hand, suddenly, miraculously, gold – ridiculed for decades as a “Doomsday” investment, the financial equivalent of a hoard of canned pork & beans – had achieved legitimacy.

In November 2010, as gold prices soared and EU economies failed or teetered on the brink of failure (Ire-

land, Portugal, Spain, Greece), Robert Zoellick, President of the World Bank, gave the following advice to world leaders: to help stabilize the shaken monetary system, he recommended their adopting a modified global gold standard. “Although textbooks may view gold as the old money, markets are using gold as an alternative monetary asset today,” he said.

As though the Deity had spoken, Zoellick’s words of wisdom resounded throughout the business press. Indeed, if El Presidente of el Banco del Mondo said gold was golden and was recommending that paper money be again pegged to it, then it must be true!

When Gerald Celente predicted the beginning of the Gold Bull Run in 2001, with gold trading at \$275 an ounce, people of the Zoellick persuasion dismissed his forecast, claiming gold had no real value except as jewelry, and said that

no upstanding investor would waste valuable time on it.

Now, ten years later and some 500 percent higher, we are often asked if it’s too late to take a position in gold – or for those who bought low, is now a good time to take profits?

We are not financial advisors and thus not permitted to make such recommendations. Our forecast, however, has long been “Gold \$2,000.” Others believe it will go much higher. While we agree it can rocket past our forecast, we settled on the \$2,000 range because we believe there could be some form of Central Bank/government intervention to regulate and/or peg the price of gold when it reaches that mark.

PUBLISHER’S NOTE: *As for when to sell gold ... there is nothing wrong with taking profits. My plan is to take the bulk of my gold investments into my very old age. I will never forget the wise words of my Aunt Zizi, who, in her mid-eighties said to me, “Gerald, when you get old, make sure you have money.” And today, money means gold. (See my book “What Zizi Gave Honeyboy: A True Story About Love, Wisdom and the Soul of America,” Harper Collins)*

The Fed action provoked international condemnation. The United States, long critical of China for keeping its currency artificially undervalued to give it an export advantage, was now being accused of currency hypocrisy. By printing billions of dollars backed by nothing, the US was effectively doing the same thing: driving down the value of the dollar in hopes of increasing exports.

An advisor to China's Central Bank, Xia Bin, warned that the unbridled printing of dollars was the biggest risk to the global economy. "As long as the world exercises no restraint in issuing global currencies, such as the dollar ... then the occurrence of another crisis is inevitable."

German Finance Minister Wolfgang Schaeuble accused the Fed of being "clueless," and declared that its policy undermined US credibility. "I have great doubts about whether it makes sense to pump unlimited amounts of money into the markets."

What the Fed called "policy," the world's money men and money markets were calling madness. "Throwing money out of a helicopter, doesn't do any good," responded Guido Mantega, the Brazilian Finance Minister.

Brazil ready to retaliate against latest US move in the 'currency wars'

Brazilian officials from the president down have slammed the Federal Reserve's decision to depress US interest rates by buying billions of dollars of government bonds, warning that it could lead to retaliatory measures... "The only result is to devalue the dollar to achieve greater competitiveness on international markets," said Mantega.

Brazilian president-elect Dilma Rousseff noted, "The last time there was a series of competitive devaluations ... it ended in world war two." (*FT*, 5 November 2010)

Would the current round of currency conflicts escalate into World War III?

Concern grew that the flood of US "hot money" from traders seeking higher returns on their dollars would destabilize regional economies. With banks bulging with cash, investment capital would fuel another frenzy in real estate and equity markets. Fearing an onrush of capital inflows that would create speculative bubbles, nations actively sought to counter the abusive effects of the "stimulus."

In attempts to prevent existing bubbles from expanding (or inflating new ones), nations began to impose taxes to restrict capital inflows, forced banks to raise their reserves, thus limiting investment, and took measures to keep their currencies from rising to levels that would make their exports uncompetitive.

History was being made. But outside the financial media, it was barely news. As weeks went by the global equity markets swooned and swayed. Threats of currency wars would be followed by warnings of trade wars. China

and Germany were being singled out for selling too much abroad and spending too little at home.

The US and some of its more profligate allies reasoned that if only Chinese and German consumers consumed more and saved less, nations such as the US, with its yawning trade deficits, would narrow the trade gap and increase GDPs. In the absence of such a consumption binge, the US urged nations to unbalance their balance of trade by exporting less.

Merkel warns on rise of protectionism

The greatest danger facing the global economy is a return to trade protectionism, Angela Merkel, German chancellor, has warned ... She dismissed a US proposal to set specific targets for maximum levels of balance of payments' surpluses and deficits as "too narrowly conceived". Germany has been under attack for the size of its trade surplus.

"I don't think much of quantified balance of payments targets," she said, speaking in the chancellor's office in Berlin. "It is not just a question of exchange rates, but also a question of competitiveness." (*FT*, 8 November 2010)

It was a question of competitiveness. No amount of currency manipulation, stimulus programs or monetary policies had any chance of pulling the US economy out of its decline. The US dollar policy – with all the disturbances, suspicion and global ill-will it caused – would provide a temporary boost to GDP, but do nothing to create stable jobs or meaningfully decrease unemployment.

But the latest \$600 billion money pump, misleadingly dubbed "QE2" (Quantitative Easing 2), contributed significantly to help invigorate the Dow. With interest rates near zero, and investors getting next to nothing on their savings, the Fed reasoned that the stock market, sweetheart of Wall Street and DC's favored financial barometer, would now attract cautious investors to speculate in risky equities.

The Dow did rebound, but there was no improvement in the unemployment rate. In fact, the way things were going, according to the Center for American Progress, it would take until 2037 to regain the number of jobs lost since the Great Recession began.

In 2010, while US companies created 2.5 million jobs, only 1.1 million of them were based in the States. However, just to keep employment level requires the creation of some 1.5 million jobs a year to accommodate new entrants to the workforce.

“Fed Trims Outlook On Growth And Jobs,” read the carefully understated page A5 story in the Thanksgiving Eve *Wall Street Journal*.

“Trims Outlook”? A more fitting headline would have read, “Fed Way Off Base Yet Again With Totally Inaccurate Forecast”!

Were they “blindsided” when they made their initial prediction, or were they just floating a high number for public consumption?

It was a familiar story: when White Shoe insiders screw up, it’s soft-pedaled. They have to be forgiven since they are, after all, the “best and brightest.” So if they couldn’t see it, it couldn’t be seen by anyone ... not even by those that did see it coming and had seen it coming for years.

In Fed econo-waffle, earlier projections for a swift recovery were downgraded to “... in the absence of any additional shocks to the economy, the economy would converge fully to its longer-run rates of output growth, unemployment and inflation within about five or six years ...”

“In the absence of any additional shocks”? Not even in the White Shoe World of genteel men and proper women sipping martinis at the Harvard/Princeton/Yale Club was this a remote possibility. Real life – economic, social, geopolitical – was an ongoing series of shocks that, to varying degrees, never stopped. And in 2011, “economic shock and awe” was the one completely predictable overriding element. Thus, the Feds revised forecast was as meaningless as the one it replaced.

Adjacent to that Thanksgiving Eve tale of continuing unemployment and projected long-term economic downturn was another story, this one bringing welcome and apparently compensatory good news, “Corporate Profits Rise To Record Annual Rate.”

It was reported that corporate profits rose 28 percent from the previous year as a result of increasing sales and keeping labor costs down. The record breaking \$1.66 trillion in profits, according to the *WSJ*, reflected “... the divergence between the recovery for the corporate sector and American households.”

What was good for corporate profits was bad for common people. Not only were households in deep trouble, so was housing. A story just below the great news that the Plantations (a.k.a. multinational corporations) had a banner year was this tiny notice: “Home Sales Fell in October, Hurt by Foreclosure Worries.” Not only was the average Joe and Jane earning less, home values were down, on average, a Depression-era 26 percent on average from their 2006 peak.

Far and Wide But more than just US houses and households were distressed. The trend was global. On that Thanksgiving Eve, the major Irish banks were back on the brink of bankruptcy, just four months after being awarded a clean bill of health for passing the European Union’s “stress test.”

By mid 2010, with Greece facing a sovereign debt crisis, fears of a continent-wide contagion were quelled by the EU pledging to do what it had previously pledged never to do: bail out a failing euro-currency member. With a stroke of the unrepentant pen, European leaders showered Greece with \$146 billion to keep creditors at bay, and promised a trillion dollars in “shock and awe” loan guarantees to cover any future bad bets made by Greece or any euro-nation risking default.

By late 2010, with the worsening Irish financial crisis, fears of contagion flared up again. This time, EU financial experts decided it would require \$113 billion to prop up the Irish banks – but with a proviso of draconian government-imposed austerity measures. These would exact harsh sacrifices from the Irish people, ostensibly to “build lender confidence” to secure the borrowed billions. ■

PURE BLARNEY

When the business media shapes the story of financial rescues and emergency measures protecting the integrity of the global economic system, it comes cloaked in econospeak and replete with obfuscating complexities far beyond the grasp of the economically uninitiated general public.

The inference is that only certified, credentialed white-shoe-shod experts are qualified to analyze and solve the complex economic problems ... which often were created by the very firms and institutions those experts work for.

What is invariably absent from the business media coverage is a clear accounting of who benefited and who suffered.

Who were those nameless but critical “lenders” to the troubled Irish banks whose “confidence” needed to be built up?

Were they the Paddy Six-Packs who risked losing their savings on deposit in Irish banks that needed to be rescued? No, not on your nelly!

Those lenders were the senior bondholders, the “investment class” – those speculators (a.k.a. gamblers) that make money by putting it where they can extort the high-

est “risk premium” to get the highest return on their speculation. They build nothing, they manufacture nothing, they create nothing and they grow nothing ... the only thing they “produce” is princely profits for themselves.

FINANCIAL MAFIA

And who were those senior bondholders who wouldn't get a White Shoe Boy “haircut,” nor even a trimming? The usual suspects: the banks and international financial institutions, Credit Suisse, Goldman Sachs, Barclays, ING, HSBC, Frankfort Trust, Société Générale among them. This legal monetary Mafia managed some 21 trillion euros between them.

But powerless Paddy was told he'd have to learn to get used to losing his job, or if he still had one, to get by on a minimum wage cut by 12 percent. Austerity measures would include pension reductions, slashed benefits, an increase in retirement age – and for good measure – taxes on virtually everything he buys would go higher. Oh yes, his kids' education will cost more, while schools would be closed and services trimmed.

But what would not be raised was the 12.5 percent Irish corporate tax rate, among the lowest in the world. With some 90 percent of Ireland's exports accounted for by multinationals, not home grown businesses, when the Bigs spoke, the politicians listened. “HP is very clear,” said Hewlett-Packard's boss of Irish operations, Lionel Alexander (also president of the American Chamber of Commerce in Ireland). “If the tax rate increased, we would be re-looking at our investment in Ireland.”

Also being neglected by the media was the extent of the outrage and anger building in the streets. While the initial strikes, demonstrations, and public protests in response to the austerity measures were duly covered, the greater trend-in-the-making was not recognized. Zero, nada, no clue. “Revolution” was not in the cards.

As far as the media pundits and politicians were concerned, once the protests had run their course or had been suppressed, people would accept their fate, go back home and, like it or not, suffer the consequences

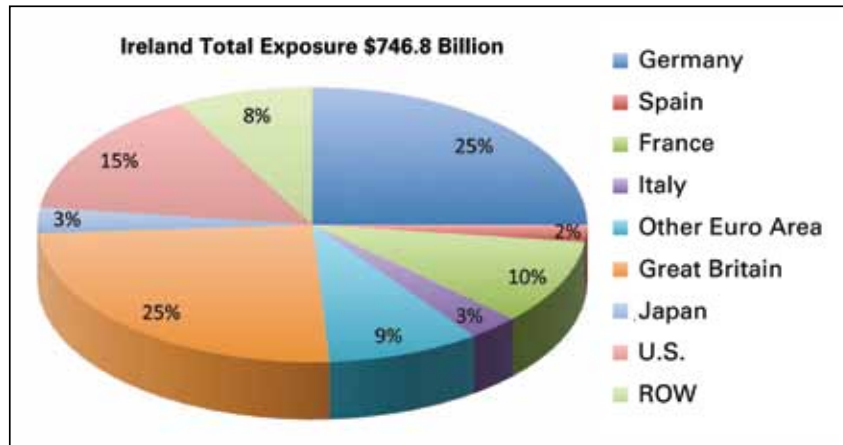
– as so often happens following major protests. But this time was different. Neither the press nor politicians were doing the math. They weren't adding up the economic toll of the “austerity” measures on the lower and middle classes.

Still stinging from the first round of bailout-induced austerity, the public had become wise to the rigged game. No longer willing to swallow assurances from their experts and leaders that the economic pain was ultimately for their own good, the seething citizen anger was too intense to just flare up and die down ... it would smolder and smoke.

COME THE REVOLUTION

As bailouts got bigger, the austerity measures would get tougher. It was a matter of survival – not ideology, partisanship or patriotism. Even those without a leftist

bone in their body or a “pinko” thought in their brain were seeing Red. It was class warfare. The “little people” were not only being held responsible for their own overspending (real estate, home equity loans, maxed-out credit cards), but, by government decree, they were being



forced to pick up the trillion dollar tabs run up by the criminal masterminds of the financial universe.

It would only be a matter of time before a series of final-straw events would break the publics back, setting off uncontrollable uprisings, coups (bloodless and/or military), riots and revolts throughout the financially battered world. A disparate range of spontaneous combustions – union-backed, coalition-built demonstrations manned by public/private worker alliances, political factions, and student groups – will be denounced by the government, and characterized by the media as the work of subversives, militants, anarchists, communists and, yes, of course ... terrorists.

True to form, as heads roll and violence roils, the precipitating factors that sent people over the edge will be misrepresented, and perpetrators of the financial crimes will not only not be held responsible, but will maintain their position as the best and brightest financial minds. ■

CRIME TIME

Beyond Wall Street and the world's financial districts, other well-organized criminal elements would prove equally ruthless, rapacious and inventive.

It has long been known that "The Mob" — be it Italian, Russian, Columbian, Jewish, Chinese, Albanian, etc. — greases government palms, games the legal system, and uses "soldiers" to run rackets and front business operations. But 21st century organized crime has already reached new heights.

For example, since the breakup of the former Soviet Union some two decades ago, the Russian Mob permeates every level of post-Soviet life ... from running drugs to operating oligopolies.

While it was generally accepted that a Russian tycoon could get to the top only with the backing of highly-placed connections, the WikiLeaked US Embassy cables painted a picture of a country that is a virtual "mafia state." In one cable, Spanish prosecutor José Gonzalez claimed, "One cannot differentiate between the activities of the government and organized-crime groups."

Mafia activities included arms trafficking, money laundering, protection, kickbacks, and bribes that brought in some \$300 billion.

"Russian democracy has disappeared," wrote US Secretary of Defense Robert Gates. It's a "corrupt autocracy," seconded US foreign office official Michael Davenport.

The Embassy leaks also linked Italian Prime Minister Silvio Berlusconi with Russian Prime Minister Vladimir Putin in what Washington characterized as a worrying "Rome-Moscow axis" that posed "a threat to US interests in Europe." The cables included suspicions that Berlusconi was "profiting personally and handsomely" from kickbacks on secret deals brokered by the Kremlin.

So aghast was Putin at the allegation that he took to the US airwaves to defend his honor on the nearly dead "Larry King Live" (CNN), which averaged a mere 674,000 viewers.

LET'S MAKE A DEAL

The crime waves in high places exposed by WikiLeaks varied only by degree, and according to each Government Don's wants and needs. In Yemen, Pakistan, Afghanistan, Turkmenistan ... all the Stans, around the world and across party lines — whether it be for money, arms, or power — "Let's Make a Deal You Can't Refuse" was the high-stakes game world leaders played.

In Autumn of 2010, India was being rocked by yet another scandal involving top political leaders. There

were mega-billion rupee deals giving away the telecom spectrum to cronies at bargain-basement prices, loans-for-bribes scandals at state run banks, and an institutionalized shadow economy of wholesale tax evasion and government corruption. The losses to the government and taxpayers were in the hundreds of billions.

Just one short step down the crime ladder, sandwiched between the capitals and the slums, foreign NGOC syndicates (Non-Governmental Organized Crime) were increasing efforts to get their own piece of the action. US Ambassador to Israel, James Cunningham, calling Israel a "Promised Land for Organized Crime," warned that Israeli mafia "had gained a foothold in America."

South of the US border, Mexican drug cartels had seized more than a "foothold." In parts of the country, they had effectively taken control of the government. Classified assessments revealed that the US had no confidence in the Mexican government's ability to conquer the cartels. Secretary of State Hillary Clinton suggested that the only way for Mexico to defeat the drug lords and fight the "War on Drugs" was to accept US military personnel, equipment, and training.

NO MONEY = SHORT FUSES

Even Brazil, darling of the free world's most emerging of emerging markets (ranked 75 out of 180 countries according to "Transparency International's 2009 Corruption Perception Index"), continued to criminally flourish in high and low places. From scandals at the top of the 2010 Presidential ticket to pitched street battles deploying thousands of soldiers, tanks and helicopters against the drug gangs that had long controlled Rio's shanty towns (favelas), crime marched on.

Across the globe, crime was a growth industry. Yet, back in the States, law enforcement experts were boasting about the decade-long downward trend in the crime rate. Despite the Great Recession deepening into the "Greatest Depression," the criminologists' consensus was that there wasn't necessarily a correlation between dire economic conditions — people losing their livelihoods, their savings, their homes and drowning in mounting debt — and the likelihood of a rise in crime.

Trend Forecast: No job + no money + compounding debt = high stress, strained relations, short fuses. And the fuse was lit! 2011 will be prime time for Crime Time. With little hope, few options, and deep despair, Americans who had never thought of themselves as criminals will be driv-

(continued on page 18)

CELENTE SOLUTIONS

Youth programs that might rescue kids headed for trouble will no longer be available to put even a slight brake on crime as burgeoning state deficits decimate social programs. Combined with cuts in police forces and the emptying out of prisons to balance budgets, the crime-ready population will balloon.

As crime rates rise, so will calls demanding a crack-down. Indeed, it will be a major plank in campaign platforms. The old favorite, “Get Tough on Crime” slogan will flood the airwaves. Of all the problems plaguing the nation, crime will be regarded as perhaps the only one that can be controlled by force. States and municipalities that had cut police ranks will backtrack and hire more ... at the expense of their remaining social programs, infrastructure repair and public services.

Police action alone can, at best, keep the lid on. But clamping down will *not* reverse the momentum of the crime trend. While most politicians will choose punishment, other voices will argue that society cannot afford not to find the funds and means for new approaches to engaging the crime-prone class. Not armored cars, barred windows, alarm systems, or guard dogs will be enough to hold off the barbarians-at-the-gated communities.

The new crime trend, now in its early growth stage, will require new approaches. Those things that government can't do, won't do, and doesn't know how to do will require citizen action on the part of the community and the collectively conscious. More than just “charity,” accepting civic responsibility – giving of time and money – will prove to be an act of “self-defense.” It will literally be a matter of do or die. Do nothing to stop crime at its source, and the likelihood of becoming a crime statistic increases.

If there is an organization that has a proven track record of helping young people find direction, donate what you can. Or, if you have or come across new ideas, become an angel; invest in what you believe in. If there is room for a 21st century “Boys Town” or “Girls Town” in your town, do your part to help build it.

Although it's a knee-jerk reaction (often justified) to dismiss bureaucratic, ill-conceived government-operated programs ... it is conceivable there are communities or governments around the world that have cost-effective/results-oriented initiatives that could be implemented to slow or reverse the coming crime trend. In the Internet Age, with the world-wide-web serving as a modern day Alexandrian Library, finding them and measuring their efficacy are a few clicks of the mouse away.

PRACTICAL COLLEGE KNOWLEDGE 101

What if it became a part of every college student's core curriculum to work among the disadvantaged? Not just a lame Sociology course or a few field trips, but as a required, multi-semester, hands-on, in-the-trenches exposure to ghetto life and low-income public housing projects.

What if a new army of college-educated life-changers could be enlisted in the battle to eliminate crime at its source? Such a meeting of minds and cultures has the potential to unleash hidden talents that otherwise would be lost – on both sides. Who knows what genius lurks inside that troubled, caged, beaten down ghetto mind – or for that matter, inside the brainwashed, test-oriented, creativity-stifled collegiate mind?

Early signs of constructive new approaches are already being considered.

D.C. wants to teach juvenile delinquents Yoga, Tai-Chi

The District's troubled juvenile justice agency is looking for a yoga teacher, or maybe a tai-chi instructor, to work with some of the city's most dangerous youths ... to see if they have ‘hidden talents that might be tapped.’ (*Washington Examiner*, 4 January 2011)

“Get tough on crime” advocates, who insist incarceration is the only way to break the criminal habit and reform the criminal mind, frequently dismiss such mind/body/spirit programs as “New Age fantasy.”

However, the decades old “lock ‘em up” solution has been proven a near total failure. Moreover, strident opponents of a mind/body/spirit approach to rehabilitation, having never been serious students of tai-chi, yoga or meditation, are not only unqualified to pass judgment on their efficacy, but have not even earned the right to an opinion.

Having begun my own martial arts training in tai-chi in 1983, practicing yoga for many years and still meditating daily, I know from firsthand experience the very real power of these disciplines and how they have changed my life.

It is only dedication and constructive discipline that can change minds and attitudes. As I have so often repeated in the *Trends Journal* and on the air, those who want to have the best chance of surviving the difficult times ahead must get in shape physically, emotionally, and spiritually. If this is accepted as sound advice for the general population at large, should it not apply to the underprivileged as well? ■

(continued from page 16)

en to do what they had to in order to survive.

As Gerald Celente says, “When people lose everything and have nothing left to lose, they lose it.” Crime had become institutionalized. In government, on Wall Street, throughout corporate culture, and even at the bottom of the pile – among disability frauds and welfare cheats – taking a stab at crime had become “as American as apple pie.”

Now it was the single household, the single mom, the suburban family of four, the McMansion dwellers and the used-to-be socialites that could be counted among the down-and-outers – those legions of on-the-edge desperate that will do what they needed to keep a roof over their heads and put food on the table. It was as simple as that, but that was much too simple for the out-of-touch and the unaffected to understand! As third world conditions descended over Empire America, so too will Americans descend into third world behavior.

HAIL, HAIL, THE GANG’S ALL HERE

Already flourishing prior to the “Panic of ‘08,” gang activity will intensify and membership will rise. In 2009, when the FBI last made a National Gang Threat Assessment, there were some one million criminally active gang members in the USA. The Feds estimated that, in some communities, gangs were responsible for 80 percent of all violent crime. More than just an urban blight, gang operations had penetrated deep into America’s suburban and rural heartlands.

In 2010, 31 percent of kids were failing to graduate high school, and teen unemployment was running at 25 percent (near 50 percent for African American and 31 percent for Hispanics). With entry level jobs few, and prospects for advancement minimal for those lucky enough to land one, a career in crime offered far better employment opportunities and benefits than stocking shelves at WalMart or playing cashier at a convenience store.

Although the crime game is mostly played by the more robust, heedless and mindless youth demographic, as economic conditions worsen, Crime Time will go geriatric. Aging populations in Japan, Europe, New Zealand and the USA will engage in a “grey crime wave” that will fill already overcrowded jails with a senior class of criminals. Up in age, down on their luck and out of options, grannies and grandpas will join with juveniles to create extended

families of crime.

In a new twist on *Oliver Twist*, financially astute, aging crooks with a lifetime of crime behind them will be recruiting cyber-savvy, desperate, and unemployed youngsters – not to pick pockets, but to pick passwords and run cyberscams.

Trendpost: Crime at all levels will not only become endemic, but gruesome acts once confined to pulp fiction or mob turf wars will become a new normal. The Chicago gangland St. Valentine’s Day Massacre of 1929, which has lived on in historical infamy, should be relegated to footnote status in the catalogue of atrocities routinely committed by today’s organized gangs and narco-traffickers.

Even more alarming (because so apparently out-of-character), ghoulish acts of violence are now also being committed by the average Joe, the demented Jane, the meth-head next door, or the kid down the block hooked on painkillers.

As crime elevates, so, too will calls for (non-governmental) security measures, services and products. Any enterprise offering some new security wrinkle (personal protection, home/business/cyber protection) will find a customer base among both the legitimately fearful and the unnecessarily paranoid. *See Top Trend “Cyberwars,” page 41.*

PUBLISHER’S NOTE: *It should be noted that home alarm systems do provide an element of safety, but the familiar TV commercials pitching them not only provide a false sense of security, they are also dangerously misleading. Yes, if a break-in occurs and no one is home the alarm will alert the security provider and may frighten the intruder away before grabbing what’s worth taking.*

However, TV ads showing a break-in and a woman running up stairs to answer a phone call from the security service as the intruder runs away in fear looks good (and sells alarm systems), but in real life does not play out so neat and clean.

The promised “rapid response from highly trained professionals” is a good tag line but will do nothing to deter the determined, drugged out, and/or hardened criminal whose immediate response will be violence in some form – not flight.

Only those appropriately armed or highly-trained in self protection stand a realistic chance of overcoming an intruder. And even those odds change if the criminal has his gun drawn before you can reach yours. ■

SCREW THE PEOPLE

The Little Guy is getting screwed from both ends: business and personal.

On the business/commercial level governments are further tilting an already un-level playing field to favor the Bigs. Yes, there were the robber barons and always a concentration of wealth and ownership, but laws had been put in place (Sherman Anti-Trust, Robinson-Pattman Acts, Glass Steagal, etc.) designed to prevent the Bigs from eating the smalls alive.

There was room for competition and plenty of opportunities for Main Street entrepreneurs and innovators to not only survive, but thrive. America's vibrant and flourishing middle class was the envy of the world. It distinguished the US from other developed democracies. And the possibility of living the American Dream in the "Land of Opportunity" was what inspired millions of foreigners to emigrate.

If there was a date to put on the death of the American Dream and when the little guy started getting screwed from both ends, it was 1971; and if there was a name for its executioner, it was Earl Butz, Secretary of Agriculture under Richard Nixon. Butz put what would become the new, overriding business philosophy into a single brilliant sound bite. He warned the American farmer to "get big or get out."

PUBLISHER'S NOTE: *Generally, Secretaries of Agriculture serve in obscurity, but the "get big or get out" crusade put Earl Butz in the media spotlight and made him a Big Business hero. The ruinous advice that should have been just cause to have him fired was barely debated. What finally got him booted from his cabinet post was his racist characterization accounting for the reasons why the Republican party was unable to attract black voters. "I'll tell you what the coloreds want," said Butz, "it's three things: first, a tight p#%sy; second, loose shoes; and third, a warm place to s#%t."*

But his exit from Washington came too late; the damage had been done. The viral spread of "get big or get out" would presage the death of the American Dream.

Earl Butz's injunction became the basis of a government

policy that would not only subsidize agribusiness at the expense of the family farm, but stand as an ominous harbinger for Everybusiness. The Constitution had been rewritten. The role of government was no longer to "promote the general Welfare" but rather to "promote the corporate Welfare." The US government would devote itself to channeling the energies and resources of the nation into the Bigs to make them bigger.

It was more than the subsidies and tax breaks earmarked for the Bigs that put pressure on the smalls. A revolving door of politicians, regulators, industry executives and lobbyists (moving seamlessly from government to business and business to government) has created an impenetrable fortress that keeps the smalls from participating in the legislative process. Laws have been passed

removing those few remaining speed bumps that might slow the Bigs in their headlong pursuit of profit, while on those tertiary lanes and byways still open to the smalls, road blocks are set up to stop them in their tracks.

To stifle any hint of competition, laws and restrictive regulations are imposed that are so convoluted and impossible to navigate that the little guys are strangled in endless red

tape. But the Bigs slip through specially designed loopholes or are politically protected and left alone. At worst, they can afford the cost of compliance without it affecting their bottom lines, or if caught breaking the rules, pay off the minimal fines.

King Coal decapitates mountain tops with impunity, runoff from agribusiness factory farms pollutes waterways, and chicken concentration camps producing billions of eggs (many salmonella-enriched) go uninspected for years on end.

But when a seven-year-old girl opens a lemonade stand at a neighborhood event, health inspectors swoop in.

Portland lemonade stands runs into health inspectors, needs \$120 license to operate

"I understand the reason behind what they're doing [selling lemonade] ... and they're trying to generate revenue," said Jon Kawaguchi, environmental health supervisor for the Multnomah County Health Department. "But we still need to





put the public's health first." (*The Oregonian*, 4 August 2010)

In support of the lemonade stand sting, Eric Pippert, food-borne illness prevention program manager for the state's public health division, said, "When you go to a public event and set up shop, you're suddenly engaging in commerce. The fact that you're small-scale I don't think is relevant."

But what is "relevant" is when half a billion eggs were recalled by Hillandale Farms/Wright County Egg following a nationwide salmonella outbreak in 2010, the FDA did not even have an inspection record for the entire history of these two mega-companies' operations.

WAR ON SMALLS

With yet another deadly food-borne illness outbreak making headlines and instilling public fear, support widened for the widely opposed S.510 – the "Food Safety Modernization Act." Promoted as beneficial public health legislation, in practice it would do what so much legislation does: create compliance problems that would drive small food producers out of business and further crush the family farm.

But what it would not do is hamper the operations of the major industrial food producers and processors who bore responsibility for most of the significant outbreaks.

S.510 was supported by proponents of good health and nutrition such as the Snack Food Association, the US Chamber of Commerce, American Farm Bureau (AFB), Kraft Foods, General Mills, Cargill, ConAgra, Nestlé, McDonald's,

Dunkin' Donuts, among others.

Hundreds of millions were spent lobbying to pass the bill and to quash dissent. The "War on the Small" was derisively expressed by AFB president Bob Stallman, who characterized consumers and farmers opposing the bill as "extremists who want to drag agriculture back to the day of 40 acres and a mule."

The Food Safety and Modernization Act has no more to do with "food safety" than the Patriot Act has to do with patriotism. Yet, it was just the latest episode in the long history of government/business subjugation of the entrepreneur.

Editor's Note: *With the executive and legislative branches under corporate control, as the Bigs got bigger an increasingly business-friendly Supreme Court either prevented legal challenges from being heard or took the side of business in those disputes that were heard. (NYT, "Justices Offer Receptive Ear to Business Interests," 18 December 2010)*

Trendpost: Traditions of entrepreneurship, independence, and the family farm aren't ready to lie down and die. And they no longer need 40 acres and a mule to thrive. New techniques that yield huge crops from small plots can turn anyone into a cash-crop farmer able to reclaim independence and produce food for a family or for the market. *See Top Trend "Fortune in Food," page 29.*

It was no different on the personal level

As Empire America declines, it continues to acquire characteristics typical of third world countries. Dissenters are spied upon, and non-violent protests are violently crushed. In 21st century USA, "maintaining law and order," the traditional role of police, means assuring that those in control stay in control. As enforcers for the political and business crime bosses, the long arm of the law is too short to reach the Bigs, too weak to break the street gangs, but just right to bludgeon the smalls.

In the US, following the "Panic of '08," with its revelations of high financial crimes and misdemeanors, despite White House hot air about "swift justice," not one major Wall Street head had rolled.

Yes, there was Bernie Madoff, the new Ponzi poster boy who got 150 years. But his billion-dollar scams were

paltry compared to the trillions bilked by the Big-banker frauds, brokerage bandits and rating agency rats. Perpetrators of world-class rip-offs and deliberate finagles, they did not even lose their jobs, much less their heads.

Yes, there were high profile investigations to assure the public that justice would be served, and political promises that Wall Street fraud (like the “War to End All Wars”) would never happen again. Headlines were made and penalties were levied.

Bank of America Unit Settles Complaint on Municipal Bonds

Banc of America Securities has agreed to pay \$137 million to settle charges from the Securities and Exchange Commission and state and federal authorities related to its participation in a bid-rigging scheme in the municipal securities market as part of a continuing federal investigation. (*NYT*, 7 December 2010)

Goldman Sachs Will Settle Fraud Case for \$550 Million

Goldman Sachs & Co. has agreed to pay \$550 million to settle civil fraud charges that the Wall Street giant misled buyers of mortgage-related investments. (*AP*, 15 July 2010)

Angelo Mozilo, Countrywide Ex-CEO, Settles With SEC For \$67.5M

Countrywide Financial Corp. co-founder Angelo Mozilo has agreed to a \$67.5 million settlement to avoid trial on civil fraud and insider trading charges that alleged he profited from doling out risky mortgages while misleading investors about the risks. (*AP*, 15 October 2010)

Rattner to Pay \$10M in Settlement With NY AG

Former Obama administration auto industry czar Steven Rattner has agreed to pay \$10 million to resolve two lawsuits by New York’s attorney general related to alleged kickbacks involving the state’s pension fund.

Rattner also agreed to be banned from appearing in any capacity before any public pension fund

in New York for five years. (*Fox Business*, 30 December 2010)

The above are but a small sampling of financial crimes that resulted in fines that barely affected their bottom lines – despite the sums involved. For example, the \$550 million Goldman Sachs fine, the largest in SEC history, amounted to less than 5 percent of Goldman’s 2009 net income of \$12.2 billion. On the news of the fine – which would be recouped in about two weeks – Goldman’s shares shot up.

Word that Goldman had settled began leaking about half an hour before the market closed. On the good news of what proved to be a financial slap on Goldman’s wrist, its stock rose from \$140 a share to \$145.22. In after-hours trading it shot up to \$153.60.

No prison time for the White Shoe Boyz! Above the law, they were the new upper-crust Untouchables – and they would get away with “financial murder.”

When the bubbles they artificially inflated burst, the con-job loans they made and packaged turned sour, and all those multi-billion dollar leveraged deals went bust, the people paid, not the Bigs ... not Wall Street.

Killers of economies, they destroyed the lives and livelihoods of millions ... literally. It was their depredations that brought on the Great Recession, with its rampant unemployment, millions of homes foreclosed, benefits cuts, pensions lost, dreams broken ... and yes, indirectly, lives taken.

Yet, not one of them did time. Prison, stiff penalties, and corporal punishment were reserved for the hardened criminals.

Queens Woman Claims NYPD Beat Her For Not Picking Up After Her Dog

A Queens woman is claiming the NYPD savagely beat her for not picking up after a dog that wasn’t hers.

“They saw my dog and they said I didn’t clean up,” said Stanczyk, fighting back tears as she spoke in halting English. “I said, ‘No, she only pee.’ They, of course, not agree with me and I say, ‘Show me. Where is it?’”

The officers found dog feces nearby, she said.

“Pick it up,” she said one cop ordered her. “I got scared. I pick up. I said, ‘It’s cold, not belong



N.Y. Daily News

to my dog.' When I smiled and said I didn't do anything, that made them very upset."

At that point, Stanczyk was handcuffed and arrested. When she used her feet to try to prevent them from closing the patrol car door to secure her, she says, the beating began.

"I get scared to death," she said. "I started to scream, 'My dog! My dog!' They punch me in my face. They punch me in my breast. They punch me in my stomach."

Court papers indicate police accused Stanczyk of causing a ruckus by yelling at the officers to leave her alone. They also said she locked her hands in front of her to avoid arrest. (*N.Y. Daily News*, 8 December 2010)



Paul Martinke

Teen Nabbed in Church Heist

A teen who tried to pilfer the collection boxes of a Brooklyn church hid for two hours in the building's basement yesterday before seven cops – with automatic weapons drawn – pulled him out, a priest said.

Cops arrived and surrounded the church at 67th Street and 11th Avenue.

They also called in an NYPD helicopter and police dogs.

Police said they found the unarmed teen cowering behind desks in the basement and hauled him outside at 1:15 p.m. – but he denied having taken any collection cash. (*New York Post*, 2 January 2011)

Teen in a Coma After Accident, Cited for Jaywalking

LAS VEGAS – A 13-year-old girl is recovering after being hit by a car. The accident happened Tuesday afternoon and the girl's mother says she is in a medically induced coma. But while at the hospital, her mother was given a ticket because her daughter was jaywalking.

Takara Davis is an 8th grader at Lawrence Junior High School, which is only a few blocks away from where the accident took place. Davis was issued a jaywalking citation. It was handed to her

mother at the hospital.

A spokesperson for the Metropolitan Police Department issued a statement about how the citation was issued, saying, "Our officers conduct themselves in a professional and compassionate way. We wouldn't do anything deliberately insensitive."

San Francisco police shoot wheelchair-bound man twice in the groin

A man in a wheelchair was shot twice in the groin by San Francisco police outside a mental health facility Tuesday.

A cellphone video uploaded to YouTube Wednesday showed four plainclothes and two uniformed officers surrounding the wheelchair-bound man. He was reportedly armed with a knife and

a chunk of concrete. (*Raw Story*, 6 January 2011)

80-Year-Old New Yorker Fined \$100 For Throwing Newspaper in Trash

Delia Gluckin told *The New York Post* that she got the \$100 ticket from a Sanitation Department agent on Sunday ... for putting "improper refuse in a city litter basket."

The 80-year-old Gluckin says she's on a fixed income and will fight the fine.

City litter baskets have signs that read: "litter only" and "no household trash." (*AP*, 8 December 2010)

The moral of these stories: **Be careful.** If you're in a wheelchair and take your dog out for a walk, do not carry a chunk of concrete, and do not "jaywheel." Throw only "government approved" litter into government-provided litter baskets. Squads of fully-armed, Kevlar-protected men in blue are out there, assault rifles at the ready, patrolling and maintaining "law and order."

Your taxes pay for them to do the jobs they have been trained to do and you should be grateful they are on the job and vigilant.

Do not break or in any way infringe upon the law. State and municipal coffers are depleted. It is only your \$100 fines for improper littering that will keep them filled and the bureaucrats employed.

Remember, crime does not pay ... unless you work on Wall Street.

Going Global As times get even tougher and people get even poorer, the “authorities” will intensify their efforts to extract the funds needed to meet fiscal obligations. The first round of “austerity measures” imposed by European governments provides the first taste of what to expect from recession-plagued nations.

As the Great Recession extends its global reach, those high-flying emerging markets, which “experts” claim are immune, will also be submerged beneath loads of crushing debt and will also resort to austerity measures of their own.

While there will be variations on the theme, the governments’ policy will be the same: cut what they give, raise what they take. Social safety nets will be torn and public services will be cut to the bone. Getting a lot less will cost taxpayers a lot more. While corporate tax rates may rise, tax breaks and loopholes for the wealthy are maintained or widened.

To close the gap, the reach of the revenueurs will dip ever deeper into the pockets of proles and what’s left of the middle class. Property taxes will continue to rise even as property values continue to fall.

Sales taxes, sin taxes, highway tolls, meter fees, park permits, license fees, water rates, and the fines for every minor violation – from nuisance laws to speeding tickets, jaywalking to litterbugging – will go as high as the traffic can bear ... before they go even higher.

A Step Back in Time The first ten years of the 21st century looked more like the 11th century. A neo-feudalism was reducing the people to neo-peasantry. Subjects who had once been middle-class were becoming de facto indentured servants to an insensitive aristocracy of kings, queens and lords of commerce who saw to it that the Bigs and the billionaires were exempted not only from paying their fair share of taxes, but even from an increase in taxes to make up for revenue shortfalls.

No better example could be found than the recent passage in America of President Obama’s tax proposals that assured the Bigs would get bigger, hedge funds would get fatter, and the über-rich would get über-richer.

The law gave \$150 billion in income tax savings to the wealthiest, and hundreds of billions more in the form of tax cuts and tax write-offs for corporations while perpetuating the all-time low 15 percent tax rate on capital gains. In recognition of the highest rollers – hedge funds and

private equity executives – Obama law allowed them to call their gambling profits capital gains rather than personal income (taxed at a higher rate) even though these overt financial finagles produce absolutely nothing ... beyond billions in profits for the gamblers.

To keep America safe for neo-feudalism, as the New Year began, President Obama replenished his White House entourage with two impeccably credentialed aristocratic courtiers.

MEET NEW BOSS, SAME AS OLD BOSS

Replacing Rahm Emanuel as chief of staff was William Daley, the son and brother of previous mayors of Chicago, where, according to *The New York Times*, “... his family has an almost royal status.” Lord Daley left his princely \$5 million a year post as Vice Chairman of JPMorgan Chase (the nation’s second largest bank), where he headed its lobbying wing. Daley had also lobbied for foreign corporations, such as Nestlé, and serves on the board of directors of Boeing and multinational pharmaceutical giant Abbot Laboratories.

Formerly special counsel to the Clinton administration and Commerce Secretary, Daley spearheaded the passage of the North American Free Trade Agreement (NAFTA) that opened the outsourcing floodgates that would allow millions of high-paying American jobs to emigrate to cheap labor countries.

In further honoring his pledge of “No Change that Anybody Can Believe In,” Obama also replaced Larry “Always Brilliant” Summers, chair of the National Economic Council, with Gene Sperling, formerly chair of the National Economic Council in the Clinton administration.

As Clinton’s NEC chair, Sperling was a prime pusher for the repeal of the Glass-Steagall Act and other financial regulations that, if left in place, would have impeded the speculative frenzy that led to the financial meltdown and the “Panic of ‘08.” A former consultant for Goldman Sachs and several hedge funds, Sperling was instrumental in brokering the Obama tax break bill for the richest.

What hard-core Obama opponents were calling “Marxism,” and soft-core opponents were calling “socialism” was in fact a miscegenated marriage of feudalism to fascism; the subjugation of the populace and the merger of state and corporate powers.

The White House was Corporate Central, and to varying degrees, US government policies mirrored those of “Democracies” across much of Europe ... in which profits were privatized, losses were socialized, and the people got screwed. ■

STUDENTS OF THE WORLD UNITE

Unlike the medieval system where all but the aristocracy were excluded from an education, in the neo-feudalist 21st century, even in many impoverished countries, education is usually compulsory and higher education relatively affordable.

With literacy universal and access to broadcast media and the Internet available to the neo-peasantry, the neo-aristocracy no longer has the power to do what it wants to do without the people knowing what is being done to them. Thus, in 2010, with draconian austerity measures taking their human toll, insult was added to injury. The well-publicized news of bank bailouts, billions in executive bonuses, and a spectrum of financial hardships heaped upon those who could least afford them – by those who could easily afford them – had the public seething ... especially the young.

Many, including the university-degreed, were unemployed. Others, suddenly confronted by tuition spikes as high as 200 percent, were being denied even the possibility of a higher education. They're mad as hell and aren't going to take it anymore.

The scenario and situation will vary from country to country, but a common theme runs through all: death by a thousand budget cuts.

THERE IS NO FUTURE, LIKE NO FUTURE

Faced with a future of downward mobility, the educated youth are savvy enough to know the system is rigged against them. Forced to pay for the debts and excesses of high-stake speculators and financial criminals, they know that if they don't fight "against the machine" now, they'll be run over by it for the rest of their lives.

In the UK, Italy, Turkey, Tunisia, Greece, Algeria – around the world the young are up in arms and out on the streets. Having the most to lose, and yet nothing to lose, the young – impassioned, incensed, hormones raging and knowing no boundaries – will provide the impetus to revolution.



Savage Jargon™

The more strident the protest, the harsher the crackdown. The greater the threat (real or perceived) to government control, the greater the restrictions imposed upon individual liberties. The right to assembly will be lost, freedom of speech will be silenced, and social networks and other methods of Internet/wireless communications will be monitored, restricted or censored.

Ham-fisted government attempts to quell the rebels-with-a-cause will, however, in the long-term prove ineffectual. Each small victory, each perception of government vulnerability, will result in intensified protests. Despite all efforts to shut it down, the Revolution will be televised ... and blogged, YouTubed and

Twittered. *See Top Trend "Journalism 2.0," page 37.*

Editor's Note: "Youth of the World Unite" is a variation of the 1960s' theme that had the American Baby Boom Generation protesting the Vietnam War. While many may have been philosophically opposed to the war, they were marching and burning draft cards for one reason, and one reason only: their lives were on the line. "Hell No, We Won't Go" was a slogan that unified a generation.

Yet, today, a philosophical opposition to US wars in Afghanistan and Iraq has no galvanizing power. Those once vocal, righteous and principled boomers remain silent, as do their sons and grandsons. They are not marching for one reason, and one reason only. With no draft, they are no longer in that line of fire.

Their futures, however, are again on the line. Although lagging far behind their European counterparts, American youth will slowly come to understand that they too have something to fight for: their livelihoods.

No work and deep in student debt – nearly a trillion dollars worth, exceeding even credit card debt – 21st century graduates, many with B.A.s and B.S.s in Worthlessness, will be forced to work a lifetime to pay back their student loans. Due to strict new legislation promoted and pushed through Congress by VP Joe Biden when he was Senator of Delaware (the "Loophole State"), bankruptcy will not be a graduate's option. A new class of indentured servants has been created. ■

CRACKDOWN ON LIBERTY

Tyranny never has much trouble drumming up the smiles of prompt agreement, but a democracy stands in need of as many questions as its citizens can ask of their own stupidity and fear. — Lewis Lapham, *Gag Rule* (2004)

The United States government's assault on civil liberty has been underway for many years. In the decade since 9/11, under the guise of protecting its citizens from terrorism, the government has steadily abrogated individual rights, compromising the very liberties it pretends to preserve.

The establishment of an Imperial Presidency, charted below, was consolidating power at the top while progressively depriving those at the bottom of rights guaranteed under the constitution.

Capitalizing upon a climate of fear, during his presidency, George W. Bush issued 161 Signing Statements, 291 Executive Orders, 66 National Security Presidential Directives, and 25 Homeland Security Presidential Directives. It is not only the volume of Bush's legislative activities that is alarming, but also the content.

Bush's use of signing statements were a critical part of his regime's assault on the US Constitution and the balance of power established between the executive, legislative and judicial branches.

Historically, signing statements had a ceremonial function. They were a way for a president to explain his reasons for signing a bill and served to promote public awareness. According to a [Congressional Research Report to Congress](#), it was President Reagan who began the use of signing statements to assert presidential prerogatives over Congress and the Judiciary. This use continued under presidents George H.W. Bush and Bill Clinton.

DECIDER-IN-CHIEF

President George W. Bush used signing statements in a new way. He used them to assert a power not to enforce the very laws that he himself signed – which put him at odds with his oath to faithfully uphold the nation's laws. When Bush signed acts of Congress into law, he used signing statements to change or nullify 1,100 provisions in 160 enactments. Seventy-eight percent of his signing statements contain challenges to the validity of the laws that Congress enacted.

Some legal experts have criticized Bush for using signing statements as line item vetoes, which are illegal under US law. But more is going on than that. Characterizing certain acts of Congress as infringements of executive

power, Bush used signing statements to institutionalize the “unitary executive” theory – a claim that the executive has unique powers that are above the reach of the legislature and judiciary.

Note: *The unitary executive theory originated in Republican frustration over the ability of a Democratic Congress to block a Republican president's agenda. The theory was designed to give the president the advantage in the power struggle. The main supporters of the theory are found in the ranks of the Federalist Society, an organization of Republican lawyers formed in 1982.*

However, during the Bush years, it was used to accumulate dictatorial powers in the executive branch that are unaccountable to law.

When President Nixon claimed that nothing is illegal if the president does it, people laughed, but when, in the 21st century George Bush made the same claim, no one laughed.

An absurd claim to elevate the President above the law was made “legal.” For example, the US Department of Justice (sic) ruled that the President was not bound by US and international laws against torture and that Bush did not have to observe the Foreign Intelligence Surveillance Act and could bypass the FISA Court and to spy on Americans without obtaining warrants.

Claims made for presidential powers were used to set aside constitutional protections of civil liberties, such as habeas corpus which prohibits detention in the absence of conviction in a court, due process, and right to an attorney.

To evade court trials of detainees against whom the regime had no evidence, Bush created a system of “military tribunals.” Congress largely accommodated the administration and is complicit in the rise of the American police state, though Bush met some opposition from the judiciary.

The outcome of the struggle over the Constitution is not yet final. However, the speed and ease with which the Bush regime was able to move the United States toward a police state is frightening. Moreover, President Obama has continued the violations of the Constitution and is [now seeking to codify indefinite detention without evidence or trial](#).

SEE NO EVIL

Few Americans seem to mind that their government resurrected the power of a medieval ruler to cast people into dungeons without any accountability.

Under the new President, the practice continues. Congress hardly raised an eyebrow when the Obama regime

announced it has a list of American citizens that it intends to assassinate. Some in Congress have called for executing those who leak and make public evidence of US government practices, secrets and crimes.

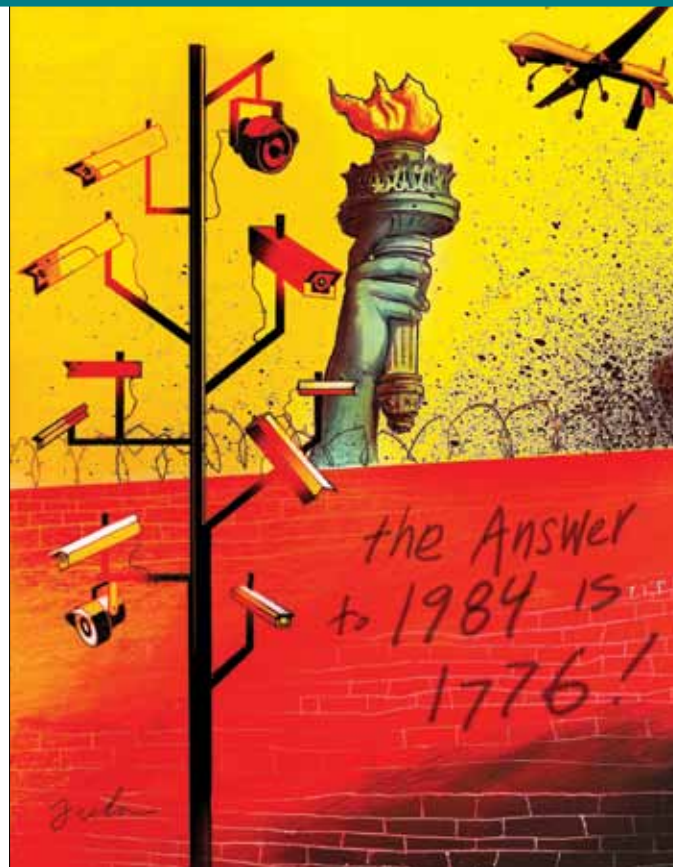
Note that Congress doesn't want the government criminals punished, only those whistleblowers who alert the public to the government crimes. And once on this path, enforcement measures expand and accelerate. Already, Homeland Security has announced that it has shifted its focus from terrorists to "domestic extremists." It is not far from there to "critics of the government."

RISE OF THE POLICE STATE

The Bush administration used the climate of fear that it successfully created in the wake of 9/11 to issue the "National Security and Homeland Security Presidential Directives" (NSPD-51 AND HSPD-20) in May 2007. These directives allow the executive to declare a "national emergency" on his authority alone without ratification by Congress. In addition, there are secret provisions in the directives that not even congressional members of the Homeland Security Committee have been permitted to read.

The unclassified part of the directives declares the authority of the executive branch to lead "a cooperative effort" with Congress and the judiciary to govern in place of the normal governmental procedures. Marjorie Cohn of the National Lawyers Guild concluded that the directives are unconstitutional, because they give the executive branch priority over the legislative and judicial branches, which the Constitution places on equal footing with the executive branch.

Apparently, the directives supersede the National Emergencies Act, which gave Congress oversight over executive branch powers during declared emergencies. Under the new directives, once the executive declares a national emergency, the executive branch can take over



Anthony Freda

all functions of government at every level, as well as private organizations and businesses, and remain in total control until the executive declares the emergency to be over.

In other words, Bush signed a Presidential Directive that permits the executive branch to override the US Constitution, all statutory law, Congress and the judiciary and to rule the entirety of the United States merely by declaring two words, "national emergency." We have here the American equivalent of the "Enabling Act" that gave Hitler dictatorial powers. President Obama extended without discussion the Bush directives in 2009 and again in 2010.

In those cold war days when nuclear annihilation hung over our country from Soviet ICBMs, other presidents had given thought to national emergencies. However, their directives had always provided Congress with the power to override the declaration of emergency, thus preventing an ambitious executive branch from seizing total power. Bush's directive was unique in denying Congress any role in the decision.

ASSAULT ON CIVIL LIBERTY

The neoconservative Bush regime did not see democratic institutions as our hope but as an obstacle. Throughout the Western world democracy is out of favor with the ruling elites. In the UK and Europe, peoples are being forced, despite their expressed opposition, into an **EU identity that they reject**. Former British PM Tony Blair and his European counterparts have decided on their own that the people do not know best and that the people will be ignored. As former French prime minister Valery Giscard d'Estaing **told the French newspaper, *Le Monde*, "Public opinion will be led to adopt, without knowing it, the proposals that we dare not present to them directly."**

When Western leaders cease to believe in democratic outcomes, freedom is finished. We can see this in the Patriot Acts passed by Congress and in the Military Commission Act passed in 2006.

On December 6, 2001, US Attorney General John Ashcroft gave short shrift to constitutional concerns, telling the Senate Judiciary Committee that “those who scare peace-loving people with phantoms of lost liberty . . . give ammunition to America’s enemies and pause to America’s friends.” The only senator to vote against the Patriot Act, Russell Feingold, said that the act “goes into a lot of areas that have nothing to do with terrorism and a lot to do with the government and the FBI having a list of things they want to do.” Once again, an orchestrated crisis was used to expand the government’s unaccountable police power.

On March 1, 2010, President Obama renewed Bush’s Patriot Act, unconstitutional legislation that destroys civil liberties guaranteed by the Constitution. The Christian Science Monitor reported that, “**Privacy advocates had called for greater oversight on aspects of the Patriot Act that give the government broad powers. But the version Obama signed Saturday moved through Congress unchanged.**”

In today’s “free and democratic” America, surveillance of citizens (who supposedly control the government via the ballot box), brings to mind George Orwell’s 1984. The ACLU, the last defender of US civil liberty, goes along in part with the Patriot Act, but says that the legislation “gives the government overly broad power to seize records in investigations not connected to terrorism.”

Fabricated terrorist cases keep alive the fear of “terrorist attacks” that inspires draconian repeals of civil liberties in the name of public safety. Examples include the Portland “Christmas tree bomber,” who the FBI cultivated for six months and provided a fake bomb; Farouque Ahmed, the Virginia man ensnared in an FBI ruse to bomb the Washington Metro system; and the “Miami Seven” recruited by the FBI to bomb the Sears Tower.

When so many of the “terrorist attacks” that are being used as a pretext to destroy the US Constitution are orchestrated by the FBI, [one wonders what undeclared agendas are at work](#). Whatever these agendas are, both the executive and legislative branches are united in their determination to keep the public from finding out.

On December 10, 2010, the Senate passed the so-called “[Whistleblower Protection Enhancement Act](#)” (S. 372) by unanimous consent. What the act actually enhances is the government’s ability to nullify whistleblower protection. One provision provides sweeping new powers to dismiss whistleblowers’ reports without a hearing on the basis of affidavits filed by executive agencies. We know what that means. While the Bush regime was running torture cen-

ters, Bush declared that “the US does not torture.”

Another provision of S. 372 permits executive agencies to fire employees who report actual violations of law and overturns the US Court of Appeals *Drake v. AID* decision in which a federal agency was ordered by a federal court to take corrective action.

The extreme and unconstitutional attack on WikiLeaks founder Julian Assange by the US government, both executive and legislative branches, and by the captive TV and print media, is a conclusive indication that the US government cannot stand the light of day. A number of US politicians and neoconservative “journalists” have called for Assange’s assassination. Normally, such calls would lead to arrests for “incitement to murder,” but in America today few blink an eye, and certainly not the US Department of Justice.

US Senator Joseph Lieberman not only wants WikiLeaks’ blood but also that of the *New York Times*. Lieberman wants the First Amendment nullified so that the US government can continue to hide its deceptions and criminal actions under the cloak of secrecy.

A “free and democratic” government that cannot stand the light of day has much to hide. Both the executive and legislative branches are seeking refuge from truth in police state measures. Julian Assange is demonized as an anti-American who is endangering American lives by forwarding information leaked to him by US government sources to news media.

Under existing law Assange has done nothing wrong. Nevertheless, the Judiciary Committees of Congress and the Department of Justice under Eric Holder are striving to bend existing law or to invent some law that will give the US the “authority” to extradite Assange, an Australian citizen, to the US for a show trial or for indefinite detention in Guantanamo prison.

Americans, or about 78 percent of them, according to polls, prefer the “safety” of a police state to a free society. Bruce Fein, a former Reagan administration Justice Department official, and author of “*American Empire: Before The Fall*,” observes:

“Prevailing legal doctrines and practices in the United States bear the earmarks of tyranny deplored by the Founding Fathers and are hauntingly evocative of The Soviet Union or The People’s Republic of China.” As for the constitutional protection of the right to an attorney, “Lawyers who defend alleged international terrorist organizations are vulnerable to prosecution under the material assistance law.”

Keep in mind that an “alleged terrorist organization”

might, under current interpretation, be a group like Doctors Without Borders or anyone who innocently gifts to a charity that provides aid to Palestinians that can be alleged to funnel through Hamas offices, the elected government of Gaza.

Fein concludes his assessment of the destruction by the US government of American liberty: “Government crimes – including torture, illegal surveillance, obstruction of justice, and war crimes – go un-prosecuted despite the President’s constitutional obligation to take care that the laws be faithfully executed.”

When the elected leaders of a democracy, allegedly accountable to law, refuse without shame to obey the law, liberty is dead. The Bush presidency succeeded in replacing the restraints that the Constitution and statutory law place on government with unaccountable executive power. And it has continued under President Barack Obama.

There is little, if any, outcry from bar associations, law schools, and the print and TV media. A few federal judges have ruled against unaccountable power of the executive, but as of the end of 2010, the majority of American citizenry has accepted the transition to rule by caesars.

WHERE KAFKA MEETS ORWELL

In an ironic twist of history, today it is the communists of the Fourth International who are concerned about the rise of the American Police State: “While authorized and funded in the guise of a response to terrorism, the network of agencies at the federal, state and local levels represents an enormous threat to the democratic rights of the American people. It is the scaffolding for the construction of a police state.”

On December 20, 2010, *the Washington Post reported*, “the United States is assembling a vast domestic intelligence apparatus to collect information about Americans, using the FBI, local police, state homeland security and military criminal investigators.” These American citizens, *the Post*, says “have not been accused of any wrongdoing.”

The question naturally arises: Who are these people for whom unlawful dossiers are being collected? The most obvious answer is: war protestors, lawyers who invoke the Constitution, Bill of Rights, and international law against unlawful spying without warrants, torture, detention without charges, rendition, curtailment of free speech and war crimes, critics of the orchestrated “terrorist plots” organized by the FBI “sting operations,” and critics of the government and its favoritism of the megarich. Environmentalists and animal rights advocates are

included in the “terrorist” surveillance.

A total of 4,058 federal, state and local organizations now have counterterrorism functions and are equipped with military technology capable of penetrating through cars, clothing, and the walls of homes to determine if anyone in their home, car, or on their person is armed.

The Pentagon already has, according to the *Washington Post*, 161,948 “suspicious activity files.” Does anyone in their right mind actually believe that there are this number of terrorists in the US? If there were, the entire country would be going up in explosions.

In Thomas Jefferson’s state of Virginia, a “terrorism threat assessment” in 2009 named historically black colleges as potential hubs for terrorism. That “anti-terrorism” is taking a racist approach is also evident from neoconservative propaganda. The neoconservative Center for Security Policy has invented a “stealth jihad” and claims that most mosques in the US are “radicalized” and must be dealt with before they impose sharia law on the US.

There is every indication that the United States is lost in fantasy. The United States has military operations underway against Iraq, Afghanistan, Pakistan, Yemen, Somalia, and, unconditionally supports Israel’s policies in its conflicts with the Palestinians and neighboring nations. Yet Americans are told by the mainstream media and politicians that they are under attack from Muslim terrorists, which Homeland Security has merged with “domestic extremists.”

And the next iteration will be “critics of the government.”

The Police State is here. We are living in it. “Your papers, please,” only in Amerika, there is no “please.”

By Paul Craig Roberts

A former associate editor of the Wall Street Journal and columnist for Business Week, Dr. 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.

He has held academic appointments at Stanford University, Georgetown University, VirginiaTech, Tulane University, George Mason University, and the University of New Mexico. Dr. Roberts was awarded the US Treasury’s Silver Medal, the French Legion of Honor, and has testified before committees of Congress on 30 occasions. Forbes Media Guide ranked him as one of the seven top American journalists, and he was awarded the Warren Brookes prize for excellence in journalism. ■

FORTUNE IN FOOD

In 1994, Gerald Celente forecast the rise of microfarms – commercial growing operations of 20 acres or less. That trend has accelerated. Around the world, chefs at high-end restaurants are forming alliances with local farms to provide the freshest foods, often grown at the direction of the chefs themselves. (See “Microfarming,” *Trends Journal*, March 1994)

In the US, farmers’ markets – a primary outlet for microfarmers – grew 16 percent from 2009 to 2010, up from 11.2 percent growth the year before. The number of community-supported agriculture operations (CSAs), which sell directly to consumers who pre-buy shares of the crops, has grown an average of more than 10 percent annually over the last 20 years.

Part of the growth of microfarms is rooted in new, intensive growing techniques that enable ordinary back-yard gardeners to produce huge yields from small plots – not only feeding families, but also producing a second income while shaking off government controls and the agribusiness conglomerates that have dominated the food industry.

VICTORY GARDENS 2.0

These are the new “victory gardens.” Not to be confused with the victory gardens planted during World War II, these are actually mini battlefields on which the War on Food is now being fought. It is a war in which the small farmer/grower can use grass-roots weaponry to challenge the four food enemies that have practically snuffed out the family farm – and are stealing our health and wealth.

1. Victory over tainted food. Last January, German egg farmers found that up to 3,000 tons of deadly dioxin had been mixed into animal feed they gave their hens. The eggs were exported to the Netherlands and then England. The dioxin levels weren’t lethal, but eggs from more than 4,000 farms in Germany were quarantined. In September 2006, an outbreak of spinach-borne E. coli in eight US states killed at least one person, sickened more than 50 others, and prompted a recall of bagged spinach. Increasingly, people want to know where their food comes from and what’s been put into it. Not long ago, buying local and organic was seen as an affectation of the elite; now it’s becoming a matter of self-defense. In 2008, the gross income of the typical US organic farm was 60 percent higher than that of an average non-organic operation.

2. Victory over factory food. The easy, tasty processed foods that are fattening up the population contain man-

made additives that make the foods look and taste good, but our bodies pay the price: some of these alien substances can be hard to digest, add blubber to already bloated bodies, and some even may pose health risks after years of steady consumption.

3. Victory over expensive food. Last December, world food prices hit the highest average levels ever recorded, due in part to demand in the developing world. Unless this year’s grain harvest is a bumper crop, prices could easily rise higher still. The same month, Iran deployed riot police as economic realities forced the government to slash subsidies on bread and other foods. In January, rising food prices sparked riots in Algeria, with young people setting fire to buildings and chanting, “Bring us sugar!” The price of vegetables in India rose 70 percent in 2010 and China has scrapped a plan to import several million tons of corn this year as prices soar to new heights.

In the US, coffee prices are up 30 percent in recent months, sugar has set new price records, and wheat prices have jumped 47 percent because of droughts in Russia and Australia. Even chocolate costs sharply more than in the recent past.

It is inconceivable that an army of family farmers can produce enough, soon enough, to meet growing demand, make up shortfalls and compete with agribusiness’s competitive advantage of economy of scale. However, with world population increasing (one billion added in the last decade, 5.5 billion in the last 100 years) and the inevitable scarcities of many basic foods – along with foreseeable cost increases for production and transportation of fertilizers and fuel – the profitable microfarm and the self-sufficient food entrepreneur will become practical realities, a real force in food production, and a significant trend. As proof, the number of US farms grew by more than 300,000 from 2002 through 2008. Almost 57 percent of these new farmers were retirees or families with other sources of primary incomes.

Note: Studies show that a typical tomato eaten in the US travels more than 1,000 miles from vine to table. The fuel costs to transport a side of beef from Argentina to Japan, or a head of lettuce from California to New York, can add more than 15 percent to the cost of producing the food itself – especially as petroleum prices keep rocketing up.

4. Victory over hard times. With food costs rising, average household income declining, and budgets stretched thinner by the day, growing your own fruits, vegetables and herbs is becoming a necessity, not just a hobby, for more and more people, both to eat and as a source of extra

cash. In 2008, 57 percent of US income-producing farms were small, second-income operations grossing under \$250,000 a year and run by retirees or families with another primary source of income.

All of these factors have launched the “locavore” local food movement that is growing across the developed world. People want to eat food they know has been grown safely, using minimal additives and minimal transportation, and preferably grown at farms they can visit if they want to.

Roof gardens are sprouting in urban centers, and community gardens are growing from small towns to downtowns in Europe and North America. The trend has taken hold so strongly that even a Subway sandwich shop in downtown Tokyo is trumpeting the fact that it’s growing lettuce on-site to use in its fare.

BREAK THE CHAINS

The trend in microfarms has fueled the growth of a specialty among small holdings known as “micro-ecofarms.” These new plots aren’t just out in the country – they’re also springing up in back-yard suburbia and occupying vacant lots downtown. What defines them is not only their small footprints. Typically, they also employ new insights and new growing methods that enable them to produce dramatically large harvests per acre of land, or even from each plant. These new methods enable Washington state’s Ocean Sky Farm to profit from just an acre and a half, with 75 families as prepaid subscribers to its vegetable harvest; and Gaia Growers Farm in Oregon to haul in 2,000 pounds of veggies in one growing season from two vacant urban lots.

For example, the “biodynamic” approach to farming treats a farm as a living organism and builds up the soil, using compost and special concoctions. The “French intensive” method packs plants close together and relies on so-called companion plantings: putting plants together that help each other, such as tomatoes and cabbages, for example, because tomatoes repel cabbage-eating bugs. Gardening guru John Jeavons has blended these methods into his “biointensive” approach to cropping which, he says, uses one-third the water and 99 percent less energy than commercial farming yet delivers two to six times the yield from no more than half the land conventional farming would require to achieve the same result.

EASY AS 1, 2, 3

The technique called “square-foot gardening” is less about footage and more about combining three trends in

high-yield, small-space crop production.

The first is to plant in raised beds – planters, usually made of scrap wood or construction lumber, set on top of the ground and filled with soil. Raised beds keep soil warmer and preserve moisture, producing a larger and often healthier yield with less work.

Second, raised beds often are used in the movement toward “no-till” gardening, saving the toil of breaking up hard ground or turning over dirt each growing season. Compost or soil is laid atop carpets of cardboard or newspapers and then covered with mulch to keep down weeds and keep in moisture. The result: less tending and, over time, increased yields as the soil becomes richer by the season.

Third, square-foot gardening is a pioneer of so-called “dirtless” farming. Disciples of square-foot gardening fill their raised beds not with soil, but with a mixture of roughly equal parts peat moss (to hold moisture, insulate the soil, and provide nutrients); compost to nourish the crops; and coarse vermiculite (a mineral) to aerate the mix.

Blending these elements creates a garden that requires “20 percent of the space, 10 percent of the water, and 2 percent of the work” to harvest the same crop that conventional agriculture would deliver, according to claims by retired engineer Mel Bartholomew, who invented square-foot gardening.

Another trend in dirtless gardening is the rising interest in hydroponics: seeds are planted in narrow beds or troughs carpeted with perlite (a volcanic glass with a high water content), vermiculite, or other non-organic material, then liquid nutrients are sluiced through the channels. Plants’ roots don’t need to range out in search of food so roots tend to grow in clumps or balls, allowing plants to be bedded far closer than in conventional gardens. That gives greater yields from limited spaces, and the concentrated nutrition produces harvests from each plant that are as much as three or four times greater than dirt gardens can manage.

Because the planting beds can be small, and no dirt is required, hydroponic beds rigged with full-spectrum lights make it possible to bring small-scale, commercial vegetable farming into a garage or basement. ([For additional examples and resources, click here](#))

Trendpost: Like other industries, farming will decentralize from large growers managing hundreds of acres of soybeans or corn. While large commodity producers will continue to suffer from world competition, small growers will thrive, supported by the increasing number of farm-

ers' markets, grocery co-ops, and consumers eager to "eat local." This movement is unlikely to reduce food prices but will pressure agribusiness, food factories, and supermarket chains to expand their offerings of foods that are locally raised, organic, and "unenhanced" by chemicals.

Farmlands that are an easy drive from population centers will increase in value; neighborhood and backyard commercial growing operations will expand in number, especially among people seeking encore careers or who have been downsized from more traditional jobs.

The curiosity and energy nourishing the new "victory gardens" will take power away from the agro-industrial food complex. A new kind of family farmer, and the retail outlets and customers who support them, will gradually transfer control of our food and health from the Bigs back to where it belongs. ■

ALTERNATIVE ENERGY

As gasoline prices speed past \$3 a gallon and endless arguments about global warming wear on, the world is expecting the "usual suspects" of solar panels, wind and water turbines, geothermal, and biomass to provide tomorrow's green, renewable power. But our real energy future lies on the far side of these interim technologies. Devices that conventional scientists still believe impossible are now entering the commercial marketplace.

Wise investors will choose from the "new energy" orchard's low-hanging fruit. The most promising technologies approaching maturity include advanced hydrogen and water chemistries, low-energy nuclear reactions, magnet motors, and solid-state devices. These technologies can't be real, according to mainstream science, because they're what is known as "over unity": they liberate more energy than they consume. Readers may remember that well-credentialed scientists were still "proving" that flying machines were impossible even after the Wright brothers had moved on from Kitty Hawk.

These technologies aren't new; they or their predecessors have been in development for decades. But we're like children looking at Christmas toys through the store window: we see but can't touch them. Four barriers have kept us from these clean, renewable energy systems. Three of these are now being broken down.

1. The power of government to block inconvenient technologies. Section 181 of the US patent law gives the federal government the authority to seize inventions it deems a threat to national security. As of now, the pat-

ent office holds more than 5,100 such inventions – including dozens of "free energy" devices – in its secrecy deep-freeze. The federal ARPA-E initiative, designed to bankroll breakthrough energy research, so far has funded only projects that tweak energy technologies already safely inside the envelope of convention.

2. The corporate effort to suffocate competition. Industry giants whose cars we drive and whose gas we put in our tanks are among the culprits that, for decades, have paid small fortunes to buy off and sit on breakthrough inventions, whose development would force them to radically reinvent themselves or go out of business.

3. Science itself, through the tyranny of its conservatism. To elevate an idea in science from a mere "hypothesis" to an actual "theory" can require years of work, experimentation, and debate. But it's not just a matter of scientific rigor: academic careers and reputations, not to mention millions in ongoing research grants, depend on keeping competing paradigms out of sight.

4. New energy inventors too often sink their own ships. Many lack social skills or business sense that could win them backers. They're quick to sue, often secretive, and more than one has demonstrated the proverbial "perpetual motion machine" and taken its secrets to the grave.

OLD HABITS DIE HARD

Changing human nature is harder than devising new energy paradigms. But the mounting challenges of climate disruption, the relentlessly rising long-term price of oil, and the reliance of national economies and security on hostile or unstable oil-producing nations conspire to break down institutional barriers to new approaches to energy.

In 2011, at least two devices that may have achieved the long-sought goal of freeing more energy than they consume will quietly continue to license their technologies.

The first generation of these systems is already being licensed by physicist Randall Mills and his [BlackLight Power Inc.](#) Mills claims to have invented a new way to wring vast amounts of clean energy from hydrogen, the universe's most abundant material.

Under normal conditions, hydrogen is a stable atom with a single electron bound to the single proton that makes up the nucleus. If the atom absorbs energy from an external source, it's "excited" and the electron moves slightly farther from the nucleus. When that external energy goes away, the electron settles back to its stable or "ground" state.

Physics dogma says that, with rare exceptions, an

atom can't be forced to enter an energy state lower than its ground state. But Mills has patented a process using chemical catalysts that push the orbiting electron physically closer to the nucleus than normally possible.

Like squeezing an orange to get the juice, this "squeezing" of the hydrogen atom liberates large amounts of energy that can be captured as heat or electricity.

Mills calls this new form of hydrogen atom the "hydrino" and has dubbed his process the Catalyst Induced Hydrino Transition, or CIHT. He theorizes that a car powered by a CIHT engine could travel about 1,500 miles on a quart of water. And that these self-firing reactions could be scaled to energize everything from your iPod to the factory that made it.

With backing from private investors and the US military, BlackLight has assembled a patent portfolio and is striking deals with equipment manufacturers. The company is negotiating licenses within specific industries and has now signed seven licensing agreements with energy companies, including one in Europe. BlackLight itself isn't seeking investors, but licenses could be lucrative and might begin to pay rewards in as little as three years.

Another way to manipulate atoms is by making oxyhydrogen, often called Brown's gas, after a proponent of its use in energy production. The gas is made by electrolysis – running an electric current through water to separate the hydrogen and oxygen. Then the gases are ignited together to produce an electrochemical flare that won't burn skin but can melt tungsten, a feat requiring 6,000°F to achieve. Brown's gas already is used to cut and weld metal. Tinkerers attach small Brown's gas generators to the air intake manifolds of their cars to improve mileage. Now some researchers are thinking that Brown's gas could be those vehicles' only fuel.

Typically, Brown's gas runs an energy deficit, using more energy than is released by fracturing water molecules. But scientists are finding that those molecules can be broken by vibrations. All molecules vibrate, each kind at a certain frequency, and each unique vibration frequency creates a wave with a certain shape.

By pulsing water with a wave of the opposite shape, the water molecules break apart with almost no additional electricity. The energy flowing out of the water as Brown's gas then becomes greater than the pulse used to create it. This enables the reaction to power itself while delivering leftover energy for work.

Commercial over-unity applications haven't been proven. But Future Energy Concepts, an Arizona ven-

ture, claims to have run a pick-up truck 3,000 miles in 2010, using nothing but Brown's gas made on-board from plain water. Independent verification is pending, but enough tinkerers are showing results from their own experiments that many observers inside the new energy field believe that Brown's gas can be a commercial power source before 2014.

BUT DON'T CALL IT COLD FUSION ...

There's another major approach to manipulating atoms to extract more energy than is used in its creation. But don't call it "cold fusion." To avoid stigma, it's now known as "low-energy nuclear reactions" or LENR.

Mainstream science declared cold fusion dead on arrival in 1989. That's when eminent electrochemists Martin Fleischmann and Stanley Pons declared that they had created radiation-free nuclear fusion in a jar, measuring more energy coming from the reaction than was needed to create it – and vastly more than could be accounted for by chemical reactions alone. Because "everybody knows" that fusion only takes place at temperatures hotter than the sun, the two were laughed out of professional science.

But the handful of obstinate scientists who reproduced the "Pons-Fleischmann effect" for themselves weren't deterred. Many have kept working for 20 years, refining their materials, their processes, and their measuring techniques. And they have demonstrated that LENR is not only real, but has the potential to fuel commercial processes.

The reaction exploits a symbiosis of palladium or other select metals with "heavy water," a molecule combining oxygen and the hydrogen isotope deuterium. Passing an electric current through heavy water strips off deuterium's electrons and herds the bare nuclei into the empty spaces in the lattice-like structure formed by the metal's atoms. At some point, the nuclei are held together in just the right pattern and quantity to fuse. These reactions yield not only excess energy as heat but also negligible traces of tritium and helium 4, substances produced only through fusion.

The most notable group of researchers who didn't give up were those at the US Naval Research Laboratory, the science hothouse that invented radar, GPS, and sparked more than 50 Nobel prizes. Their work was continued by the Navy's Space and Naval Warfare Systems Command, where steadily improving results have been gleaned through experiments spanning more than 14 years with results published in several peer-reviewed papers. En-

gineers have built on that and others' work and are zeroing in on commercial applications.

POWER PLUS

For one, keep an eye on JET Technologies in Boston. This start-up is led by Mitchell Swartz, who spent 18 years as an electrical engineer and physics researcher at MIT and co-developed medicine's PET scanner. JET has run a LENR device that yields about 80 times as much energy as it consumes, nonstop for more than two months at a clip.

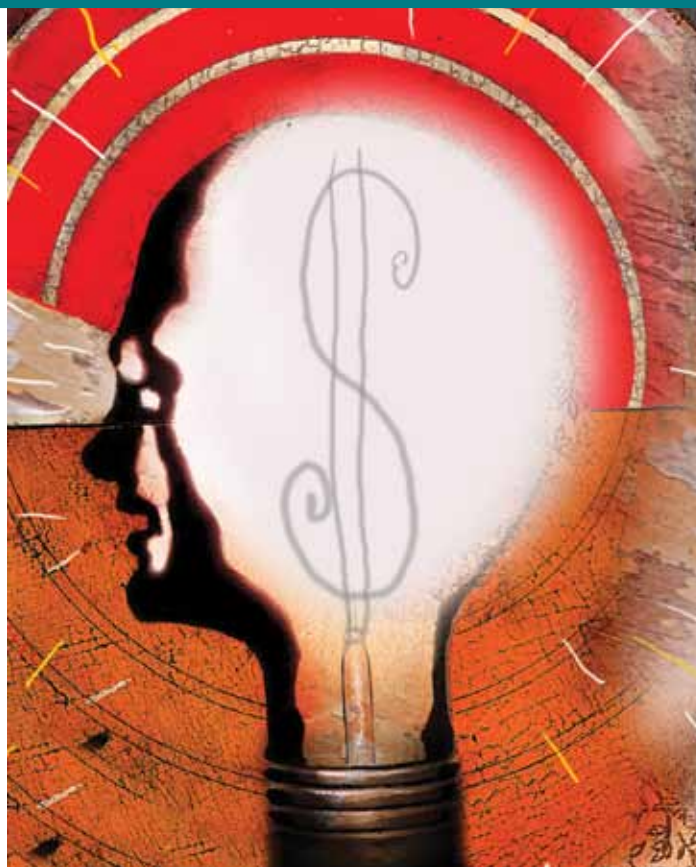
The process uses a curved palladium structure, heavy water, and high voltage but low current. Observers believe it to be among the most advanced LENR devices in development. Swartz thinks, with funding, JET could reach the marketplace in three years with a device that generates heat, electricity, or both.

Roger Stringham's "sonofusion" technology is equally close. In a cylinder small enough to hold in your hand, his device pulses ultrasound – beyond the range of human hearing – through water rich in deuterium. The pulses form billions of microscopic bubbles in the water that collapse with such force that jets of deuterium atoms rocket out of the collapsing bubbles and slam into a thin foil of palladium, titanium, or other metal.

The deuterium nuclei from each jet pile up inside the metal atoms' framework, overheat, and fuse, heating the water inside the palm-size reactor. The reaction creates microscopic "volcanic eruptions" in the metal foil and converts deuterium ions to helium.

Stringham, and engineers who've tested his devices independently, report the resulting reaction provides a consistent harvest of 40 watts of heat for every 15 watts of electricity used to fire the reactions.

Stringham believes he could have a commercial water heater on the market in three years, but for one problem: his patent application was denied. The reason: 20 years ago, the US Patent Office issued a standing order that no



Anthony Frieda

patents will be issued to any device claiming to be based on cold fusion.

GAME CHANGER

This year, that order will again be challenged. Italian inventor Andrea Rossi has filed a patent application for the second overunity technology already being licensed: a simple device that frees 80 to 400 times the energy needed to fuel it.

Powdered nickel is pressurized and heated in a tube with proprietary catalysts, then hydrogen is injected. Rossi theorizes that the catalysts break apart the hydrogen atoms and that the nickel atoms absorb the

hydrogen's proton nuclei, freeing electrons and generating so much energy that "a few grams of nickel and hydrogen would produce energy equivalent to thousands of tons of oil," Rossi says.

In January, Rossi demonstrated a 10-kilowatt tabletop version of his device for invited guests in Italy and the technology now has been licensed in more than 90 countries for commercial applications. Left to the free market, Rossi's device could be boiling water to generate electricity in homes and businesses within a year.

But that may hinge on whether the US grants his patent. Strategically, Rossi's application includes a statement that "... the inventor has not tried to demonstrate the emission of elementary particles supporting [the] validity of a theory." Clearly, he's distancing himself from cold fusion, even though his patent application clearly describes nuclear processes at low temperatures.

Whether the patent office buys his disclaimer is key. If the patent office grants the patent, applications for devices based on cold fusion will arrive by the bushel in the office's mailbox, and will be harder to reject. If the office denies Rossi's application because of its blanket rule, Rossi says his attorneys will force the issue. This year will see the patent office under greater pressure than ever to lift its ban on cold fusion. It is unlikely to do so immediately, but eventually will yield.

MAGNETIC ATTRACTION

Magnet motors, the third area of clean energy close at hand, may be more about changing minds than changing atomic structures. School children know that similar poles of two magnets repel each other and two opposite poles attract. Tinkerers have long made devices that spin by harnessing this principle of attraction and repulsion. But it always has taken more energy to keep these curiosities spinning than they could generate in return. Now that's changed.

A new generation of immensely powerful magnets made from commonly available metals, such as neodymium, are lofting magnet motors over unity. These new magnets can slam together with literally bone-crushing force and fly apart with equal power. To capture that energy, engineers place magnets around the interior or exterior of a cylinder. Then they place an equal number of magnets around a disk or tube that spins inside the cylinder. By spacing and shielding the magnets in strategic ways, only the attracting or repelling forces are exposed to each other. By orchestrating electric pulses to the magnets, or timing the opening and closing of shields around the magnets, the tube or disk can be made to spin with enough force to produce an energy profit.

Among the research leaders is Terawatt Research LLC in Irvine, California, which has had its claims of producing excess energy verified by the venerable Underwriters Laboratory, as well as by TÜV Rheinland, a well-established, if less familiar, independent testing firm. UL found Terawatt's device used 200 watts of electricity to produce 600 watts – three times the power it consumed.

The demonstration device includes a pair of narrow, parallel shafts about five feet long. One has an electric motor on one end and a thick disk perhaps a foot in diameter on the other. The motor spins the shaft, which spins the disk. The edge of the disk spins adjacent to, and almost touching, the edge of another thick disk at the end of the second shaft. Without contacting the first disk, the second starts to spin, powering a generator attached to the end of the second shaft. The two shafts, disks, and motor and generator have no physical contact with each other.

Terawatt's high-powered board of advisors includes William Webster, former head of the CIA and FBI; the former head of the US Marines anti-terrorist force; and several former officers in the federal defense, justice, and energy departments. Terawatt may be able to commercialize its technology within two years through licenses to OEMs around the world.

Steorn, an Irish firm, is promoting another product

that has long been the Holy Grail of clean energy: a device that produces excess power but has no moving parts. Tom Bearden and his Motionless Electromagnetic Generator helped to pioneer this concept in the 1970s and the general design has been replicated by several engineers. Versions of these devices already can be purchased as kits or to supplement home electricity systems. Several are said to be in commercial development for testing or release later this year.

Lacking moving parts, the hardware is relatively simple: typically, a carefully timed and calibrated electric charge is fired into powerful permanent magnets made from neodymium or other next-generation materials. This pulse momentarily neutralizes the magnet's polar fields. When the pulse disappears, the fields return with enough force to create a massive electric charge collected by coils wrapped around the magnets. A portion of the charge is returned to the battery that creates the pulse and the electrical profit is drawn off to run machinery or appliances.

More than a dozen ventures claim to be near a commercial version of these solid-state generators but none has a clear edge. To keep abreast of alternative energy technology, see "Tracking Developments" on the following page.

INVESTOR BEWARE

In a field shot through with charlatans – and earnest inventors who are often their own worst enemy and doomed by their own quirks – these tips can help you avoid placing bad bets.

- 1. Look for extended public demonstrations.** Some inventors try to win support for their devices by posting short videos on the Web. These prove nothing. Look for devices that have had public demonstrations during which the device has run for days, weeks, or even months in full view and open to examination.
- 2. Look for independent confirmation.** The device has been examined by people with relevant science or engineering backgrounds who are not associated with the inventor.
- 3. Heed conventional scientists only if they can document specific objections based on personal inspections.** If trained scientists have personally examined a device and can point to, document, and agree on specific, consistent flaws in data collection or interpretation in a series of experiments, then it's time to take heed. If they haven't inspected a device personally – and if they can't tell you exactly why a device doesn't work – but insist that it's impossible because the universe simply doesn't behave

that way, they're just saying that they can't explain why the device can do what it does.

Trendpost: Cold fusion is being rehabilitated under the names “low-energy nuclear reactions” and “lattice-assisted nuclear reactions.” This is being done without fanfare, largely due to futile delaying actions by prominent academics who instantly and loudly dismissed the discovery when it was made.

But MIT, the breakthrough's chief assassin in 1989, now hosts regular conferences on the subject with another scheduled for this June. As German physicist Max Planck said, “Science proceeds one funeral at a time” as hidebound skeptics die off and are replaced by youngsters unafraid of novel ideas.

Recognizing cold fusion's legitimacy will break down reflexive skepticism about other “impossible” technologies that yield more energy than they use: “If cold fusion is real, then why can't...?” Because mainstream money and talent typically wait for scientific respectability to green-light new ideas, fundamentally new approaches to energy need to clear this hurdle before governments and venture capital will pay heed. When tradition-bound academic opinions begin to give way, events will snowball. Technical talent, research grants, and investment dollars will flow into energy research with new urgency and investors who take early positions will ride the wave.

Tracking Developments Those in the field trust three sources of news and analysis that are open-minded but maintain standards of objectivity.

■ *Infinite Energy* magazine (www.infinite-energy.com) is published bimonthly by the nonprofit New Energy Foundation. Founded soon after the cold fusion uproar, it tracks developments across the energy frontier, reporting on and publishing articles by leaders in research.

■ *Pure Energy Systems* (www.PESWiki.com) is an extensive on-line clearinghouse of news, analysis, and basic information about new energy technologies. It also lists the New Energy Congress's 11 criteria by which to judge inventions.

■ *The Orion Project* (www.theorionproject.org) is a group of volunteers with backgrounds in professional science who evaluate and advocate on behalf of clean energy technologies. Several technologies are listed, as is a copy of the memo the group sent to President Obama citing specific technologies that warrant intensive research.

■ *The New Energy Movement* (www.newenergy-movement.org) posts news, analysis, and a calendar of events to keep you abreast of developments in clean energy research.

■ *Changing Power* (www.changingpower.net) is a blog covering new energy events and developments and is maintained by Canadian journalist Jeane Manning, co-author of the book “Breakthrough Power.” ■

END OF THE WORLD

Depending on who you believe, what you believe, or whether you believe in nothing, “The End” is near, almost near ... or nowhere in sight.

As 2011 unfolds, millions of believers will be making preparations in advance of the dreaded date of 12/21/12, the day, according to a Mayan Prophecy, the world comes to an end — or as some interpret it, when the world as we know it will end.

What once would have been laughed off as New Age lunacy or reserved for erudite debates among specialized archeologists, has entered mainstream consciousness via a barrage of movies, books, on-line sites and innumerable blogs.

And a lot of people are listening. Is it possible there could be truth, at least a kernel, in the Mayan Prophecy? How did the precise date of December 21, 2012 become the designated last day? The concept has a physical basis in an engraved stone calendar found at a Guatemalan ceremonial site. When translated (and the exact translation is debated), the extremely complex astronomical document terminates at 12/21/12, which the Maya call the “end of the fifth world” ... which began on August 11, 3114 B.C.

According to *National Geographic News*, 12/21/12 does not signify the end of the world, but rather the beginning of a new era — a calendar rolls over to Day Zero, which signals the beginning and end of the cycle.

Armageddonites 2012 While the Mayan Prophecy has its New Age following, it is by no means the only “End Time” scenario. Armageddon (followed by the second coming of Jesus Christ) is a firmly rooted belief among evangelical and fundamentalist Christians. Unlike those in the Mayan camp, who believe the end is near for everyone, Armageddonites believe they alone will be saved.

Taking their cue from what the Book of Revelation calls “the Rapture,” when Jesus summons the faithful

with a trumpet blast on the Day of Reckoning, all believers, in the “twinkling of an eye,” will be removed from earth and transported to heaven. Un-transported non-believers will experience Hell on Earth.

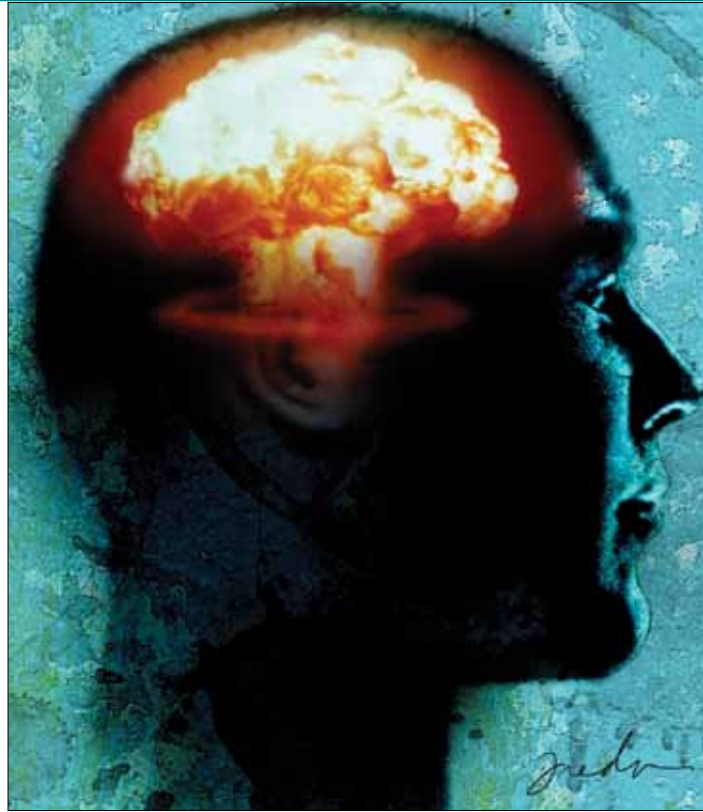
The “Left Behind” series by Tim LaHaye and Jerry Jenkins – apocalyptic novels describing in exquisite detail the torments suffered by those left behind – have sold over 65 million copies.

While the Bible does not provide a specific date for Armageddon, many of those who believe in the prophecy have appropriated 2012 as the preferred cataclysmic date. But even among believers, that End Time date is in question. A billboard campaign sponsored by eBibleFellowship.com advertises a recalculation bringing the Last Day closer. According to billboards in Omaha and Nashville (with many more cities soon to come), the real dates are May 21, 2011, when the Rapture will occur, and October 21, 2011, which will be “The End of the World.”

Preppers and Survivalists Whatever validity – or lack of it – that may be embodied in the prophetic writings, anyone following the news of a never-ending stream of global crises and national disasters (man-made or natural) cannot help but feel the world as we know it is in a perilous state.

With or without the Maya or the Rapture, for the non-religious/non-prophecy prone, 2012 represents a logical provisional threshold date. Considering the trends in place and how they are developing, some combination of economic and social chaos, environmental/nuclear catastrophe, medical crises, uncontrollable terrorism, and/or intensified military activity is predictably close at hand. Thus, it is with good reason that “Survivalism” – and all it entails – is a trend that will dominate the years to come.

Unconcerned with seeking salvation through prayer, penance or conversion, Preppers and Survivalists in-



Anthony Freda

stead direct their energies toward securing their safety in the here and the oncoming now.

Unlike the 1970s’ “head for the hills” survivalists or the turn-of-the-millennium Y2K hysterics who stocked up to weather an anticipated short-term Internet/electronic infrastructure meltdown, many of today’s Preppers are suburban. With neither the means nor desire to move away, they’re hunkering down at home and stocking up in preparation for long-term upcoming disaster.

Rural Survivalists and urbanites able to buy farms or stake out safe

havens away from potential city strife will not only be going off the grid. They will also have the means to achieve self-sufficiency by growing more of their own fruits and vegetables, and raising livestock. The on-trend rural Preppers with the land, money and means will also have opportunity to sell their surplus.

The objective of all Preppers is survival without reliance on outside help or government assistance. This does not necessarily mean going it alone; it can also involve uniting in a group of like-minded individuals and pooling resources and skills. Believing that major societal breakdown is imminent and recovery unlikely, Preppers are storing up on food, water, guns, ammo, and medical supplies for an extended emergency, while making plans and acquiring skills to function in drastically altered conditions.

Trendpost: Absent the worst of the Mayan Prophecy scenarios coming true or the Rapture being realized, the Prepper/Survivalist trend will extend far beyond 2012. Already a growth industry, every aspect of prepping is being explored on-line and off. Ambitious and creative entrepreneurs will be finding new and profitable ways to help Preppers get off the grid and stay off, both literally and philosophically ... assuming there is a grid to get back onto.

Editor’s Note: *Tempting as it may be for the determined*

rationalist to dismiss believers in a Mayan Prophecy, Armageddonites, and Preppers/Survivalists as members of the lunatic fringe, there are, in fact, corroboratory warnings coming from hard-core science that are less easily dismissed. For example, solar flares are being predicted for around 2012. Not just the usual flares on their 11-year cycle, these will be massive, civilization-wrecking flares along the lines of the well-documented 1859 Carrington Event.

That enormous magnetic storm blew out and fried the primitive telegraph system of the day. In today's electronically wired/satellite dependent world, such an intense storm could cause an electromagnetic pulse (EMP) that would fry all communication and electricity around the world. An electronic meltdown of that magnitude would be so catastrophic that, by the time it could be repaired, the very system that depends upon it would cease to function.

With virtually every aspect of life affected – banking, business, military, government, food supplies, transportation, financial sector telecommunications, etc. – the developed world would come to a standstill. ■

JOURNALISM 2.0

Twentieth-century style journalism is dying. Newspapers are ailing and failing. TV network news audiences are shrinking and aging. Yet, a global hunger for news persists and is rarely satisfied by the “tried and true” traditional mainstream sources.

That hunger is, however, being assuaged by one of the most revolutionary trends of the early 21st century: Journalism 2.0. Conceived with the invention of the personal computer and born at the onset of the 1990s' Internet Revolution, the new media kid on the block has grown up and is beating up Old Man News.

Journalism 2.0, the new model of news gathering and distribution, incorporates cutting edge technology and, as it becomes economically sustainable, will render the old models obsolete. As with the period between the automobile and horse & buggy, the icebox and Frigidaire, new journalism is in its “interregnum” phase (n. The time during which a throne is vacant between two successive reigns).

Yet, not all of the old will disappear. Those who are able to embrace the new developments while retaining their integrity and their often-specialized audiences (i.e., *Financial Times*, *Wall Street Journal*, *New Scien-*

tist, etc.) can ride the wave and even grow. But this will require more than just putting up a website and looking for ways to attract advertisers.

With universal access to publishing and broadcast technology now available, the web-news winners will be those that provide valid alternatives to the stultifying, elitist and agenda-driven content that prevails in today's mainstream media.

There are already successful examples of how to take creative technological advantage of the new opportunities. Popular US-based sites such as Huffington, Drudge, Daily Kos, and Breitbart, to name a few, cleverly exploit the technology, but each is slanted to promote a sociopolitical platform that – left, right or center – is just sociopolitics as usual.

Their web packages offer a variety of attractive features, including instant access to information on breaking news from far-flung sources and content that would be taboo, minimized and/or manipulated by the mainstream. Nevertheless, much of the material is delivered by a familiar corps of party pundits, usual Beltway suspects, and journalists expatriated from their dying or decimated news beats.

What is absent, however, from each of these highly successful, heavily hit-upon, agenda-driven online sites is: *no agenda*. It will take more than simply harnessing up the new-tech – it will take new thinking to truly launch Journalism 2.0.

In 2011, what all the major on-line sites have in common is the belief – explicit or implicit – that the system, and by extension the world, could be saved if only their brand of political/socioeconomic solutions were adopted. But for a meaningful Journalism 2.0 to gain traction and prevail, whether in the US or abroad, it must break free of the very “system” that the partisans want to save.

The entrenched two-party system, dominant in both on-line and off-line media, presents itself to the public as a monolithic, albeit bipartisan entity encompassing the full spectrum of ideas required to solve all issues, in all fields. Only the “bipartisans” have the skills, know-how, fortitude and fight to win wars, fix economies, heal healthcare, and plow the streets and airports so the cars can drive and planes can fly when the blizzard hits ... even as they fail to win wars, fix economies, heal healthcare and get the plows out on time.

But that bipartisan self portrait (which prevails in most democratic governments) is more a state of mind than a matter of fact. In America, for example, while party politics still rule, polls show there are more people who call

themselves independents (37 percent) than Democrats (34 percent) and Republicans (28 percent).

This independent majority, disgusted with hearing the same old voices promising solutions that are never delivered, are the minds that will be successfully mined by the new breed of 2.0 journalists.

Citizen Journalism The path to Journalism 2.0 has been paved over the last decade by such runaway successes as Wikipedia, Twitter, YouTube, Facebook, and – the 600-pound “guerilla” in the newsroom – WikiLeaks.

Each of these, in its own way, is a harbinger of citizen journalism, a place where news is independently gathered, that exploits technology, is economically sustainable, supported by committed individuals, and/or manned (and womanned) by legions of volunteer laborers.

A number of complementary, perpetually (and exponentially) improving technologies facilitate Journalism 2.0:

- Low-cost, universally accessible software and hardware that allows anyone to easily create a professional website.
- Cheap connectivity provides the potential of instant access to a billion-person wired and wireless audience.
- The ability to upload website revisions with the click of a button, and to permanently archive everything.
- The digital camera/cell phone that has made the darkroom obsolete, and turned every man and woman with a cell into his (or her) own film crew.

An example of a committed individual with a mission – that would have been “Mission Impossible” prior to the Internet Revolution – is Alex Jones. Using his own sweat equity, he single-handedly built PrisonPlanet.com – a no holds barred, Constitutionalist/Libertarian empire that is seen and heard by millions worldwide. Jones is one of the few new citizen journalists who both talks and walks the “No Agenda” agenda. In his “anything goes” format, nothing is off limits: news, ideas and people are discussed and debated in forums that would never get aired by any mainstream source.

A second prime example of Journalism 2.0 is the infamous, notorious “game changer” WikiLeaks. Launched in 2006, WikiLeaks leaped off the web and into the headlines with its April 2010 release of video showing American helicopter pilots gunning down several unarmed Iraqi civilians, and two Reuters journalists

among them. While the gruesome footage and callous unedited chatter between the pilots stirred outrage, extensive damage control exerted by the White House and carried out by the ever-obedient US press pushed the atrocity out of the news.

Then, in November 2010, WikiLeaks became a global household name (and a force to be reckoned with) when it gradually began to release some of 250,000 damaging and/or sensitive US State Department cables it had acquired.

As Otto Von Bismark famously remarked, “Laws are like sausages, it is better not to see them being made.” Suddenly, through WikiLeaks the world would see the toxic sausage that is foreign policy being made; the squalid shenanigans behind closed government doors. The world would see dirty deals made with brutal dictators for the sake of a military base or access to a natural resource – the thievery, criminality, ineptitude, dishonesty, and above all, hypocrisy.

Politicians and a subservient press (that hasn’t broken a major investigative story since Watergate) joined forces in condemning the WikiLeaks disclosures that would “put at risk our diplomats, intelligence professionals, and people around the world who come to the United States for assistance in promoting democracy and open government.”

There was, in fact, no evidence that lives had been endangered. As for sensitive negotiations, the cables revealed the dismal state of foreign policy in action. The only real harm was to the reputations of the world leaders and high-ranking officials and in the embarrassment it had caused. Behind the public face of diplomatic red carpet treatment and happy, backslapping, handshaking photo ops was a cadre of catty, insolent, arrogant, backbiting bureaucrats who privately demean those they routinely defer to in person.

According to the cables:

- German Chancellor Angela Merkel, armored in “Teflon,” is “risk averse and rarely creative.” Her foreign minister Guido Westerwelle is incompetent, arrogant, vain ... and [worst of all] critical of America.
- French President Nicolas “Sarko the American” Sarkozy is described as “self-absorbed,” “authoritarian and thin-skinned.” “The Emperor with no clothes” is “on permanent overdrive and intense in the best of times.”
- Italy’s Silvio Berlusconi is “physically and po-

litically weak ... feckless, vain, and ineffective as a modern European leader,” and his “frequent late nights and penchant for partying hard mean he does not get sufficient rest.”

■ American puppet, Afghan President, Hamid Karzai is “driven by paranoia” and his brother, Hamid, is fingered as an alleged narcotics trafficker.

■ The “pale and hesitant” Russian President Dmitry Medvedev “plays Robin” to Russia’s “alpha dog” Prime Minister Vladimir “Batman” Putin.

Beyond the demeaning assessments and puerile imagery, the cables provided damning details of Washington’s obsession with surveillance ... spying on friend and foe alike. A classified directive from Secretary of State Hillary Clinton demanded email addresses, phone, fax and pager numbers, credit card details and frequent-flyer numbers of UN personnel. She also demanded “biographic and biometric information on UN Security Council permanent representatives,” and sought technical details about the communications systems used by top UN officials, including their passwords and encryption keys.

Yes, WikiLeaks was indeed damaging – it exposed Washington’s flagrant hypocrisy for all the world to see – publically championing “democracy and open government” while privately spying on friends and doing dirty deals to further its own self-interest.

While it is certain that other governments are no better, WikiLeaks serves a grand purpose by exposing the patronizing behavior of leaders and politicians who regard the public as helpless children who must be shielded from the truth.

So dangerous is WikiLeaks to Washington’s public image and credibility that both sides of the polarized political aisle joined forces in attacking it.

Aided and abetted by both liberal and conservative wings of the “established” media, WikiLeaks founder Julian Assange and other citizen journalists were reduced to mere “hackers” who lacked the training and impartiality of “professional” journalists.

PUBLISHER’S NOTE: *Representative of the assault were criticisms leveled by former New York Times journalist and Pulitzer Prize winner Judith Miller, who blasted WikiLeaks’ Julian Assange as a “bad journalist.” Why “bad”? Because “he didn’t care at all about attempting to verify the information that he was putting out or determine whether or not it would hurt anyone.”*

All but those not afflicted with A.D.D., selective memory loss or Alzheimer’s will clearly remember Judith Miller as The New York Times Poster Girl for supporting the Bush administration’s case for taking the nation to war against Iraq.

In the run-up to the War, Miller’s front page stories (quoting unnamed “American officials” and “American intelligence experts” as sources), categorically asserted that Saddam Hussein had stepped up his “quest for nuclear weapons and has embarked upon a worldwide hunt for materials to make an atomic bomb.”

So convincing was her story that the US Secretary of State, Secretary of Defense, and the National Security chief made the media rounds citing it as a contributory motive for going to war. It would be subsequently revealed that the information was pure fabrication – bogus in its entirety. There were no WMDs, nuclear materials, or even a weapons program.

Since Judith Miller made no effort to verify the truth of claims that would be used as a pretext to wage war, Miller (of all people!) is in no position to assail Assange for being a “bad journalist” because “he didn’t care at all about attempting to verify the information that he was putting out or determine whether or not it would hurt anyone.” (For readers interested in an in-depth account of Miller’s pre and post-Iraq War inaccuracies and their wider implications, [click here](#))

The anti-WikiLeaks witch hunt applied to all those who saw Assange & Co. as citizen journalists, courageous enough to defy “authority” and rip open the veil of secrecy that mainstream journalists (contrary to their sacred fourth estate purpose) help keep closed or are afraid to touch.

When Gerald Celente appeared on *Fox News* defending the WikiLeaks disclosures, he was met with mindless knee-jerk opposition from a panel of Fox contributors. When Celente cited the dirty dealings, corruption, criminality and ineptitude revealed by the cables – in marked contrast to the red carpet façade that is diplomacy’s public image – a belligerent and patronizing CIA operative told him, “Welcome to the real world Gerald.” (To view the segment, [click here](#))

Effectively, this government mob soldier was warning Celente – and by extension anyone else daring to speak out against the “real world” – that it was none of his business. This is the way things are done: we’re in charge. We’ll tell you what to do. It’s all for your own good. We know best. Shut up and get used to it, Sonny boy!

Journalism 2.0 is already proving impervious to insults and criticism. With its unparalleled reach across borders and language barriers, it has shown its power to influence and educate citizens in ways that terrify gov-

ernments, and to disseminate information that would never be aired by the corporate media.

Of the hundreds of trends we have forecast over three decades, few have had the potential to instigate such far-reaching effects ... including the overthrow of an entrenched tyrannical government in the course of just one month:

President of Tunisia Flees, Capitulating to Protestors

TUNIS – Tunisia’s president, Zine el-Abidine Ben Ali, fled his country on Friday night, capitulating after a month of mounting protests calling for an end to his 23 years of authoritarian rule. The official Saudi Arabian news agency said he arrived in the country early Saturday. (*NYT*, 15 January 2010)

After 23 years of authoritarian rule and corruption, and with the country experiencing soaring youth unemployment and sharply rising prices, there were plenty of reasons for Tunisians to take to the streets. But it was the damaging WikiLeaks releases of US State Department cables that provided the people with a graphic, behind-the-scenes picture of a Tunisian kleptocracy run by a mafiaesque elite that pushed the people over the brink.

Bypassing the tightly controlled government media, the revolution came together largely through informal online networks – Facebook, Twitter, Flickr, MySpace, YouTube, etc.

The first WikiLeaks/Social Networking Revolution was both youth inspired and made possible through Journalism 2.0. While western mainstream media acknowledge the pivotal role played by the Internet in fomenting the uprising and question whether it will serve as a model threatening other autocracies in the region, they are missing the point. Autocracy, duocracy (posing as democracy), plutocracy, oligarchy ... the name of the system makes little difference if the results are the same. As long as economies decline, unemployment rises, taxes are raised while services are cut and those at the top get richer and ever more powerful, what happened in Tunisia will be the model for the world and Journalism 2.0 will be the voice of the Revolution, wherever it may occur.

Geeks vs. Government The two big questions facing the future are:

To what extent will governments succeed in shutting down the Internet?

To what extent will the geeks succeed in keeping the

information flowing and/or shutting down the governments’ websites?

US concerned at Tunisia unrest, Internet woes

WASHINGTON – The United States raised concerns with Tunisia about its handling of political unrest as well as its apparent “interference” with the Internet, senior US officials said Friday.

State Department spokesman Philip Crowley expressed “concerns about the ability of the people of Tunisia to exercise their rights and freedom of expression and freedom of assembly.

We urge everyone from the government to activists to respect freedom of expression and information. That is a right of everyone,” Crowley said. (*AFP*, 7 January 2011)

But will it be the “right of everyone” in the United States – or anywhere else – when the people take to the streets to protest corruption, unemployment, a stacked financial deck, and the grossly un-level playing field?

Also weighing in on the Tunisian revolution, and what it means to the world community, President Barack Obama applauded “the courage and dignity of the Tunisian people” and appealed for calm and “free and fair elections in the near future.”

Mr. Obama assured the Tunisian people, “The United States stands with the entire international community in bearing witness to this brave and determined struggle for the universal rights we must all uphold, and we will long remember the images of the Tunisian people seeking to make their voices heard.”

But will Obama similarly applaud “the courage and dignity” of the American people (and of the Greek, Irish, English, Italians, Spanish, etc.) when they too rise in protest in a “determined struggle for universal rights that we must all uphold”?

Or will he remain silent, as he recently did when Greek, Italian, UK and other goon squads beat up citizens protesting draconian austerity measures? Or will he again remain silent, as he did when goon squads beat up students and peaceful demonstrators in Pittsburgh and Toronto protesting globalization at the G-20 meetings in Pittsburgh and Toronto?

Or will those State Department and President’s voices of support for Internet freedom, universal rights and free and fair elections in Tunisia ever be directed at the Communist Chinese – who have no Internet freedom,

who beat down protestors, and have no elections at all?

Or will they continue to remain silent, standing “with the entire international community in bearing witness” to Chinese totalitarianism and repression as long as they continue to do business and make money?

Trendpost: To reiterate, Journalism 2.0 is already, and will continue to be, one of the most powerful trends of the 21st century. Beyond the political/socioeconomic realms of news and reporting, investing in the right start-ups and/or existing companies that break the mainstream mold and provide hungry minds with fresh and exciting content – will reap princely rewards as the trend grows and matures.

Readers can count on the entrenched old guard missing and dismissing the golden opportunities that already exist and those of the future. A perfect example of why the treasures waiting to be mined are not being explored by the media old guard was succinctly expressed by one of its oldest hands:

CBS Corp. Chief Executive Leslie Moonves, who has worked in television his whole career, unabashedly preaches that TV is about familiarity, a comfort level. At a breakfast earlier this year, he said pitches for new shows that begin with “you’ve never seen anything like this on TV before” usually end up in the reject pile. On most procedurals, after a case is solved, the characters don’t change; they “return to sameness,” in industry parlance. If viewers are watching a cop chase a crook, they don’t necessarily want them battling personal angst at the same time. (*Wall Street Journal*, 9 December 2010)

Iipse dixit – he said it, not us. The message could not be clearer. Anything that’s never been “on TV before” will “end up in the reject pile.” And if there is not a “return to sameness,” in non-industry “parlance;” patronizing network hacks assume the audience is too stupid to accept anything new and different.

Is it any wonder that so many people say, “I have 300 channels and there’s still nothing to watch”?

The new breed of guerilla entrepreneurs of Journalism 2.0 will create new media giants that will outflank and overtake the obsolete Moonves-dominated news and entertainment industry. In a Renaissance-ready world, those who find ways to feed the hunger will reap the profits. ■

CYBERWARS

This time, no one will be able to say they didn’t see it coming. The probes, feints and skirmishes of “cyberwar” have been carried out, the weapons have been perfected, and in 2010, the first major engagements had been launched.

While there had been earlier hack attacks on the fledgling Internet, the first serious incursions to disrupt and breach business and government sites (including the FBI’s) took place in 2000.

The reaction back then from President Bill Clinton was “I don’t think it was Pearl Harbor,” implying that they were merely intrusions by malcontents and that the forces of Internet law order were up to the task of providing security.

We foresaw a very different eventuality. In the Spring 2000 *Trends Journal*, we wrote, “Despite the get-tough talk and promises ... to defend the Internet citadel with impenetrable defenses, the rag-tag army of cybervandals, like their 5th century namesakes, will have their moment of victory.” We added, “As internet systems become more complex and interconnected, it becomes more difficult for security experts to identify and defend vulnerabilities ... to bring the system crashing down a hacker only needs to find one flaw in one small part of the complex system.”

In retrospect, our trend forecast provided an extremely prescient vision of the cyberwar/cybercrime future and its attendant potential for new professions, investments and profit. (See “Cybervandals Lay Siege To Internet: Havoc To Follow,” *Trends Journal*, Spring 2000)

Since that time, cybercrime has served as a base – a proving ground for testing the weapons of net destruction. Worldwide e-commerce currently totals about \$10 trillion annually, according to the Commerce Department, and that is more than tempting to a growing number of cyber-criminals who continue their innovative system-cracking at a pace only the largest organizations can begin to defend against. Their annual take, from a wide variety of criminal enterprises, is estimated to be in the billions of dollars.

Computer security experts expect future cybercrime to be more damaging, complex, and resistant to prevention or detection than the current crop. An entire underground economy of highly-structured criminal organizations now trades in the theft, packaging and reselling of information (identity theft, phishing, virus creation, etc.)

Cyber-criminals can now buy off-the-shelf malware or outsource their hacking needs to increasingly sophisticated computer mercenaries. “The difference between cyber-crime, cyberespionage, and cyberwar,” says cybersecurity expert Richard Clarke, adviser to presidents Clinton and

Bush, “is a couple of keystrokes. The same technique that gets you in to steal money, patented blueprint information or chemical formulas is the same technique that a nation-state would use to get in and destroy things.”

THE FIRST BATTLE

In 2010, every major nation-state has stepped forward to publicly announce its commitment to operations on this new cyberwar battlefield, both defensive and offensive. It’s likely that the public has not been adequately informed of the full range of cyber-threats that have motivated this global wake-up call. But events that have been made public clearly indicate that the battle is at hand.

“Titan Rain,” as the Pentagon called it when it was eventually discovered, is one of the earliest cyber-attacks to come to light. Starting in 2003, a group of hackers located in southern China gained access to US military networks and stole millions of documents. They raided Defense Department computers, as well as Lockheed Martin, Sandia National Laboratories, Redstone Arsenal, and NASA.

“The precision of the attacks, the perfection of the methods and the 24-by-seven operations over two and a half years, and the number of workstations involved are simply not replicated in the amateur criminal community,” commented Alan Paller, director of research at the SANS Institute, a cyber-security center. “Amateur cyber criminals do a lot of other things right, but this is an order of magnitude more disciplined than anything I have seen out of the hacker or amateur criminal community.”

The fate of Estonia’s infrastructure captured world attention when Russian “sympathizers” decimated that country’s web sites in the course of a heated conflict between the two nations. The cyber attacks on Estonia, directed through Russian blogs and websites, were designed to shut down technology-dependent systems, freezing the financial system and effectively keeping Estonian citizens from making the most basic purchases of bread, milk and gas. They were totally effective and contributed to Estonia’s quick capitulation to Russian demands.

THE BIGGER THEY ARE, THE BIGGER THEY FAIL

While it’s convenient to accept tiny Estonia’s inability to withstand attacks by a massive Russian Cyberbear, in fact, physical size has little bearing upon the ability to attack or defend on the cyber battlefield:

Electricity Grid in U.S. Penetrated By Spies

WASHINGTON – Cyberspies have penetrated the U.S. electrical grid and left behind software programs that could be used to disrupt the system, according to current and former national-security officials.

The spies came from China, Russia and other countries, these officials said, and were believed to be on a mission to navigate the U.S. electrical system and its controls. The intruders haven’t sought to damage the power grid or other key infrastructure, but officials warned they could try during a crisis or war.

Officials said water, sewage and other infrastructure systems also were at risk.

“Over the past several years, we have seen cyber attacks against critical infrastructures abroad, and many of our own infrastructures are as vulnerable as their foreign counterparts,” Director of National Intelligence Dennis Blair recently told lawmakers. “A number of nations, including Russia and China, can disrupt elements of the U.S. information infrastructure.” (*Wall Street Journal*, 8 April 2009)

Over the past decade, the frequency and sophistication of intrusions into United States military and infrastructure networks have increased exponentially, and it must be assumed that other nations are experiencing the same intensified attacks.

OPEN CYBER WARFARE

The real game-changer on the cyberwar timeline is the Stuxnet worm that was deployed to attack and disrupt Iranian nuclear capabilities at their Bushehr nuclear reactor. From its initial discovery, by a Belarus IT security firm employed by Iran, it was clear that this remarkably sophisticated attack had to have some government’s backing.

Surprise! Surprise! The newest data reveals that Stuxnet was actually backed by two governments: the US and Israel.

The worm targeted specific software used to control equipment manufactured by the Siemens corporation to drive Iran’s nuclear centrifuges. First, intelligence sources had to identify the equipment used to control the centrifuges. Then the vulnerabilities in that equipment had to be discovered. Published news sources say this was accomplished by the United States. Similar equipment to that used by Iran was, those sources say, set up for testing in Israel.

Stuxnet had two major components: to disrupt the nuclear centrifuges and command them to spin out of control, while providing readings to centrifuge operators that falsely reported the machines were operating normally.

Remarkable as these achievements are, at first glance they appear not that much more significant than an act of highly effective sabotage. However, up until the Stuxnet project got underway, Israel and other nations made it seem as if a military action was the only way to deprive Iran of nuclear capabilities.

And it seems clear that by taking the place of conventional military action (bombs and rockets), Stuxnet has become a deadly cyber-weapon. “Code analysis makes it clear that Stuxnet is not about sending a message or proving a concept,” says a security expert whose firm has examined the worm. “It is about destroying its targets with utmost determination in military style.”

Clearly, among the reasons for the new stress on the importance and imminence of cyberwar is the knowledge by various governments that they are already involved in it, both defensively and offensively. At the Iranian reactor, about 1,000 centrifuges (out of a total of 8,000) were brought down and it is believed that the Iranian nuclear capability has been deferred by about three years. It remains to be seen just what Iran’s response will be, but the cyberwar precedent has now been set.

Iran has the ability to respond in kind, if not with the same degree of sophistication. Cyberwar, like guerrilla warfare or terrorism, is asymmetric. Iran doesn’t need expensive weapons, like stealth fighters or aircraft carriers, to pose a significant threat to an enemy’s military capabilities.

Insurgents Hack U.S. Drones \$26 Software Is Used to Breach Key Weapons in Iraq; Iranian Backing Suspected

WASHINGTON – Militants in Iraq have used \$26 off-the-shelf software to intercept live video feeds from U.S. Predator drones, potentially providing them with information they need to evade



Anthony Freda

or monitor U.S. military operations.

Senior defense and intelligence officials said Iranian-backed insurgents intercepted the video feeds by taking advantage of an unprotected communications link in some of the remotely flown planes’ systems...

The drone intercepts mark the emergence of a shadow cyber war within the U.S.-led conflicts overseas. They also point to a potentially serious vulnerability in Washington’s growing network of unmanned

drones, which have become the American weapon of choice in both Afghanistan and Pakistan.

The stolen video feeds also indicate that U.S. adversaries continue to find simple ways of counteracting sophisticated American military technologies.

U.S. military personnel in Iraq discovered the problem late last year when they apprehended a Shiite militant whose laptop contained files of intercepted drone video feeds. In July, the U.S. military found pirated drone video feeds on other militant laptops, leading some officials to conclude that militant groups trained and funded by Iran were regularly intercepting feeds. (*Wall Street Journal*, 17 December 2009)

Given the intrinsically secret nature of cyberwar, the crippling damage it may inflict, and the helplessness of a government to respond, the public can expect neither a true picture of the threat, nor an effective policy to deal with it. Indeed, how will the public even know if a cyberbattle or cyberwar has started? How will governments respond, and against whom? Will they know who the real enemy is?

In a cyberwar, the very identity of the opponent may remain in question for a long period as computer forensics attempt to separate out false flags, hidden web pathways, and programming “signatures.” A nation wouldn’t necessarily know what the enemy’s main target was, or what it was seeking control of: was it bringing down the electricity grid, the banking system, knocking out critical surveillance, telecommunication satellites, etc.?

Consequently, there would be deep confusion about

the direction in which to launch a counterattack. And what is tit for tat in cyber-terms? The danger of escalation, as well as of unintended consequences, is great. In the absence of a proven guilty party or “smoking gun,” will they frame or fabricate one? **See “Bonus Baby,” page 8.**

POST-STUXNET INTERNET

The onset of the cyberwar era will change the free-wheeling nature of the Internet even more than cybercrime has threatened to. **(For other threats to Internet freedom, see “Journalism 2.0,” page 37)**

Deputy Secretary of Defense William J. Lynn III, in a speech to the Council on Foreign Relations, baldly declared, “The cyber threat is here now, and the U.S. needs to confront it.” He outlined the current government thinking about the necessity to protect not only government military networks, but also “the overall IT infrastructure of our nation.”

“Civilian critical infrastructure is also at risk,” Lynn continued. “Computer-induced failures of our power grids, transportation system, or financial sector could lead to physical damage and economic disruption on a massive scale. Our intellectual property also stands to be taken. The defense industry has been targeted. Designs for key weapons systems have been stolen. The threat to intellectual property housed by our universities and companies is less dramatic than a cyber attack on our infrastructure. But it may over the long term be the most significant cyber threat we face.”

The Deputy Secretary then revealed the first principal of the Defense Department’s strategy: “to recognize cyberspace for what it is – a new domain of warfare.”

The Internet is no longer the new Alexandria Library for research, a global forum for public discussion, and a universal on-line bazaar. As a “new domain of warfare,” it provides the government with a

pretext to commandeer and control the Internet.

Trend Forecast: Should an all-out Category 5 cyber attack be launched it would wreak extended havoc on national grids and infrastructures. With transportation, financial transactions, food supplies and communication systems destroyed beyond foreseeable repair, the public will relinquish what’s left of its freedoms – as it did following 9/11, in the vain hope that the government will come to the rescue.

The result will be a formalized police state masquerading as democracy. A similar scenario will play out in other cyber-attacked nations.

Trendpost: Cyberwar simulations constructed by military and security experts suggest that much of the action will be directed to disrupting weapons systems, surveillance platforms, and military transport and communications.

At the same time, however, it is likely that elements of a nation’s infrastructures will be challenged to varying degrees. Whether it be the electrical grid, air traffic control, financial transaction systems, or the Internet as a whole, a nation’s infrastructure – all across the supply chain – will be seen as fair game.

Even short of all-out cyberwar, we can expect significant temporary disruptions to Internet-related activities as cyber-forces test their weapons, send proofs of their deterrent capabilities to potential adversaries, and even lose control of Trojan horses implanted in IT systems.

It will be no easy matter, but individuals and organizations will be well served by creating their own simulations of how life and business can go on in the absence of the Internet-related functions they have become accustomed to.

Cyber disruptions will, in effect, put people “off the grid” even if they don’t choose to be. Survivalist-style strategies for storing resources – money, fuel, food, etc. – may provide the best answers for getting through the disruption for the short term. ■

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