

# TRENDSJOURNAL

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**U.S.  
SELLING  
“IMMINENT  
THREAT” LIE:  
WMDs 2.0**

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## GEOPOLITICAL ROUNDUP

### IRAN: U.S. SELLING “IMMINENT THREAT” LIE = WMD’S 2.0



Following up on the 7 January **Trends Journal Special Report** detailing the U.S. assassination of Iran’s General Qassim Soleimani, the next day, Iran responded by firing over a dozen missiles at Iraqi military bases housing American troops.

There were no deaths, nor any major casualties.

It was reported that Iran provided advanced notice of the attack, so all troops could be moved out of harm’s way. Iranian Brigadier General Amir Ali Hajizadeh stated, “We did not intend to kill. We intended to hit the enemy’s military machinery.”

Vice President Mike Pence, however, claimed the missiles fired by Iran “were intended to kill Americans” and that the administration had intelligence to support his claim.

**PUBLISHER'S NOTE:** *As with the reasons for President Trump's order to take out Soleimani based on intelligence warnings of an "imminent threat" but providing no evidence to substantiate the claim, again no such intelligence has been forthcoming to support Pence's claim.*

*Furthermore, what "Americans" were intended to be killed? New Yorkers? Los Angelinos? Or American troops illegally occupying and engaging in warfare in sovereign nations that have posed no threat to the United States, i.e. Iraq, Yemen, Syria, etc.?*

## **More War Coming**

Trump's reaction to Iran's missile attack was that they were "standing down" and called for additional sanctions as well as suggesting to NATO to get more involved.

Last Friday, Secretary of State Mike Pompeo and Treasury Secretary Steven Mnuchin announced sanctions to cut off billions of dollars to Iran's construction, mining, and manufacturing industries. The sanctions blacklisted anyone who transacts business with any of those industries. This new round of sanctions come on top of the "maximum pressure" sanctions that have already severely crippled Iran's economy and have created great hardship for its citizens.

Pompeo stated, "We are striking at the heart of the regime's inner security apparatus."

In the aftermath of the Soleimani assassination, reports emerged of growing concern within the Pentagon that Trump is a wild card making the situation in the Middle East more volatile.

Michael Rubin, a scholar at the American Enterprise Institute, stated, "What we are seeing is a great deal of frustration and confusion because Trump does not abide by rules and procedures." Rubin also said, "... the political bungling of the aftermath threatens to strip away the advantage."

Specifically, a number of Pentagon officials are concerned about the possible expulsion of U.S. troops from Iraq, which has been voted on by the Iraqi Parliament in a non-binding resolution, and they expressed concern about Trump's threat to bomb Iran's cultural sites, a clear violation of the Geneva Convention.

Brigadier General Esmail Ghaan, the Iranian military commander who replaced Soleimani, said Iran would react to Soleimani's murder by "uprooting the U.S. from the region." Ghaan has been deputy commander under Soleimani since 1997.

**PUBLISHER'S NOTE:** *President Trump justified the killing of General Soleimani, the "world's top terrorist," in part because he was responsible for "killing and wounding thousands of U.S. service members and many, many thousands and even hundreds of thousands of other people."*

*U.S. intelligence claims the General provided Iraqi insurgents with bomb-making equipment and training.*

*Absent in western media reporting is the fact that the United States illegally invaded Iraq in 2003 based on the "imminent threat"/lie that Saddam Hussein had weapons of mass destruction.*

*In their coverage, the media employs propagandist language to describe soldiers and citizens fighting an invader of their nation as "insurgents."*

*If it were a country the U.S. and its allies supported – or if another nation attacked America and its citizens fought the invaders – instead, the western media would call the soldiers and citizens "Freedom Fighters."*

*Also absent in mainstream media coverage is that while President Trump claims Soleimani is responsible for "killing and wounding thousands of U.S. service members" is the fact that America and its allies have no legal right to occupy this foreign nation. Instead, the coverage not only doesn't question the illegality of American war and occupation in Iraq but also leaves the impression that America is the victim rather than the cause.*

*Trump also said Soleimani "spread destruction and mayhem across the Middle East and far beyond."*

*Once again, the mainstream media Presstitutes, as they have throughout this crisis, totally ignore the gruesome facts that America and its allies have bombed the entire nation into rubble, killed and wounded millions, and caused the displacement of millions of Iraqis.*

*The Presstitutes also refuse to acknowledge it is the United States and its allies, not Iran, which have "spread destruction and mayhem across the Middle East*



*and far beyond,” with their Libyan, Iraq, Yemen, Syrian, Afghan, Mali, etc. illegal, murderous wars that have cost U.S. tax payers trillions to kill millions.*

*Indeed, left out of mainstream media coverage is last Wednesday’s U.S. murder of over 60 innocent Afghan men, women, and children in drone attacks targeting Taliban commander Mullah Nangyalay... an enemy of the U.S. occupier.*

*We note this because U.S. justification for the bombing of several Iranian-backed militia sites, which killed some 30 troops and wounded scores, was in retaliation for “an American contractor” killed in a rocket attack. Yet killing 60 innocent civilians in a 19-year-long war, and, again, as the Afghanistan papers prove, based on lies, is neither mentioned by the media nor condemned by Congress.*

*And, it was in fact America’s bombing run that ignited Iranian-backed Iraqi militia to launch the demonstration at the U.S. embassy in Baghdad, contrary to accusations from Trump that Soleimani had planned it.*

## **More Nukes?**

Another major fallout of the U.S. assassination of Soleimani is Iran’s statement that it will no longer honor nuclear enrichment limits, which it had agreed to and was complying with as part of the Iran Nuclear Deal (the “Joint Comprehensive Plan of Action”). President Trump pulled the U.S. out of that agreement in 2018.

Shortly after Soleimani’s assassination, Iran’s Foreign Minister Mohammad Javad Zarif confirmed: “There will no longer be any restriction on number of centrifuges.”

The murder of Soleimani, considered a national hero in Iran, has been a rallying cry unifying a country that just months ago saw over a million of its citizens rebelling against their own government due to a battered economy, rising energy prices, and loss of jobs.

Taking to the streets last November, it was reported that hundreds of protesters were killed by government security forces, and the country was reeling from internal turmoil. Now the citizens’ rage is aimed at the U.S. for its “maximum pressure” strategy against them.

Last week, most of America’s European allies were reluctant to support the U.S. escalation of anti-Iran pressure. Reacting to President Trump and Secretary of State Pompeo’s continued claims of an “imminent threat” posed by Iran, a

spokesperson for NATO stated, “It is important that we understand the imminent threat – that will help us to be more supportive than we are now.”

UK Foreign Secretary Dominic Raab called Trump’s move “a dangerous escalation” and voiced concern that “terrorists would be the only winners.”

UK Defense Secretary Ben Wallace went further: “The assumption that we were always going to be part of a U.S. coalition is really just not where we are going to be.”

Over the weekend, German Chancellor Angela Merkel called on her European allies to stand by the nuclear accord with Iran despite the U.S. increase in sanctions and Iran’s response to ramp up its uranium enrichment program.

Russia has joined in the condemnation of the Soleimani murder with the statement from its foreign ministry: “The killing of a representative of a government of a sovereign state, an official, these actions are completely devoid of any legal basis.”

***PUBLISHER’S NOTE:*** *To date, despite repeated allegations, no evidence has been provided that Soleimani was an “imminent threat.” In fact, it was reported Sunday that last June, Trump signed off on an operation to kill Soleimani, and U.S. Secretary of State Mike Pompeo wanted the President to authorize the assassination.*

*Therefore, considering the latest information, it is clear that the “imminent threat” line is an outright lie, and the assassination plot was long in the making.*

*And yesterday, brushing off the lack of evidence of “imminent threat” that was sold to the American people and the world as the reason for assassinating Soleimani, President Trump said, “It really doesn’t matter” that they haven’t provided any proof.*

*Yet, the Administration continues to sell the line: “There was going to be an attack within a matter of days that would be broad in scale, in other words more than one country, and that it would be bigger than previous attacks,” proclaimed U.S. Defense Secretary Mark Esper on Sunday.*

## **Who’s the Best Liar?**

Despite President Trump and Pompeo’s accusations that Soleimani had planned to attack four U.S. embassies, on Sunday, Defense Secretary Mark Esper

admitted he has not seen any evidence, yet he supported the President's "view" (i.e., lie) that "probably – my expectation was they were going to go after our embassies."

"Probably"? "Expectation"?

The lies continue unabated. From the Gulf of Tonkin to all of the U.S.-waged wars since, the Liars-in-Chiefs and the pathological liars of the highest order within their administrations continue on the path of murder and destruction in the name of "Freedom and Democracy" ... sacrificing the lives of soldiers and innocent civilians and paid for with trillions by "We the People."

President Trump continued to pressure Europe last week when he announced the added sanctions on Iran, stating, "Peace cannot prevail in the Middle East as long as Iran continues to foment violence." He called on Britain, France, Germany, and other European nations to follow the U.S. lead and pull out of the Iran Nuclear Deal. Those nations have been trying to keep the deal together since the U.S. pullout in 2018.

Referring to the European allies, Trump added, "Nations have tolerated Iran's destructive and destabilizing behavior. Those days are over."

In response to the Soleimani assassination, EU Foreign Policy Chief Josep Borell called for a de-escalation of tensions and called his counterpart in Iran to discuss preserving the nuclear deal.

In a phone conversation with President Trump, France's President, Emmanuel Macron, expressed his country's support of the U.S.-European alliance and offered that Iran "must avoid destabilizing actions."

As for Iraq's parliament order for U.S. troops to leave, a NATO spokesman said, "NATO's mission [in Iraq] is continuing, but training activities are currently suspended."

America's allies in the Middle East have voiced strong concerns over their safety after the Soleimani assassination. Saudi Arabia, the United Arab Emirates, Bahrain, Kuwait, and Qatar are well within range of Iran's missiles and all house U.S. military personnel.

One Saudi official stated, "The timing was a killer and we definitely did not see it coming and are not really prepared for it."

One of Trump's strongest allies, Israeli Prime Minister Benjamin Netanyahu, has publicly praised him for killing General Soleimani: "President Trump is deserving of all esteem for taking determined, strong and quick action. I would like to reiterate – Israel fully stands alongside the US in the just struggle for security, peace and self-defense."

***TREND-TRACKING LESSON:*** *The major American media Presstitutes continue to churn out government propaganda, pretending to know what they are talking about without providing evidence. Margaret Brennan, host of CBS's "Face the Nation," reported that "Qassem Soleimani directed mass murder."*

*How does she know this? Where are the facts? What about America's mass murder of millions in Iraq?*

*From the Cartoon News Network (CNN), it's "reporter" Jake Tapper, while interviewing Defense Secretary Esper on Sunday, set up the question with the affirmative statement, "We know Soleimani was a horrible guy and he killed a lot of innocent people and a lot of U.S. soldiers... there is no question about that."*

*"We know?" Sure, as if Soleimani was a household name in America...*

*How do you know? Where are your hard facts?*

*Don't need any. Why?*

*Because Tapper says: "There is no question about that."*

*Conclusion: The media knows best. You have no right to question either government or media "authorities."*

***The motto of this Trend-Tracking Lesson: Think for Yourself – Not how they tell you to think!*** *Listen and read carefully the language they use to support their conclusions and make their case.*

***PUBLISHER'S NOTE:*** *If, in fact, there were imminent danger of attacks against U.S. interests in the Middle East, it is nonsensical to conclude that the killing of one person would quash those plans, since there are others in Iran who could step in and initiate them.*



## **The Party Line**

With few exceptions, throughout the Democratic Party and among most of their contestants in the Presidential Reality Show, they all trumpet the Trump line from Democratic presidential candidate Elizabeth Warren describing Soleimani as a “murderer responsible for the deaths of thousands.”

Former Vice President Joe Biden said, “He deserved to be brought to justice for his crimes against American Troops and thousands of innocents throughout the region.”

Left unsaid was the fact that when Soleimani was assassinated, it was reported that he was scheduled to meet with Iraqi interim President Adil Abdul-Mahdi to discuss peace talks between Iran and Saudi Arabia and that he was the leader most responsible for defeating ISIS in Iraq and Syria.

## **Unintended Consequence of War**

Last Wednesday, a Ukrainian commercial aircraft heading to Kiev exploded soon after taking off from Tehran’s airport. All 176 passengers and crew onboard, most from Iran and Canada, lost their lives.

On Thursday, U.S. and Canadian officials said evidence pointed to the plane being shot down by an Iranian missile. Iran claimed to have no involvement and forcibly denied the accusation.

The head of Iran’s national aviation department, Ali Abedzadeh, said at a news conference, “What we can say with certainty is that no missile hit the plane.”

But with evidence mounting from an investigation by Ukrainian officials that the plane was brought down by a missile, on Saturday, Iran admitted its military had shot down the plane by mistake.

General Amir Ali Hajizadeh confirmed the Iranian military unintentionally shot down the plane, stating, “The plane was flying in its normal direction without any error... if there was a mistake, it was made by one of our members.”

The admission of the deadly mistake came days after Iran’s leader, Ayatollah Ali Khamenei, denied his country’s responsibility. The Ayatollah claimed both he and Iran’s president, Hassan Rouhani, were not informed of the true cause until Friday.

Later on Saturday, Rouhani referred to the crash as an “unforgivable mistake.”

Since the news of the mistaken disaster and its apparent cover-up, thousands of angered Iranian citizens took to the streets to protest their leaders’ actions. Anti-riot security used tear gas to disperse the growing demonstrations.

Iran’s foreign minister, Mohammad Javad Zarif, issued an apology on Twitter: “Human error at a time of crisis caused by US adventurism led to disaster.”

Hossein Salami, the commander-in-chief of Iran’s Revolutionary Guard, said, “I swear to almighty god that I wished I were in that plane and crashed with them.”

He vowed to make up for the tragic error, while at the same time making it clear his military force would never back down from confronting the presence of U.S. troops.

“We are at war with the United States,” Salami said. He confirmed to the Iranian people, “We do not consider the conflict with the United States over. We are the soldiers of the people, and we will sacrifice ourselves for you.”

## **The Political Stage**

Responding to the outburst of anger among Iranian citizens at the actions of its government, Secretary of State Mike Pompeo remarked, “The voice of the Iranian people is clear... They are fed up with the regime’s lies, corruption, ineptitude and brutality.”

U.S. Presidential candidates Mayor Pete Buttigieg and Congresswoman Tulsi Gabbard, however, put the blame for the Ukrainian plane disaster directly on President Trump’s decision to escalate a war environment by assassinating General Soleimani.

Buttigieg stated the passenger victims “were caught in the middle of an unnecessary and unwanted military tit for tat.”

Ms. Gabbard said, “Having foresight and being able to look at what the consequences are of going to war with Iran, I think is a serious thing, and responsibility of the present Commander-in-Chief, that he and his administration have not looked at.”

Indeed, Canadian Prime Minister Justin Trudeau, in response to the attack in which 57 of the victims were Canadians, said yesterday, “I think if there were no

tensions, if there was no escalation recently in the region, those Canadians would be right now home with their families.”

### **Lies, Lies, and More Lies**

As reported on Monday, for several months, the United States had planned the assassination of General Soleimani, thus the official reason President Trump ordered his assassination was because he was an “imminent threat” and had planned to attack four U.S. embassies is a new excuse for an old plan.

There is further proof that the U.S. murder mission was much greater than the line of Soleimani’s “imminent threat” and embassy attacks.

It was just reported that the U.S. also attempted to assassinate Adel Reza Shahlai, a member of Iran’s Quds Force, who was in Yemen advising Houthis fighting against the U.S-backed Saudi war.

It is barely reported in the media that America’s Saudi “ally” has killed over 100,000 thousand Yemeni citizens, created a cholera epidemic, put eight million on the brink of starvation... and, according the U.N., is the worst humanitarian crisis on Earth.

***TREND FORECAST:*** Iran’s missile attack that brought down the Ukrainian airline killing 176 people – and the government’s initial denial – derailed the outpouring of citizen support for its government following Soleimani’s assassination.

*As economic conditions continue to deteriorate, due primarily to “massive” U.S. sanctions, anti-government demonstration, primarily led by younger segments of the population, will intensify.*

*Should war escalate between the Saudi/U.S./Israel coalition and Iran, however, its citizens will again unite as they did after Soleimani’s death.*

***TREND FORECAST:*** As evidenced following Iran’s retaliatory strike last Tuesday at Iraqi bases housing U.S. soldiers, gold and oil prices spiked and equity markets sank. However, when it was reported that damage was limited and there were no casualties, they reversed direction.

*As evidenced by the U.S.’s long-standing plans from last June to assassinate Soleimani and others, is assured that additional war plans have also been drawn up against Iran, which we forecast will be implemented by the U.S. and its coalition in the future.*

*And, as we have long noted, should crude oil spike to near the \$100 per barrel mark, equity markets will tank, economies will sink, and gold prices will sharply rise.*

***TREND-TRACKING LESSON:*** *It is essential to match the language with the facts. For example, in the New York Times reporting of the death of General Soleimani this past Sunday, this is in part how they characterized him: “At 62, with a narrow face, gray hair and a close-cropped beard, General Sulemiani was known for ....”*

*What does a narrow face, grey hair, and a close-cropped beard have to do with “reporting” on this major geopolitical crisis?*

*Nothing!*

*“Narrow face”: a taste of propaganda that implants a negative image.*

*Therefore, under the rules of U.S. media, it would be acceptable for Iran’s FarsNews agency, when reporting on Trump to write: “At 73, with a fat face, brightly bleached reddish-blond hair combed over from back to front, obese President Trump was known for....”*

*In that same article, the Times wrote: “After decades of working in the shadows, General Suleimani had emerged in recent years... as a public figure most associated with Iran’s goal of achieving regional dominance.”*

*The word “shadows” implies secretive and shady, while “achieving regional dominance” discounts the reality of America’s ongoing Middle East warfare for “dominance.”*

*Ignored by the Times and American media are the wars launched by America, a nation 5,000 miles away, with the goal for “achieving regional dominance:”*

- The Iraq War launched in 1980 against Iran that the Reagan administration supported (remember Regan’s Defense Secretary Donald Rumsfeld delivering the golden cowboy spurs to Saddam Hussein, cheering him on to war?)*
- The U.S./U.K. 1990 Gulf War against Iraq.*

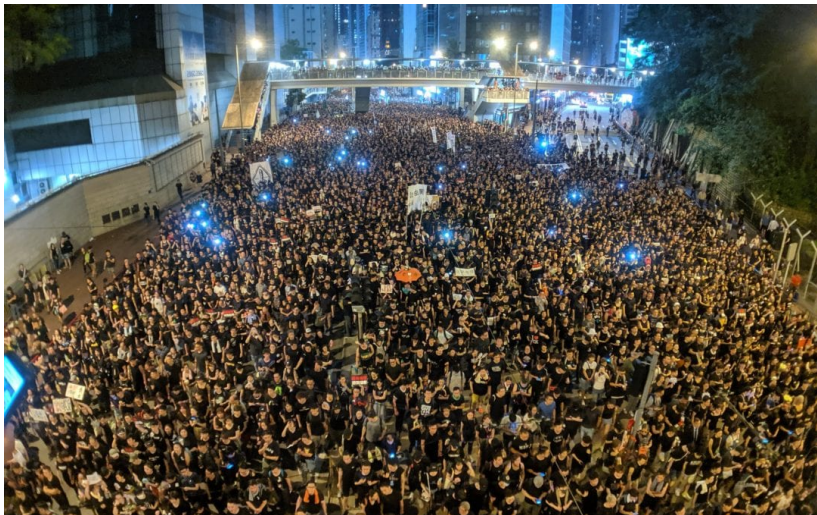


- *President Bill Clinton's years of bombing Iraq, imposing no fly zones and sanctions which, according the United Nations, resulted in the death of some 500,000 Iraqi children under the age of five... that then-U.S. Ambassador Margaret Albright said on "60 Minutes" the deaths were "worth the price."*
- *The Iraq, Syria, Libya, Yemen wars launched by the U.S. and its allies for "regional dominance."*

*Since the vast majority of the public does not delve deep into the facts, they buy the bylines and sound bites of hateful propaganda spewed by Washington and the media... and dutifully follow their leader.*

*Thus, as America is led to war, there will be little mass resistance.*

## **HONG KONG: BEIJING GETTING TOUGHER**



The Hong Kong protests, now in their seventh month, show no signs of abating. And with the November local election bringing in 87 percent of candidates who are anti-Beijing and pro-democracy, the Chinese government is taking measures to reign in the movement.

Last weekend, the Chinese government's top representative in Hong Kong was replaced with an official who is considered a much tougher enforcer than his predecessor.

The new director of the Central Liaison Office in Hong Kong is Luo Huining, a senior Communist Party official who has worked closely with Chinese security services in a number of positions.

The move to put in a tougher security expert by Beijing comes just a week after the huge protest march on New Year's Day in which over a million Hong Kong citizens took to the streets and were quickly confronted by police, who shot tear gas and pepper spray to disperse the crowds.

The mostly peaceful protest turned more violent, with some demonstrators destroying cash machines and vandalizing buildings. Over 400 people were arrested.

On New Year's Eve, Carrie Lam, Hong Kong's Chief Executive who has received continued support from Beijing, produced a video in which she stated:

"I believe we can once again overcome our current challenges and rebuild Hong Kong. Let's start 2020 with a new resolution to restore order and harmony in society. So, we can begin again, together."

But this had little effect, as the massive New Year's Day protest showed the resolve of Hong Kong citizens to continue pressing for its stated demands: an independent investigation of police violence, amnesty for all those arrested during protests, and more open democratic elections.

So far, Ms. Lam has refused to negotiate these demands.

Showing signs of increasing its crackdown on the ongoing demonstrations, the Chinese government stopped Kenneth Roth, the executive director of the, at the Hong Kong airport, denying him entrance into the city.

Roth said that Human Rights Watch had previously noted that "the Chinese government is undermining the international human rights system."

Roth also stated, "This disappointing action is yet another sign that Beijing is tightening its oppressive grip on Hong Kong and further restricting the limited freedom Hong Kong people enjoy under 'one country, two systems.'"

The report will be released to the United Nations today.

## FRANCE: MACRON FEELING THE HEAT



The longest strike in France since 1986 is now over a month long and shows no signs of losing strength.

On New Year's Eve, French President Emmanuel Macron made a plea for compromise to unions in their negotiations with the government over proposed changes in the country's pension system.

The response to the speech by trade union leader Philippe Martinez echoed much of the anger of French unions in general:

"What has he [Macron] said that was new about this famous social reform? Nothing. I have heard this speech 1000 times before. We have the impression that the President of the Republic has closed himself within his own bubble."

With negotiations between the government and the unions continuing last week, Bruno Le Maire, France's Finance Minister, stated that "a compromise has never been so close" and that the government is "not inflexible."

While there has been some freeing up of train and bus services since the country-wide protests began last month, many Metro lines are still shut down, though most of the national rail service is still in operation.

The continuing strike surrounds Macron's bid to unify the country's 40-plus pension plans into one, which would have the immediate effect of raising the age of retirement for many workers.

While Macron claims the proposed changes will create a fairer and more financially sustainable system, opponents see the move as a way to reduce benefits to millions of French workers.

France currently has a pension system that offers nearly 70 percent of a worker's income, one of the highest ratios in the European Union, and it has created an economic environment with one of the lowest risk of poverty among citizens 65 years and older.

These benefits cost the government about 14 percent of its GDP, among the highest in Europe.

As the sixth week of wide protests and crippling transport strikes continued, over the weekend President Macron backed down from his policy to extend France's retirement age from 62 to 64.

Macron did not fully commit to withdraw the retirement age in the future, pointing to a report on the financial health of the pension system due to come out in the next few months.

The unions most heavily represented in the strikes, however, rejected Macron's offer, demanding he abandon his entire pension reform plan.

Despite Macron's concession, an estimated million people took to the streets across France. Police fired tear gas as some protesters continued to damage store windows and vandalize bus and metro stations in Paris.

The unions maintain they are committed to continuing their pressure on the government until their demands are met.

## **INDIA: HUNDREDS OF THOUSANDS TAKE TO THE STREETS**





Hundreds of thousands continue to protest throughout India against Prime Minister Narendra Modi's new citizenship law. The act specifically makes religion a basis of citizenship, which is considered by the protesters a direct violation of India's secular constitution.

The bill specifically excludes Muslims, of which there are over 200 million living in India, from rights of citizenship.

Since India passed its Citizenship (Amendment) Act in December, some 30 protesters have been killed, hundreds wounded, and over 1,000 arrested.

Last month, Amit Shah, the Home Minister and a close ally of Prime Minister Modi, stated that the government will begin "weeding out" undocumented immigrants and has repeatedly referred to Muslim immigrants as "termites."

A week ago, protests again escalated after videos posted on social media showed masked assailants invading the dormitories of Jawaharlal Nehru University and beating up students and teachers. The university has been the scene of a number of campus demonstrations against the government's anti-Muslim legislation.

Dozens were injured, including nurses and doctors who had arrived to offer medical treatment. It is not yet known whom the mob represented.

Violence against protesters has been an ongoing trend for over a month, as millions of Indian citizens, both Muslim and non-Muslim, continue to show public anger of the new repressive legislation being used by Prime Minister Modi and his supporters to make India a Hindu nation.

Others accuse the Modi regime of using the law as a divisive tactic aimed to distract citizens from the continuing economic slowdown, which has led to high unemployment.

Last week, tens of thousands of trade union workers went on strike in parts of India, disrupting transport and banking services in protest of the government's inaction to stop the economic contraction and planned privatization of public sector jobs.

This past Saturday, millions of workers and Indian citizens joined a one-day strike to oppose Modi's government and its austerity policies.

In addition to the furor over the anti-Muslim legislation, a massive coalition of auto, coal, transportation, and bank workers joined in the country-wide strike. The protest movement in India has been building up since 2014 when a group of the country's billionaires and large corporate interests backed Modi's re-election.

Since his re-election, Modi has pushed through a number pro-investor, anti-worker policies including austerity measures that have primarily hurt poor and middle class workers.

***TREND FORECAST:*** *With the Indian economy in its seventh consecutive quarter of contraction and protests mounting against Modi, we forecast his government will harshly crack down on all opposition movements. Thus, violence will continue to escalate.*

## **VENEZUELA: GUAIDÓ BLOCKED, GUAIDÓ BACK**



On 5 January, Juan Guaidó, the opposition leader who proclaimed himself the rightful President of Venezuela last January, despite an internationally observed electoral victory by President Nicolas Maduro, was denied entrance to parliament by government security forces.

A video was released of Guaidó climbing a fence outside the parliament building and being restrained by security forces.

In a chaotic scene inside parliament, a quick hand vote was taken and Luis Parra, a local politician loyal to President Maduro, was declared the new president of the National Assembly.

Parra claimed to have won the votes of 81 legislators. Maduro acknowledged Parra the victor, saying that the congress had a “new board of directors.”

Hours later, some 81 legislators who are loyal to Guaidó voted him as the legitimate president of the National Assembly in an “alternative” session.

Following the pro-Guaidó vote, the Maduro government released a statement confirming that Luis Parra was now the official leader of the National Assembly.

Guaidó’s strongest support continues to be the U.S. government. Secretary of State Mike Pompeo stated that the installation of Luis Parra as head of the National Assembly was “farcical,” and he confirmed the U.S. still recognizes Guaidó as the legitimate leader of Venezuela.

Pompeo went on to claim that Maduro was clinging to power only through “bribery and intimidation,” offering no evidence. Just days before, Elliot Abrams, U.S. Special Representative for Venezuela, accused Maduro of accepting a \$500,000 bribe but offered no evidence.

Last month, Pompeo compared Maduro to former Romanian leader Nicolae Ceausescu stating, “In July of 1989, Nicolae Ceausescu said capitalism would come to Romania when apples grew on poplar trees – and by December he was hanging from a rope. The end will come for Maduro as well. We just don’t know what day.”

This past weekend, Guaidó called for street protests to oppose the Maduro government. Unlike the tens of thousands he mobilized a year ago after declaring himself interim President, this time, only a few hundred people turned out.

***TREND FORECAST:*** *Despite Guaidó’s failing efforts to mobilize support among Venezuelans, we forecast the United States will continue its efforts to overthrow the Maduro government and install Guaidó as president.*

# ECONOMIC UPDATE

## U.S.: HAPPY HEADLINES MASK DEEPER CONCERNS



In the U.S., markets that ended last year on a high note keep hitting new highs this year.

The S&P index ended 2019 up 28.6 percent, its best year since 2013 and one of its best in more than 20 years. The NASDAQ was up 35 percent, its best performance in six years. Small-cap stocks rose 24 percent.

And gold prices, the safe-haven asset that usually go down as equities go up, rose some 19 percent, and silver more than 14 percent last year, and the prices keep moving higher.

***TREND FORECAST:*** Gold ended the year just 2.4 percent below its six-year high, raising share prices of gold producers with it; Barrick Gold rose more than a third in 2019 and Newmont GoldCorp was up by 23 percent.

*With the “anything goes” wild U.S. 2020 Presidential Realty Show® heating up and political uncertainties in the Middle East, Hong Kong, South America, and across the globe also heating up, plus the prospects for a weakening dollar, the upside of gold is stronger than its downside risks.*

*Indeed, that expectation proved true when the U.S. assassinated Soleimani and gold spiked to a seven-year high of \$1,610. As tensions quickly eased, the price settled to \$1,556, still showing strength above the \$1,550 mark.*



*Thus, we maintain our forecast for the downside risk of gold to around the \$1,390 per ounce mark, with strong probabilities considering the socioeconomic and geopolitical for prices to dramatically spike toward the \$2,000 per ounce mark. The futures market still favors higher prices ahead.*

## **Bubble, Bubble, Oil, and Trouble**

On the oil front, benchmark Brent crude, now trading at around \$64 a barrel, is down some \$10 from last year's high after briefly spiking more than 4 percent following the U.S. assassination of Iranian general Qassem Soleimani on 3 January.

With Middle East tensions having subsided but still volatile, prices remain in the mid-\$60 range even though U.S. oil inventories have unexpectedly increased. A relatively strong economy and low unemployment may be buoying oil prices expectations of demand rising.

These numbers underpin a *Financial Times*-Peterson Foundation poll this month that found 51 percent of those surveyed believe Donald Trump's policies have helped the economy – the first time a majority of respondents felt this way since the poll began asking the question last October.

## **More Monetary Methadone**

The presidents of the Federal Reserve Banks of Dallas and Boston said in independent comments this month that they see no cause on the horizon to raise interest rates. Both said it would take “significant” changes in inflation or other negative factors to change their minds.

When the Fed's policy officials met in mid-December, they forecast no change during 2020 in the current, already-low benchmark rates of 1.5 to 1.75 percent.

John Williams, president of the Fed bank in New York, has gone further, saying that interest rates in this general vicinity will persist deep into the 2020s.

Ben Bernanke, who chaired the Fed from 2006 to 2014, said recently that the Fed has powerful tools to manage rough spots. If crises arise, he urged that the bank continue to use “quantitative easing” – in which the Fed buys government bonds to inject cash into the markets – and “forward guidance,” in which Fed officials speak publicly about the likely direction of future policies so as to not surprise the markets.

If the economy tailspins, Bernanke added, the Fed should be creative in finding new ways to smooth things out. “Within its legal authorities, it should not rule out other options,” he said.

***TREND FORECAST:*** Ben Bernanke, the Fed Chair who did not see the Panic of '08 coming and denied it as it was happening, is wrong again. When the “Greatest Depression” strikes in 2021, central bank monetary stimulus will not reverse the sharp economic slump.

*Indeed, with interest rates across the globe at or beyond all-time lows, from the International Monetary Fund to the World Bank, financial institutions are fully aware of monetary stimulus limitations. Thus, they are calling on governments to go deeper in debt and attempt to pump up flattening economies with fiscal stimulus measures such as infrastructure investment.*

## **Money Junkies**

Over the last several weeks, as we have reported in the **Trends Journal**, U.S. equity markets have been buoyed by the Fed, which has pumped trillions of dollars into the overnight repurchase agreement (“repo market”) for months to keep interest rates low and steady.

The Fed did it again on the second day of the new year, opening \$56.7 billion to banks to keep money flowing among financial institutions. This followed \$56.5 billion in mid-December. On 8 January, the bank made available another \$46.6 billion to money markets and, the next day, \$83.1 billion to the repo market.

The Fed has said it will keep the liquidity door open at least through January – longer than the bank to ensure markets start the new year without the sudden spikes in short-term interest rates that plagued markets last fall.

Fed vice-chair Richard Clarida said that the bank expects to ease out of the repo market “gradually” this year but “stands ready to adjust the details of this program as appropriate.”

## **Housing Starts and Home Prices Up**

Home construction rose 3.2 percent from October to November 2019. The Fed’s three interest rate cuts during the year contributed to the gain.

Rising demand for new homes also pushed up prices to a nationwide average of \$316,000, a new record.

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But troubling indicators lie beneath those headlines.

### **Big Apple Real Estate Shows Soft Spot**

Manhattan real estate sales had their slowest year since 2011, with average prices dropping by almost 40 percent to a four-year low in 2019's third and fourth quarter. Typically, prices sag to this degree only during a recession. Homes priced above \$25 million, however, set a record with 56 sales.

### **Employment Figures Lag**

The U.S. economy added 145,000 jobs in December, compared to the 160,000 that analysts had forecast. Wages gained 2.9 percent; the expectation had been 3.1.

The shortfalls are small but indicate that the world's slowing economy is reaching U.S. shores.

### **States Face Shrinking Economies**

The states of Connecticut, Delaware, Kentucky, Montana, New Jersey, Oklahoma, Pennsylvania, Vermont, and West Virginia will see their economies contract during the first half of 2020, according to a study by the Federal Reserve Bank of Philadelphia.

West Virginia's decline will be the most severe, in part to rolling bankruptcies across the coal industry. Factors affecting other states' outlooks include fallout from the U.S.-China trade war, slowdowns in manufacturing, and aging populations.

### **Danger: U.S. Corporate Debt Rising**

Debts that major U.S. corporations owe to suppliers, service companies, and other non-financial institutions hit \$10 trillion in 2019, equivalent to about half of the nation's Gross Domestic Product (GDP).

This is the highest proportion of debt to GDP since the third quarter of 2008, when the debt totaled \$6.6 trillion, or 44 percent of GDP, and sets a new record.

Adding in the same kind of debts of smaller businesses brings the total tab to about \$15.5 trillion.

The rising debt burden has led the International Institute of Finance's Global Debt Monitor to switch on its "amber warning light" for U.S. corporations, citing "worries about vulnerabilities in the corporate sector," including uncertainties surrounding international trade and stocks that are valued above companies' profit potential.

Fitch Ratings warns that slowing global economic growth, coupled with low interest rates that lure more loans, will weigh on 2020's credit markets and could cause a large number of borrowers to fall into arrears or default altogether if the world economy brakes more quickly than expected.

Globally, corporations have taken on about \$3 trillion worth of "leveraged loans" – a polite term for high-risk loans and junk bonds. About a quarter of this debt is held in "collateralized loan obligations," the same kind of financial structure that bought subprime mortgages and then collapsed the economy in 2007.

Banks hold about 40 percent of this risky debt. Much of the rest is held by entities that don't open their books for inspection, such as hedge funds and private investors. That means if the lending tower falls, there will be little warning the way there would be if regulators had access to holders' books.

The International Monetary Fund estimates that an economic downturn half as severe as the 2007 crisis could push as much as \$19 trillion in debt to the point at which borrowers wouldn't be able to cover their interest payments.

***TREND FORECAST:*** *The cheap money binge that has artificially propped up equities, home sales, and corporations will, at some point, dry up. We maintain our forecast that President Trump will pressure the Federal Reserve to bring U.S. interest rates to negative or zero before November. Thus, the lowering of interest rates will weaken the dollar, which in turn will push gold prices higher.*

## **Not a Happy Retail Holiday**

Those sentiments were reflected in holiday retail spending, which didn't bring retailers joy. The National Retail Federation predicted sales would exceed the 2018 season by 4.2 percent, instead, they rose by only 3.4 percent.

In contrast, the previous five seasons averaged a gain of 3.7 percent annually.

In-store sales gained only 1.2 percent, while online shopping grew by about 15 percent.

As long forecast by Gerald Celente's *Trends 2000* "Pall on the Malls" forecast, for the brick-and-mortar retailer, prospects remain bleak. This month, Moody's Analytics reported that mall store vacancies have risen to 9.7 percent, a 20-year high since Moody's began tracking the number in 2000 when the rate was 5.3 percent.

More than 9,300 stores closed in 2019 and more are disappearing: the Pier One import chain announced plans to close 450 stores in a last-ditch attempt to stay alive after third-quarter sales in 2019 slumped 11 percent. Macy's announced the closure of 30 stores as sales dropped 3.6 percent during 2019's final quarter.

***TRENDPOST:*** *Although holiday sales were soft, consumers still larded on more debt – enough that credit rating agency TransUnion forecasts that the number of people behind on their credit card bills by 90 days or more will rise to 2.01 percent in 2020. That's far less than during the depths of the Great Recession but still a negative trend.*

*A study by ScoreSense, a credit reporting agency, found that 53 percent of Americans have been turned down for a credit card or other loan because of poor credit. The problem is worsened, in part, by credit card companies' eagerness to dispense plastic; the survey found that 38 percent of Americans have three or more credit cards.*

*Meanwhile, American Express and Discover report that they will tighten credit requirements in anticipation of a faltering economy.*

## **Automakers Hit Speed Bumps**

For the second straight year, auto sales fell in China, the world's largest auto market. Vehicle sales in 2019 were down 8.2 percent from 2018, when sales slowed 5.8 percent.

The figures mirror a global trend. GM reported sales of 2.9 million vehicles in 2019, a 2.3 percent drop from 2018. Sales in 2019's fourth quarter were down an average of 6.3 percent for all GM brands, compared to a year previous, ranging from an 8.5 percent drop for GM to 2.2 percent for Cadillac.

Ford reported selling 2.1 million vehicles in 2019, 3.2 percent fewer than in 2018. Truck sales were up but couldn't offset sales losses for sedans and SUVs.

The U.S. auto industry's sales overall fell 1.6 percent in 2019.

***TRENDPOST:*** *Next to housing, autos are the next biggest consumer purchase. Thus, auto sales are a leading economic indicator; as auto sales go, so goes the economy.*

## **The Rich Get Richer**

According to the Bloomberg Billionaires Index, the world's 500 richest individuals added \$1.2 trillion to their net worth in 2019, boosting their total value by about 20 percent to \$5.9 trillion.

***TRENDPOST:*** *In the United States, where three people, Warren Buffett, Jeff Bezos, and Bill Gates have more money than half of America's population combined, wealth inequality has become a key theme among Democratic presidential hopefuls.*

*And, as noted in one of our Top Trends for 2020, "New World Disorder," the rich getting richer as majorities are getting poorer has people across the globe taking to the streets. As global economies slow down, the income inequality gap will widen and the protests, riots, and demonstrations will accelerate.*

*As Gerald Celente has long said, "When people lose everything, and have nothing left to lose, they lose it."*

## **WORLD BANK GLOOM**



Citing 2019's world economic performance as "the feeblest since the global financial crisis," this month the World Bank reduced its economic forecasts through 2022.

The bank sees U.S. growth dropping below 2 percent due to unpredictable trade policies restraining investment and the costs that U.S. tariffs add to goods.

Europe's economy will grow by only 1 percent in 2020, and China's rate will dip below 6 percent for the first time since 1990, the bank predicts.

A better performance is possible only if the U.S. and China settle their trade war in a way that leads to "a sustained reduction in policy uncertainty," according to the bank's statement.

***TREND FORECAST:*** As we have long noted, a trade deal between China and the U.S. will boost equity markets short term and will insignificantly boost economic growth... both of which have been artificially propped up with cheap money that will dry up.

*For example, India's economy registering seven consecutive quarters of declining growth is not a victim of the so-called "trade war."*

*Again, according to the IMF, the trade war that is continually blamed for equity market swings will affect the global GDP by only 0.8 percent this year.*

*Therefore, regardless of the extent of the U.S.-China trade deal, it will do nothing to stave off 2021's "Greatest Depression."*

## EUROPE: THE STRONG GROW WEAK



Despite the European Central Bank (ECB) dumping cheap money into the region's economy last September when it sent interest rates deeper into negative territory – to -0.5 percent from -0.4 – and revived its €2.6 trillion bond-buying program, it's not working.

Germany, Europe's largest and strongest economy, is expected to grow just 0.5 percent for the year, compared to 1.5 percent in 2018. While the final numbers will be released tomorrow, 2019 economic performance is forecast to be the worst in six years.

Overall, the eurozone's economy is expected to slow in 2020 for the third consecutive year, according to a *Financial Times* poll of 34 economists who project growth to a high of 1.5 percent growth to zero. The ECB forecasts 2020's growth of just 1.1 percent. The region will experience the slowest economic expansion in seven years.

## THE CHINA BLUES



As China's economic growth rate tumbled to a 30-year low in 2019, corporate loan defaults surged to \$18.6 billion, compared to \$12.2 billion the year before.

The largest group of sour loans is among corporations that borrowed heavily to grow rapidly during China's recent expansion.

Many government-owned companies are faring no better. Last November, Tewoo, a commodities trading firm backed by the city government of Tianjin, forced bondholders either to take write-offs of as much as 64 percent or wait a long time for repayment at sharply lower interest rates. The default called into question the financial health of the city itself.



Tewoo's default also highlighted a quiet change in government policy: that state-owned firms may now be allowed to fail.

China's answer to lagging growth: more debt. China's banks have been ordered to relax lending standards and lower interest rates for borrowers starting or growing small businesses. The goal is to boost small-business lending by 30 percent.

During the first 10 months of 2019, banks loaned a record \$286 billion to businesses that have had trouble getting capital. During that time, average interest rates fell from 7.4 percent to 6.8.

The campaign literally might not pay off. By May, banks were reporting that 5.9 percent of the new loans were defaulting, compared to 1.4 percent of loans made to established businesses.

"Our top priority is to meet the lending quotas rather than controlling risk," said one bank officer.

China's municipal governments also are struggling with unmanageable debt. Analysts estimate that the nation's cities and towns owe about \$6 trillion, not all of which is officially on the books. Cities and towns have depended on selling off land to pay bills but sales slowed; spending hasn't.

At least one city has gotten an additional line of credit from the China Development Bank in exchange for giving the bank control over some of the city's assets.

## **THE FISCAL BINGE**



Despite record low interest rates of 1.25 percent and a previous government's fiscal stimulus, South Korea's economy hasn't moved out of the slow lane. The exporter nation is expected to post a 2 percent growth rate for 2019, its worst record in a decade.

South Korea's economy has taken hits from China's weakness and a drop in the global computer-chip market, for which South Korea has been a major supplier.

Now the government is putting the pedal down with a \$52.1 billion investment in housing, parks, and infrastructure.

With a legislative election looming in April, the government opening its wallet to hold onto jobs and make more affordable housing available in Seoul, where apartments have become so pricey that the government has banned lending mortgages on flats costing more than \$1.2 million.

### **Dubai: Spending Its Way to Prosperity**

Also on the fiscal stimulus path, Dubai's 2020 government budget rose by 17 percent to a record €18.6 billion.

More than 45 percent of the budget is earmarked for transport, infrastructure, and economic stimulus to help the emirate remain competitive as a Middle Eastern business hub.

The government hopes the spending will spark 3.2 percent growth in 2020, compared to 2.1 percent expected for 2019 and a rate below 2 percent in 2018.

The budget relies on oil for only 6 percent of revenue. The rest is expected to come from taxes and fees, a boost in tourism, and "disciplined fiscal policies" that will deliver a modest surplus.

About 3 percent of the budget is reserved for costs related to the six-month Expo 2020 fair that Dubai will host, beginning in October.

## EMERGING MARKET BLUES



While the developed equity markets registered strong gains, emerging market indexes remained weak.

The MSCI EM Index, which tracks these lesser-known markets, has gained just 47 percent since 2009, compared to the MSCI World Index, which gained more than triple that amount during the same period.

The World Bank cites a litany of issues stifling growth: poor business climates, the weak rule of law, poor productivity, and too much debt. According to the bank, these countries' debt load has risen faster since 2010 than at any time since 1960.

The growing prospect of insolvency could lead to a financial crisis in emerging economies, the bank says. They cut its growth forecast for the sector from 3.4 to 3 percent in 2020.

***TREND FORECAST:*** As emerging market economies further weaken, social tensions will continue to escalate, crime and violence will increase, homeless populations will swell, and masses will risk their lives to immigrate to safe-haven nations. Thus, the anti-immigration and populist political movements among developed nations will gain strength.

# HI-TECH SCIENCE

## MAKING BUILDING BLOCKS FROM JUNK PLASTIC



*by Ben Daviss*

The Center for Regenerative Design and Collaboration, a Costa Rica venture, has figured out a way to grind up junk plastic and mix it with concrete to make bricks, cinder blocks, and similar building materials.

The waste plastic doesn't have to be sorted by type. The conglomeration is mixed with minerals to create a plastic-limestone concoction that's then ground into a coarse sand. This "plastic sand," which weighs only a quarter as much as the usual sand for building, is then blended with regular concrete, making up as much as 10 percent of the total volume.

The hybrid concrete can be used to make cinder blocks, patio bricks, and other building elements. The blocks meet or exceed all strength and fire-resistance standards set by the American Society for Testing and Materials and are marketed as a "green" building material.

The center has a pilot project in Cape Town, South Africa, which has both a major plastic waste problem and a crucial housing shortage. The plant there is being expanded to turn out 100 tons of the plastic aggregate daily, enough to make about 200,000 building blocks.

Pilot projects also are under way in Costa Rica and New Jersey and the company now is using its ground-up plastic to develop a hybrid asphalt.

***TRENDPOST:*** *The global revolt against plastic waste is leading innovators to move beyond recycling to find ways to reprocess used plastic into durable products from fenceposts to houses. The reprocessed plastic industry will grow rapidly through the 2020s as the world turns more sharply away from virgin plastics.*

## ELECTRIC POWER TO THE PEOPLE



*by Ben Daviss*

In October, New Hampshire became the latest state to pass a law allowing counties and towns to generate and distribute electricity, following in the steps of Washington, Vermont, and California, among others.

This growing “community power” movement pools several motivations. For some, grid power from a centralized utility is too expensive, with rates that increase too often and by too much.

Others want more power from green sources. States often mandate a certain percentage of commercial electricity be generated from renewable sources; community power laws enable local entities to set mandates that are higher.

The city of Lebanon, New Hampshire, is an example of what these laws make possible. In 2020, Lebanon will launch Lebanon Community Power, a municipal



entity allowing people to buy their electricity through the city at a price lower, officials hope, than that offered by commercial generators.

The town can solicit and compare bids from suppliers, meet demand with electricity generated by its own solar panels or methane from the city dump, or buy power from solar installations owned by residents.

The city of Seattle, with several community organizations, put together Community Power Works, an initiative that helps homeowners finance energy upgrades that lower their bills by as much as half while cutting carbon pollution from generation. Residents can pay for the upgrades through their conventional electric bill.

The Redwood Coast Energy Authority in Humboldt County, California, includes several cities and a water district office as well as the county. The agency maintains a staff of energy advisors who give free counsel to businesses and homeowners and hands out free “energy efficiency kits” that include such goodies as power strips, light bulbs, and hot-water saving devices.

***TRENDPOST:*** Decentralized electric generation is taking a place in the energy economy, but not every home or business can produce its own power. Mid-level entities such as towns or customer-owned co-ops are needed to combine buying power with technical and management expertise to meet local or regional area needs while offering greater flexibility, responsiveness, and innovation than conventional utilities.

*As a result, the community power movement will grow to a co-equal status with conventional utilities by 2030.*

## MICROPARTICLES FIGHT MALNUTRITION



by Ben Daviss

From vitamin B12 in your cereal to iodine in table salt, adding nutrients to food is an old idea. But it doesn't always work. Long storage, changes in humidity and temperature, and other variables can slash the additives' potency.

That's a special problem when transporting food to places where famine has taken hold, often in hot, dry, and hard-to-reach locales.

MIT researchers have solved the problem by encasing nutrients in a microcapsules made of a biocompatible polymer called BMC, often used in nutritional supplements.

The scientists encapsulated 11 different supplements into the material, including C, A, and B vitamins as well as iron and zinc. Then the team boiled the filled shells for two hours, blasted them with ultraviolet light, and bathed them in oxidizing chemicals. In every test, the nutrients inside the capsule survived intact.

But the capsules broke down when sunk into stomach acids.

In an informal trial, anemic women who ate bread with the fortified microcapsules baked in absorbed the iron from the particles and their condition eased.

The research team now is gearing up for clinical tests.

***TRENDPOST:*** *In a drier world with less arable land, malnutrition will spread. New ways to ensure that people are nourished without demanding more croplands will become a key area of research and viable products will find a clear path to market.*