

Chapter 23

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Cayce & The Economy

Conditions and Trends

Introduction

The October 1929 crash of the stock market was merely the herald of far worse to come. All aspects of the economy began to progressively fall apart. Try as he might, President Hoover could not put back together again the Humpty-Dumpty of the Dynastic Age, nor could any of the moneyed elites in any of the nations. Business as usual, which had been based on supplying the expansion of the imperial powers to exploit new resources during the preceding centuries, was over. Five hundred years of imperial expansion had ended, leaving the world economy without the means to grow further. A new driving force to fill the sails of the world economy was needed, but few of the established elites had enough gray matter to think in new terms about how to make a world economy work.

As conditions became progressively worse, the questions posed to Cayce shifted dramatically. The stock market questions virtually disappeared, replaced with increasingly nervous questions about economic and political conditions. Implicitly, Cayce had already predicted in a late 1920's Blumenthal reading that economic conditions would not be fruitful again for stock brokers until 1934, which implied that recovery from the depression would begin about then. But since this prediction was likely not available nor comprehensible to Cayce's

other clients, they began to ask very specific questions about all aspects of the economy.

Cayce was very good in answering their questions. His vision over the age was uncanny, it is as if he was reading from a book which had already been written. But what a painful irony! Though he tried in his personal life, he could never personally connect to the rising prosperity of the forces of growth which his reading forecast so clearly. He accurately called all aspects of the Great Depression era, its beginning, its progress, the timing of changes, developments which would create the turn-around, its end, and the eventually return of a booming civilian economy after World War II (after his death). Consistently, several years in advance he laid out the entire course of the American economy, even giving dates, years, comparative numbers, and specific industry forecasts.

Second only to the stock market “break” of 1929, one of Cayce's most clairvoyant “five-star” predictions was on the span of the great depression. He grimly and explicitly predicted in December 1930 that it would get worse in 1931 and then get worse again, finally readjusting for recovery in 1934 and 1935. At the time, most people still thought of the downturn as merely a recession, which would be over sometime in 1931. In 1930, nobody was capable of making such a guess.

In 1935 and 1936, after many predictions about the economic recovery, Cayce predicted that the troublesome “*breaking up*” events in Europe (conflict between Germany, Spain, France, England, Italy and others which destroyed the League of Nations), would drive *a boom to recovery in many directions in America*. He foresaw that greater and greater amounts of foreign capital would come into the U.S. for parking in a safe haven and as a growing demand for war materials. In April 1936 Cayce predicted that America would become what Roosevelt later termed “the arsenal of democracy”: *America must remain - as it were - the balance of power in not only the money forces of the world but ... for the manning of ... destructive forces ... powering other nations with implements of destruction of every nature, these will show for a greater and greater volume being carried on in the United States.*

In April 1938 during a recessionary period in the midst of a lot of doom and gloom about international events, Cayce gave another one of his amazing long range five-star predictions: *for some years yet ... more and more investments will be made of foreign capital in America ... gradually making for a period - which must come, of course, before '41 or 2 - when there will be the GREATER BOOM in the United States that it has known!* The U.S. economy boomed an astounding 16.25% in 1941 and 15.43% in 1942 to deliver the greatest boom which has ever been known in the American economy, before and since. In June 1944 Cayce predicted, in his last economic prediction, that great economic changes would come after the war ended, but it would come after two or three years of economic disturbances. The civilian economy began to bloom in 1948.

His readings, though often grim with moral reminders about the potential outcomes of selfish and parochial thinking, were consistently upbeat about the

abilities of people to transcend the Great Depression and rebuild a better foundation for the world. He exhorted people to apply the principles of the God Game to set in motion the new driving “*leveling*” force for the world economy, warning over and over again that the only obstacle to peace and prosperity was imperialism, racism, and the greed of special elites. He preached that the true basis of recovery could only be in measures which created rising prosperity for the common man regardless of race, creed, religion, class, or nation, and that any distinction based on them was a fetter which would diminish prosperity in some way.

Well before their time, before the demands of global war which gave impetus to them, Cayce pinpointed the industries which would expand and eventually become dominant in the post-war world. He had a remarkable eye for the growth sectors of the age: aviation, telecommunication, radio, electronics, TV, plastics and composite materials.

In 1925 Cayce described the concept of infra-red vision for night vision, correctly claiming that it would be superior to any attempt to use artificial light to see in darkened conditions. As early as 1930, Cayce predicted the long term growth of the aviation industry and the long term expansion of mass communications through radio broadcasting. In early 1932, Cayce predicted the integration of telegraphy and radio communication by 1939 and the switch to using radio (microwave towers) to transmit wireless telegraphs, all of which occurred in various experiments by that date. In 1944, well before a TV broadcasting industry was created, he predicted that TV would become an important consumer product.

In 1933, Cayce described the airplane manufacturing and transportation industries as the most “*outstanding*” change which would come, which, in physical terms in North America, is exactly right. In March 1944, Cayce predicted that consumer products, especially radio, refrigerators, automobiles, lights, and the like would drive the post-war economy. Intriguingly, in September 1939, Cayce predicted that spiritual phenomenon (astral/etheric plane consciousness) COULD also be turned into as reliable a science and as practical a technology as any other, but he made that conditional on the application of as much resource to develop it as had been given the other sciences of the industrial age.

Cayce was equally good on the trends of gold, inflation, interest, money and tariffs. He was never wrong. There isn't an econometric statistician on the planet who can match the record Cayce achieved psychically during the 1930's.

He foresaw one to three years in advance the radical reforms under the New Deal which would change the nature of money, banking, and securities practices. Throughout the 1930's and early 1940's he successfully predicted, several months to several years in advance, the ups and downs of interest rates, bond prices and yields, the periods of stability and flux in the inflation rate, and the behavior of gold and money in and out of the U.S. Less precisely, he also predicted the stabilization of exchange rates for foreign currencies.

Cayce claimed that changing the tariff law was essential for the recovery of international trade and he predicted that it would undergo change and become a tool of recovery. Indeed it did change radically and become one of the enduring cornerstones of U.S. foreign policy as the reciprocal trade act (most-favored-nation). With it, the Democrats destroyed the ability of special interests to dictate tariffs and employed it to negotiate mutual reductions with other nations to expand U.S. exports.

Cayce told us in 1936 that the gold standard would eventually wane over a course of 50 to 60 years but he over-shot the final abandonment of the gold standard in 1971 by the U.S. (and thus the world) by 15 years. Even so, it was decently good prediction, equal to the one he made about international currency stabilization. He correctly could see that no international currency would emerge, for a long, long time, and gave no prediction about the successful creation of one.

In one of Cayce's most phenomenal long range predictions, truly a five-star prediction fully incapable of coming from linear, materialistic consciousness, he predicted in 1932 that the Norfolk area, then a third-rate back-water port, would become the chief port on the East Coast of the U.S. within 30 years. It only took 28 years. He was equally good with his real estate predictions about Virginia Beach.

In another five-star prediction, Cayce correctly described a long economic cycle of 24/25 years which accounts for all depressionary periods in the U.S. economy, though not for every recession. Starting with Cayce's base year of 1907, every 24th or 25th year from each succeeding point precisely described the beginning of an economic downturn, though not all of them. The next Cayce cycle downturn is forecast for the year 2006 or 2007.

Most of the economic predictions were long range predictions, some for a few months, many for a year to a few years, and some were for periods which ranged between several years to several decades. Out of 63 general economic predictions which were specific enough to validate, Cayce made 4 errors. One was about the gross revenues of Western Union in 1933, which fell far short of his optimistic projection. Another was about a sector in the economy which did not do as well as Cayce predicted during one year. The third was his failure to predict the recessionary downturn of 1938. A fourth was his failure to correctly describe the supply of wheat. Four failures out of 63 leaves Cayce with an accuracy rate of 93.55% for long term economic predictions.

The remaining pages of this chapter places each of Cayce's general economic predictions within their historical mosaic and summarizes how each of them was fulfilled, or not, as the case may be.

The Great Depression

One of Cayce's most clairvoyant hits was on the most important topic of 1930: recovery from the depression:

(Q) When will economic conditions throughout the United States be improved and the present depression be at an end? (C) Beginning with the spring, there will be - in various portions of the country - a change in economic conditions. Another year will bring those of a greater disturbance in MANY centers. Then, unless there is the adoption of other conditions, a still GREATER disturbance in this present land. Then, in thirty-four or five, these will gradually adjust themselves to the uphill, as it were, for the general conditions.

12/03/30 5453-011 /11
ECONOMIC PREDICTION FULFILLED

As the nation and the world slipped gradually into the deepening depression, the depths of how far it would go were never understood in advance. During 1930, the world still thought of it as a recession which had broken the bubble of speculation. The stock market had rallied at a lower level and showed signs of stabilizing. It was just a matter of waiting it out, so most people thought. But Cayce's prediction was a grim one, foretelling of several years of economic hardship.

Cayce obviously didn't want to disappoint his querent by telling him things would get worse before they got better, so he began obliquely talking vaguely about "*changes*". Then he very accurately predicted that things would get worse, after which there would be even greater "*disturbances*". This defined very well the downward slide of 1931 and then the various crises of 1932 during which international trade sank to very low levels, major currencies became inconvertible, unemployment reduced millions to begging, with the economy finally bottoming out with the banks collectively insolvent, farmers collectively bankrupt, and nation after nation pursuing self-seeking, self-defeating acts destructive of international order.

After these "*greater disturbances*", Cayce accurately described the time of recovery, which began to show "*in 1934 or 1935*". At the time, no one of normal consciousness, even if armed with a super-computer and all of the statisticians of the world, could have made such a prediction.

President Hoover was immediately sensitive to the problem of the depression but like most people of his time, he saw it as a business recession and

did everything a President should do to fight a recession during the period 1930 to 1932. His administration lowered interest rates, cut the personal income tax rate, expanded public construction, stimulated greater charity and food programs for the poor, put money into an expanded public works programs, and even accepted a deficit federal budget. He also spent many months riding the railroads to meet with business leaders throughout the country to huff and puff them into a renewed sense of confidence. Initially, an upswing in the economy was widely expected by mid 1930.

But Hoover and all of his men were totally oblivious to the realities of the industrial dynamics at work in the world economy. Like many others of the old Yankee establishment and the various dynastic elites throughout the world, he assumed that the old mercantile economies would continue to work as they had within separate, somewhat isolated national and imperial systems. Thus he undertook the one move which destroyed all of his efforts and plunged Europe and the world into chaos. In Cayce's words, he retreated from the egalitarian principles of Wilson's 14 Points, which was based on treating all men and all nations the same. Instead, in June 1930 Hoover supported and signed into law the Smoot-Hawley Tariff bill which imposed a 44% across-the-board tariff on all imports, the highest in the world.

The measure in no small part most likely fit into a game plan masterminded by Mellon, the Secretary of the Treasury, who was one of the most powerful and arch-conservative bankers in the world. He was the ultimate economic bear and advised that everyone should be liquidated, labor, stocks, farmers, and real estate. No doubt he felt that high tariffs would successfully stimulate the formation of new American business while driving out foreign business. America First, Me First, Devil Take The Hindmost.

Newton D Baker, a columnist of the time, observed that "*war was declared by the Republican Party against the rest of mankind*". Many opponents of the tariff opined that the most disastrous times would fall on the country. And so it was. And so it did.

The nations of the world almost immediately followed suit to isolate themselves from privileged American producers. Within weeks most of Europe had high tariffs. The world economy promptly collapsed, following the American descent into oblivion. The dynastic age had reached the limits of its possibility, it could longer work through quaint old mercantile concepts of geographic expansion and exploitation within isolated national or imperial structures.

Demand for all products went down. Unemployment rose. Prices went down. Agricultural prices went down, by an amount very nearly equal to the level of the international tariffs, to nearly half of their previous values. Farmers went down. Country banks went down beginning in late 1930, then progressively bigger and bigger banks. Rail went down. Industry went down, everything kept spiraling down. England's finances disintegrated by the end of 1930, forcing the devaluation of the Sterling by a third. International finance, currency exchange, and trade collapsed. By midsummer 1931, all Europe was

in financial crisis as more and more international banks failed. German banks closed for two months in 1931. The Sterling was taken off gold in late 1931 and collapsed further in value. Everybody devalued except the U.S.

This was a very effective tariff. Thank you very much Mr. Mellon.

At the end of 1930, the Democrats did very well in congressional elections and began the process of ending the long era of Republican majority control of the federal government. By October 1931, the Hoover administration began to realize that some serious money had to be put up to deal with the tide of misery. As is the wont of the financial elite in such matters, the solution was a \$500 million pool, nominally the "Reconstruction Finance Corporation", which mostly ended up in banks as liquidations of debts for key industries. But once it was in the vaults of the banks, it had nowhere to go, nothing to do. With no demand for goods, no one wanted to borrow from the banks.

As 1932 opened, everyone was pulling gold out of American banks to liquidate their losses in international currencies and foreign banks. Most nations suspended paying their war debts. Major civil disturbances and riots between the left and right were commonplace in countries throughout the world and had deadlocked most European countries. Civil wars threatened in many places. The Communist International was picking up new members by the tens of thousands every month. American banks became increasingly insolvent. By the fall of 1932, American banks were failing everywhere, labor was busy radicalizing everyone with marches, rallies, and riots, and farmers began to barricade highways to prevent crops from going to market at prices which were lower than the cost to grow the crops. This was a very effective tariff and Mellon's "liquidation" was going well. Hoover rose to the occasion and ran for re-election on a brilliant platform for a balanced federal budget to restore business confidence.

In early 1932, despite the gloomy conditions and the dismal outlook for the next two or three years, Cayce advised all comers to be upbeat on the economy, even before Mellon's Great Liquidation had truly bottomed out:

(Q) What is the financial outlook for this country in 1932 and 1933? (C) There will be, as we find, after the 25th of April, a tendency towards that of an OPENING UP of the financial aids to the country. There will be in the next year that of an awakening from a further depression, from the fall - or the reactions in many fields. The whole recurrence in the country, as we find, will be near to that of a normal status, as of '98, or '90 - or even of '25, 6 and 7 - by '35, '36, '38.

There appear to be three predictions in this statement. The *"opening up"* Cayce mentioned most likely referred to emergency business finance money which began to be made available under the Hoover administration. On December 10, 1931, Hoover proposed the creation of the Reconstruction Finance Corporation, which he patterned after the War Finance Corporation (of World War I). He signed it into law on January 23, 1932. It was given \$500 million in federal money plus authorization to borrow another \$1.5 billion. It was designed to save banks, railroads, and other industrial corporations which were in danger of default. It saved them by loaning them money to payback their loans. Unfortunately, the money was quickly used up by a few corporations, especially the railroads, which used the loans to repay other loans. The literal reality is that the money never left the banks and created no productive result. So in May, 1932, Hoover and congress increased RFC's borrowing authorization to \$3 billion, to make money available for actual operations by industrial corporations. But, tellingly, within a few weeks, the head of the RFC resigned after loaning his own bank nearly \$100 million. When Republicans steal, it is always Grand Theft Mega, never the petty larcenies to which Democrats are prone.

The second prediction was about an awakening in 1933 which prevents a further fall. This is pretty vague even if true as a result of the vastly expanded programs of relief and stimulation which the Roosevelt Administration undertook. Since this is probably implicit in Cayce's other predictions about recovery in 1933, I am not going to tally it.

The third prediction is partially another repeat but here Cayce gives us some specific numbers for comparison. How well did he do? The following figures (from "ES") compare the gross domestic product in real dollars. As we can see in this February 1932 prediction, Cayce was a little optimistic for the first year of comparison, but the following two years were even better than predicted and by 1937 production was shy of 1929 peak levels by just 5 billion dollars. The difference in the first comparison represents merely a few months of time. Overall, this is easily within the *"near"* sense of the prediction and it goes on his tally.

1925: 273	1935: 260
1926: 291.5	1936: 295.5
1927: 294.2	1937: 310.2

Cayce repeated this basic prediction a few other times in different ways, usually by adding new information.

(Q) Is this the beginning of the end of the business depression? **(C) The beginning of the end of the business depression began, in actuality, about the twenty-fifth of May.**

08/06/32 311-009 /30
ECONOMIC OBSERVATION

Two years before, Cayce predicted that output would begin to expand in 1934, which was exactly correct. So what is this prediction about? Cayce in many of the readings described the depression as mainly a question of fear, will, and focus on positive directions. He often discussed political and economic affairs in terms of confidence versus pessimism. He sermonized capitalism to lead by investing in the future, to act and spend money confidently.

By that token we should look for the end of the depression at the point at which the stock market began to go back up. The bottom of the bottom, the very lowest moment was July 8th, 1932, where the DJI stood at a low of 40. The next day it began its slow, very slow, long rebound of progressive growth marking the beginning of the end of the depression. One could say that the depression physically ended as of that moment.

What had happened a month and a half before to begin to cause confidence to shift, something which would affect the minds of investors? The Hoover Administration expanded implementation of the Reconstruction Finance Corporation. In May 1932, Hoover requested an expanded \$3 billion authorization for the RFC and quickly got it. Local governments were to receive \$300 million for public works (but only for "toll" bridges and the like which generated their own money) while the rest was reserved for keeping railroads, banks, and other industrial corporations liquid.

This was the bureaucratic beginning, though it was not implemented vigorously enough by Hoover. Too much of the money churned into banks to liquidate debts, not nearly enough new demand was created to expand payrolls. Almost ludicrously, a good portion of the "authorization" was still in its coffers in September while increasing anarchy was being seen in the country and throughout the world. By then, the mood of the country had shifted away from the Republicans, and stayed away for some 20 years as it turned out. Under Roosevelt's administration in early 1933, the RFC program was vastly expanded, under new names, to reach and help real people to create the stimulus in new demand and renewed confidence which was necessary.

(Q) What parts of the country will first show signs of a revival in business? **(C) The southern and southwestern will be the better for some commercial**

interests. Those of other interests, as the Railroads, must be considered as adjustments are made in not only the relative valuations in stocks and bonds, and the like, these must come from the motive and steel interests. Hence will be spotted in eastern and western Pennsylvania, Ohio, and the MIDDLE West, with a considerable change in the far western portion of the country. This in the immediate vicinity, as indicated from the port as supplied by those that come to this particular port, will gradually be on the advance; for the safety, with the surety of not only shipping, but of the interests as will be represented in the foreign lands.

04/09/32 311-008 /12
ECONOMIC PREDICTION UNVERIFIED
ECONOMIC PREDICTION FULFILLED

Some aspects of this complex set of predictions is not easy to verify and I have left a portion of it invalidated. Part of it is easy to verify. The tobacco industry in the southern states surged to record profits in 1932 from record demand, exceeding even 1929. The gold mining industry in the western U.S. did extremely well. Japan began to increase its purchases from West Coast companies, especially increasing quantities of oil to fuel its rapidly expanding imperial fleet. The oil industry returned to profitability with higher prices, which benefited business in Pennsylvania and portions of the Southwest.

*(Q) How much longer will this general depression last and when will we begin to see a definite improvement? (C) **In the Spring of '33 will be the real definite improvements. There will be periods, to be sure, of much better - and periods of 'all gone to pot!' - but the definite periods, as we find in the present, would be in the Spring of '33.***

04/09/32 311-008 /11
ECONOMIC PREDICTION FULFILLED

The New Deal legislation was rapidly implemented during the early part of 1933 under Roosevelt's "100 days" program. It began to restore confidence immediately. Immediate relief for millions was given and for Cayce, close to the common man, this must have constituted a real definite improvement. The banks stabilized. Security prices began to recover by summer. Farm prices nearly doubled by the end of the year. The rest of the economy began to show real improvement in the statistics by 1934.

- (Q) *What are the correct interpretations of the indications in the Great Pyramid regarding the time when the present depression will end?* (C) **The changes, as indicated and outlined, are for the latter part of the present year. As far as depression is concerned, this is not-as in the minds of many - because fear has arisen, but rather that when fear has arisen in the hearts of the created SIN lieth at the door. Then, the change will occur - or that seeking will make the definite change in the latter portion of the present year. Not that times financially will be better, but the minds of the people will be fitted to the conditions better.**

7/1/32 5748-006 /11
ECONOMIC PREDICTION FULFILLED

With this prediction, we begin to touch the long shadow of the Horizon of the Phoenix at Rostau, a.k.a. the Great Pyramid. For a time yet, this must remain a mystery. In the latter part of 1932 the national elections decisively gave Roosevelt and his New Deal, along with a large democratic majority in congress, a mandate to make far-reaching economic changes. Roosevelt inspired confidence and a positive attitude, as has been extensively observed by historians. Cayce told us, in an echo of Roosevelt's famous line, "*we have nothing to fear but fear itself*", that fear leads to the mistakes and error (sin) which result in anarchy and depression.

- (Q) *Will the United States of all the nations be the first to achieve recovery from the present era of depression?* (C) **United States, as we find, will be the first to adjust themselves to the conditions more satisfactorily that are necessary for the beginning of a recovery, or for a proper relationship of values in their proper perspective...**

08/02/32 270-029 /5
METAPHYSICS

As we can see in the wording itself, this answer is heavily "value laden" and it really depends upon your philosophy as to whether or not this was fulfilled. The reading continued:

- (C) **...The depressions, as we find, while of an international nature, are more in the reason accorded from improper valuations in their respect to the mental and spiritual conditions of the people...there is fear aroused, then all scatter without any idea of the**

cause or the affect that may be produced upon the neighbor, or one being harmed by the activity of self. FEAR having entered. Hence, in the recovery, that one, that nature, that nation, which has as its basis the true perception, through conviction of what IS an ideal in the mental and the spiritual affairs of its Maker, will be able to overcome this fear first.

08/02/32 270-029 /5
ECONOMIC OBSERVATION

By the time Roosevelt's new deal was being implemented, most of the European countries were still sliding into the depression. The U.S. recovery lead all of the democratic countries which were governed by a legislature. Statistically, U.S. recovery began in 1934, U.K. in 1935, France in 1937. The U.S. recovery was based on economic investment for a civilian economy. But the truth is, all of the fascist countries lead the recovery in hard cash terms, Italy in 1932 under Mussolini, Germany in 1933 under Hitler. Japan never suffered a depression at all, it was fully mobilized for its imperial expansion program.

*(Q) Is the United States program for domestic and foreign economic recovery materializing satisfactorily? (C) **Materializing satisfactorily in the present. There are those plans for a greater expansion. There must come a change in the associations, in connection with the tariff conditions, for a more satisfactory advantage. These, as we find, may be expected to be changed, or altered to more satisfactory conditions, in '33 and 4.***

08/02/32 270-029 /4
ECONOMIC PREDICTION FULFILLED

Cayce predicted essentially two requirements to overcome the depression. Greater expansion of effort in taking care of basic human needs and elimination of the 44% tariff. Implicit in this prediction is a political change in the government. The Republicans would not expand sufficiently to help real people and the tariff was their policy. Grimly compounding the entire situation, the Hoover administration still strongly supported the 44% tariff, which most historians have concluded caused the depths of the depression, the collapse of the exchange of most international currencies and foreign trade, and hence the collapse of the German banks, the British Sterling, and thus indirectly, even , the political crisis in Germany which allowed Hitler to gain the upper hand.

At the time of this prediction, communist rallies were drawing thousands of people, farmers were openly barricading U.S. highways to prevent under-priced crops from going to market, and labor unions were escalating strikes to force

change in basic industries. There is no doubt that the U.S. was beginning to verge into the zone of anarchy. Out of anarchy, only left wing revolution or fascist repression was likely to emerge.

A whole lot of karma there, prompting Roosevelt to run for President on his New Deal program, and impelling the electorate to give him an extraordinary landslide election victory. By August, the issue of Hoover versus Roosevelt had been decided in the court of public opinion and historians seem to support such a notion. In 1933 most of the economy sat at the bottom nearly half the year while the New Deal legislation was formulated and implemented. It quickly began to restore confidence and some business began to expand during the last half of 1933. But it was not until 1934 that improvement began to show in the overall summary statistics for the economy.

The tariff was one of the first targets of the New Deal. Cordell Hull, Roosevelt's Secretary of State, worked assiduously against it throughout his years in office. In December 1933 at the Pan American conference in Montevideo he successfully established a consensus of opinion to work to overcome it. In March 1934 the U.S. Congress passed the Reciprocal Trade Agreements Act which set the pattern for tariff reductions up until 1995. This act created the "most favored nation" status, which in essence allowed the President to negotiate reciprocal tariff rates with any nation. The President could do this by fiat, thus special interests could not block such treaties. Hull used the powers quite well and by 1939 some 21 countries had reciprocally reduced tariffs with the U.S. by an average of 29% and U.S. exports to those countries had increased by 40%.

In 1943 Cayce predicted that tariffs would be lowered even further:

(Q) Will we move toward a lowered tariff? (C) In many directions, yes.

06/20/43 3976-028 World Affairs /12
ECONOMIC PREDICTION FULFILLED

Consistently since WW2, through international cooperation with the U.S. sponsored international GATT conferences (General Agreement On Trade And Tariffs), the tariffs which are levied by nations of the world have progressively declined to relatively low levels for most goods, averaging 10% by 1960. The first GATT conference was conducted in 1947 between 23 countries at Geneva and since then seven other GATT conferences were conducted to move tariffs even lower. Essentially, the GATT agreement extends the Reciprocal Trade agreements first created by Hull to a large voluntary group of nations who all agree to abide by the results of the conferences. In 1995, all members of GATT have become members of the WTO, the World Trade Organization, which has now replaced GATT but operates on the same basic principle.

(Q) *Will the value of the basic food commodities be the first to reflect a visible sign of this improvement?* (C) **That depends upon whether these are used as the criterions to point out to the masses the stabilization. As we find, however, the attempts are to be rather in those that are of construction materials, or basis - of silver, gold, and steel.**

08/02/32 270-029 /7

ECONOMIC PREDICTION FULFILLED

Several attempts were made to shore up the value of agricultural goods. Farm income in 1932 was nearly one half of what it had been in 1928, destroying demand and liquidity in what was then still a major portion of the economy. Food prices and farm incomes were the last to fully recover from the depression.

One of the single most important acts of the Roosevelt administration was to embargo gold in April 1933. In other words, the government refused to allow the export of gold for international financial settlements. This forced the dollar internationally to “free float” in its exchange value. The free float caused a devaluation of the dollar which overcame some of the effects of the high tariff. This in turn increased demand for U.S. agricultural products, raised the domestic dollar price for them and created relief for farmers. Farm revenues nearly doubled within a few months. But it was only with the advent of war, with the sudden huge government market for farm commodities to feed and cloth the military systems and the American allies, especially Russia and China, that brought full economic recovery to farms.

Steel may be a metaphorical way of referring to the massive public works construction projects which the federal and state governments undertook to create jobs and stimulate the economy, all of which required lots of steel and cement. The steel industry nearly doubled its production in 1933 after April. Silver recovered through a government program to buy \$1 billion of new ingots, which immediately stimulated the economies of western states.

Cayce was then asked whether, if a change for the better was occurring in the economy, would the recovery begin another cycle of speculation and inflation:

(Q) *Will this change mark the beginning of another cycle of unprecedented hysteria and price inflation?* (C) **Rather will this require a greater period of time for inflations, and the like, to occur. More in an **ORDERLY** manner, and more in the proper valuations; for this change is to be first instituted or entered into through a **SPIRITUAL** change in the**

aptitudes, or attitudes, of masses, groups, and individuals.

08/02/32 270-029 /8
ECONOMIC PREDICTION FULFILLED

In was nine years before inflation raised its head. The "*spiritual change*", i.e. a change in perspectives and values, indeed occurred with the confidence which was generated by the activities of the Roosevelt Administration. With Roosevelt's democratic majority control of Congress, profound changes were made in the banking system, the conduct and trade of the stock exchanges, and the regulation of sale and promotion of securities (all stocks and bonds). The banks were divorced from any involvement with securities and the brokerage houses were forced to adhere to a large number of new standards. These new legal realities destroyed the bubble mania in stock speculation for well over a generation. Price earnings ratios became the mantra of Wall Street until the 1980's. The "*effect*" of all of this "*spiritual change*" was predicted while the wild cowboy days of Wall Street still ruled, even before the Democratic Party was elected.

(Q) The belief is held that the aeroplane manufacturing and transportation industry will become the outstanding cornerstone to mark this country's return to prosperity, just as the automobile industry did in 1921 and the radio activity did in 1925. Is this correct? (C) Partially so, yes. It may be given as the most OUTSTANDING change that would come...

02/13/33 270-030 /18
ECONOMIC PREDICTION FULFILLED

Just so. Douglas Aircraft began building its first passenger airplane for commercial service in 1936 when the gross domestic product had recovered to its 1928 level. It was the most "novel" new technology and heralded the return to normalcy. The airplane then went on to dominate the age, determining the outcomes of World War II and many of the most visible and apparent patterns of commercial evolution throughout the remainder of the century. A most physically noticeable "*outstanding*" change indeed!

02/13/33 270-030 /18
SERMON

(C) ...but the real basis of the change must come in the attitude of the classes with the masses, and the abilities for those in selective fields or positions to act more coordinately with the spiritual upliftment of

ALL to a higher position as related to the affairs of groups, classes and masses.

This is part of Cayce's "*leveling*"... which we will encounter again in following chapters. In essence, Cayce claimed, the real basis of change were policies which ensured that the individual benefited from economic growth. With the beginning of new policies, the improvement of the mass-mind, new attitudes about what could be done, and improved "*confidence*" that things would be done and the government not overthrown, the basis of business re-stabilization was in place, giving Cayce to predict in early 1933:

(Q) *Has time and the constant evolutionary changes corrected the mind of the people so that a statement on the business outlook for this year can be given? (C) **It will be on the improve in this year! for the definite change, definite turn of affairs!...the change will make for a leavening or a stabilizing (after many trials) to different conditions.***

02/13/33 270-030 /19
REPEAT ECONOMIC PREDICTION FULFILLED

Here is one which Cayce was clearly wrong about:

(Q) *How will the gross revenue of the Western Union in 1933 compare with that of 1932 and will 1933 aggregate 110 million? (C) **It will work comparatively favorably to that in 1932, '31 even, and toward the latter part of '33 even surpass some of those even in the earlier portion - or latter portion of '30.***

02/13/33 270-030 /15
ECONOMIC WU PREDICTION FAILED

Cayce's optimism for Western Union was not even close. "*Moody's Manual*" for 1937 reported the following gross revenues for Western Union:

1930	1931	1932	1933	1934	1935	1936
130.5	108.7	83	82.3	87.23	89.87	98.42

(Q) *Will business conditions general continue to steadily improve during 1933 or will there be serious setbacks during the year? (C) **This would require rather the***

analysis of a broad field of activity. Yet, as we find, as a WHOLE, business will continue to steadily improve...the activities through RAILROADS, will continue to improve. Those that will receive setbacks will be in the motive interests. Those that will be further advanced will be the steel interests, cement interests, and those of that nature. Those of the manufacturing interests, as related to cloth, commodities, household commodities and of that nature, these will all continue, as we find, to be steadily - STEADILY - and some, of course, faster than others - on the improve.

04/29/33 311-012 /16
 REPEAT ECONOMIC PREDICTION
 ECONOMIC 3 PREDICTIONS FULFILLED
 ECONOMIC 1 PREDICTION FAILED

Total industrial output, including all manufacturing, expanded 16% in 1933, even though the commercial and retail sectors shrank, pulling down the gross domestic product below 1932's level. Steel production nearly doubled, mining expanded, agriculture kept steady, railroad revenues from May on were up 10% to 20% over the corresponding months of 1932 and their stocks increased in value over 200%. The (auto) motive interests also expanded, making this part of the prediction wrong. There are five predictions here: the general prediction "as a whole" was true but this is a repeat, railroads were true, steel was true, motive interests was false, manufacturing was true. (See "ES" industrial production table and Dow Jones Averages).

(Q) What sections of the country will show the quickest improvement? (C) Tennessee, Carolinas, Georgia, Alabama, Arkansas, portions of Texas, and - NATURALLY - towards the New England States; not the whole but portions of these, through the steel portion of the country; then the extreme western portion. You see, these cover the GENERAL, rather than the motive interests.

04/29/33 311-012 /17
 ECONOMIC PREDICTION FULFILLED
 REPEAT ECONOMIC STEEL PREDICTION FULFILLED

Cayce described the geographical pattern of recovery fairly well. With the massively expanded public works programs which were undertaken, the steel industry, along with the demand for coal, quickly revived. So did the mining industry in the western U.S. for gold, silver, and cement. The Roosevelt

administration also began the massive Tennessee Valley Authority program to build hydroelectric dams in the southern states and undertook other programs to build major hydroelectric programs in the western U.S.

Cayce was quite clear that going off the gold standard (partially) was a major factor in the turn-around:

- (Q) *During the past month there has been a substantial improvement in commodity and security prices, and some improvement in general business. Are these changes due to better fundamental conditions, or are they brought about only because of our going off the gold standard?* (C) **...this is a FUNDAMENTAL condition that has caused the improvement in prices, in business, in the general condition... and justify all the changes in the direction they have taken - that have as yet been maintained.**

05/06/33 261-009 /25
ECONOMIC OBSERVATION

- (Q) *What industries will show the quickest and most sustained recovery?* (C) **The INDUSTRIAL conditions...the increase, and the greater activity, will be in industrials.**

11/22/34 261-013 /7
ECONOMIC PREDICTION FULFILLED

Agriculture was in bad shape most of the decade and the Rails and Utilities recovered only slowly. Industrials lead the recovery. Manufacturing was now King of the economy.

- (Q) *Please interpret the astrological situation respecting the economic trend of business and inform me of the outlook to expect for the rest of this year.* (C) **As we find, while there are many conditions in some fields of activity that will be in the position of requiring changes in the present status of production in the area for the agricultural activity, the general commercial activities throughout THIS land will continue to be nearer and nearer to a normalcy...but the general will continue on the improve; and, as may be seen in the coming elections in the fall, the general trend of the public opinions as related to the activities in the affairs of the nation as a whole and**

PARTICULARLY as related to the COMMERCIAL associations abroad - will be for the greater expansion - in the abroad.

06/12/34 270-032 /16)
REPEAT ECONOMIC PREDICTION FULFILLED
ECONOMIC OBSERVATION

Cayce correctly noted that fundamental changes needed to be made in agriculture (which were never completely made). He optimistically pointed to the congressional elections in the fall, suggesting that national unity was improving (which indeed it did under the New Deal, giving Roosevelt an even larger majority in Congress). Cayce also pointed to the idea of public opinion supporting commercial expansion abroad, which could only mean the tariff reduction program under Hull. Overall, this statement was more of a cheerleading statement than it was a prediction, and if it was a prediction, it was basically a repeat of others.

The following vote of confidence by Cayce about the recovery at the end of 1934 was undoubtedly true in retrospect, but it was implicitly a repeat prediction about recovery:

(Q) Would you comment on general business and financial conditions as you find them in this country, and also in other countries that affect conditions in this country; and what is the trend of the conditions for the next few months? (C) This, as we find, is rather a large order to be considered in a few words...these are greatly on the improve. However, the creating of that necessary confidence in the various groups - for their investments, in not only individuals' activities but the greater group activity - has not wholly yet been rehabilitated. But there is a general trend of more and more confidence, and conditions with those that may be said to be in authority in these directions.

11/22/34 261-013 /6
REPEAT ECONOMIC PREDICTION FULFILLED

The Return To Normalcy

(Q) Studies made by me indicate that the major trend of the general business activity in the United States will change from an upward trend to a downward trend beginning about November, 1935. Are my calculations correct?

(C) In part and in part only. As we find, the general trend upward will last in the greater portion of the quarters until February or March. And then the greater change will come about in the beginning of the summer of '36. And in some phases or some directions, well it'll be overflowing - in others it'll be very bad!

08/28/35 816-006 /8
ECONOMIC PREDICTION FULFILLED

Overall 1935 and 1936 were very good years of recovery, with a slowdown showing in 1937 (expansion slowed to half of 1936) and in 1938 production shrank, wiping out 1937's gains. During 1936, agricultural production declined 10%, utility expansion was slow, but industrial production grew solidly.

In his original forecast of the economic recovery from the depression, Cayce predicted that growth would resume in 1934 and 1935, getting nearly normal in 1936, which indeed it did. Now, for the first time Cayce extended the period of economic advance to last all the way to 1940:

(Q) Previous information indicates that general unrest, minor wars and local disturbances would pass with 1936, that economic and industrial adjustments will materialize in 1937 and 1938. Does this program still hold good? (C) Rather will there be, if there are the general conditions held, an extended period of greater advancement in '37, '38 '39, even to '40.

11/27/36 270-038 /16
ECONOMIC PREDICTION FULFILLED
ECONOMIC PREDICTION FAILED

And indeed it did advance all the way through 1940, with a hiccup in the figures during a minor recession in 1938. The "ES" index of gross domestic product (1980=100) gives the following numbers: 1935=17.9, 1936=20.3, 1937=21.3, 1938=20.4, 1939=22.0, 1940=23.6. For the general curve, Cayce's tally gets one credit, for missing the 1938 plunge Cayce gets a ding.

From a reading containing extensive, highly detailed advice about Mr. 261's extensive business involvements and investment activities:

(Q) Will business expansion continue through next year and what industries should show the greatest improvement? (C) By the equalizations of industrials of every nature, and to be sure those that deal with construction. For steel and those kindred industrials

that are bound up, as it were, with same should show the greater improvement during the next twelve months...there should be a period of almost unprecedented BUILDING!...

10/04/36 261-025 /14
ECONOMIC PREDICTION FULFILLED

There was a building boom and it started in 1936, continuing strongly through 1937. As shown by the "ES" indexes, non-residential building expanded 35% for 1936, 30% in 1937. Residential building expanded 52% and 19% for the two years. Without doubt this industry was the most dynamic for the period of the prediction. Steel production increased 6% and both manufacturing and over-all industrial production expanded about 9% during 1937 ("ES" indexes).

(C) ...While those, to be sure, of the industrials that have to do with motive power and transmissions make for a close second...

10/04/36 261-025 /14b
ECONOMIC PREDICTION FULFILLED

Cayce's terminology is not what economists use and thus an exact match with historical statistics is not possible. Nonetheless, the general sense of the prediction seems to be true enough. Automobile production expanded about 7%, 2% less than overall industrial expansion thus making it a close second to the general industrial sector. Apparently "*transmissions*" means the communications and broadcasting industries but it is impossible to break numbers out for that concept.

(C) ...But with changes as are coming in the manner of transmission, those that are of an international nature should be exceptional in their change or in their improvements. And these then would be those that we would give as the leading in same...

10/04/36 261-025 /14c
ECONOMIC PREDICTION FULFILLED

During the 1930's the broadcast and telegraphy industries introduced TV, fax, telex, expanded stock ticker-tape services, and radio transmission on land to replace copper wire. Especially vital were British and German inventions, beginning with the world's first TV broadcast: the coronation of King George VI in early 1936. A year later, in October 1937, Cayce again predicted economic conditions for several years ahead:

(Q) *Is the year 1939 or the year 1940 likely to usher in the beginning of another major business depression?* (C) **Again this depends upon that construction of those purposes, those provisions, those laws now being set in motion for consideration of the conditions throughout. We do not find it so; unless selfish motives, selfish purposes succeed in DOMINATING the directing of those provisions against such. If these succeed, and then there should come a uniting of those efforts between the layman or the worker and the wage earner against capital, we may expect DESPERATE situations. BUT WHAT WILL YOU DO ABOUT IT?**

10/25/37 3976-017 World Affairs /16
REPEAT ECONOMIC PREDICTION FULFILLED

The answer is quite mixed - many contingencies mixed with some moralizing but "*we do not find it so*" about "*another major business depression*" is the prediction. Who is we? Regardless, there was no depression, but there was a recessionary downturn in 1938 which was quickly overcome in 1939. Notice the conditionals about selfish purposes. The mention of labor reflects the rising tide of labor strikes and radical organizing efforts during the period. Since this implicitly repeats the earlier forecast about the general expansion through 1940, I have not added it to the tally.

The American Safe Haven

Early in 1935, while giving Mr. 261 predictions about the troublesome, "*breaking up*" events in Europe (conflict between Germany, Spain, France, England, Italy and others which destroyed the League of Nations), Cayce began to outline an historical investment strategy for Mr. 261 which would allow him to use the international anxieties to his advantage:

(C) **...These, however, with the anxiety that is caused from the financial standpoint, become a BOOM to recovery in many directions in America.**

03/26/35 261-014 /7
ECONOMIC SEE BELOW

Cayce at various times gave Mr. 261 "financial intelligence" forecasts on this theme giving him considerable insider advantage about how international financial markets would influence American financial markets. The general

trend was for greater and greater amounts of foreign capital to come into the U.S. as a safe haven, but with Cayce's information, Mr. 261 received advance warning of where and when it was likely to come, giving him a definite market advantage. A hedger with a large pool to use, using the information provided below, could have made a huge fortune on arbitrage of currency futures.

In August 1935, Cayce repeated this theme again by telling Mr. 261 that international events would now begin to influence the American economy.

(Q) Will you comment on general business and financial conditions as you find them in this country...and what is the trend of the conditions for the next few months? (C)
There is the tendency for an advancement in groups that control much of the financial policy of the country...An advancement, then, in the loosening of what HAS been the investor's attitude. The international affairs that are acute must more and more, as we have indicated, be brought to bear upon situations...Turmoils are in evidence, yet these - as WE find - will be met by those higher or greater influences upon the hearts and the minds of men. Hence there would be only flares and evidences of advancement in the bend market of the foreign market, as called, in particular areas. But these will, for the next few months, make for greater and better business in this particular country.

08/19/35 261-016 /6
 ECONOMIC PREDICTION FULFILLED

The economy did recover dramatically during 1935 and 1936. How much did international affairs have to do with it? This is difficult to answer with precision, but the "ES" for 1935 shows that Americans imported more than they exported (which was rare in the first half of the 20th century) despite the fact that exports expanded by 7.42%. In 1936 exports expanded by 7.74% while the growth of imports was much smaller, allowing exports to exceed imports. During 1937, exports expanded by a whopping 33.24%. The question limited Cayce's response to a "*few months*" (for the later part of 1935 and the beginning of 1936) but we can see that Cayce had correctly predicted the beginning of a powerful international surge through the North American economy.

In April 1936, Mr. 261 picked up his clue from Cayce about the impact of European affairs on the American economy and asked Cayce for more specific information. Cayce began to outline for Mr. 261 how capital would start flooding into the U.S. from abroad seeking a safe haven, along with a growing demand for war materials:

- (Q) *Will you comment on the present trends of events in Europe that will most affect conditions in this country, and what the effects here are likely to be during the next few months?* (C) **As we find, the events in Europe in the next few months - or until the latter portion of the summer - are not to have any great appreciable change in outlook from that existing in the present...**

04/28/36 261-021 /9

ECONOMIC UNVERIFIED - PROBABLY TRUE

but, Cayce continues, the influx will begin:

- (C) **...from Canadian, English or even Italian associations, more and more investments will be made in American production or American activities...with France, with Germany, we find that these become more and more with a tendency towards an anxiety... there will be more and more sought an outlet...**

i.e., as a haven for parking capital,

- (C) **...And the tendencies upon the part of the British, the British associations even from Austria, South Africa, Canada and Britain itself, will be more and more for the greater influences in capital to seek American investments...Hence the whole of Europe may be said to be looking rather to America for a security in the monetary activities...is the greater reason why America must remain - as it were - the balance of power in not only the money forces of the world but those influences that will later be for the manning of those powers where greater destructive forces will arise in those portions of the world...there will come, more and more in the next few months, capital to America for investment...Not in the bonds, stocks, but rather are these channels seeking for connections with utilities that are in the nature of supplying to the public more and more of not only necessities but of all natures in these directions...**

04/28/36 261-021 /9

ECONOMIC PREDICTION FULFILLED

There are many predictions which could be taken out of this long statement but they are not easy to verify. Finding out if Italian (and etc.) capital flight increased into the U.S. during 1936 is not easy to prove, all of the readily available statistics are general summaries. But proving the general prediction, that capital flight into the U.S. increased, is easy using the U.S. Balance of Payments Tables (*Statistical Abstract, 1940*). Earmarked gold (hallmarked bullion gold put into designated, unmingled storage in the U.S.) flowed out of the U.S. from 1932 to 1935. Suddenly the flow reversed in 1936 and a \$85 million surplus flowed into the U.S. It increased each year through to World War II, reaching a surplus flow into the U.S. of a half billion dollars during just 1939. This gold was true capital flight, it was hallmarked (monetized) gold and it was not in payment for American exports. Trade settlement gold was measured separately.

Mr. 261 then asked in the same reading what industries would be most affected. Industry as a whole, Cayce told him, because America would increasingly build what politicians eventually came to call “the arsenal of democracy”:

(Q) Is it probable that business activity will continue upward, and if so what industries should show the greatest improvement? (C) These, as we find, will continue to show an improvement; and those that are in the industrials that show for the necessities of the people as a whole, in THESE will there be the greater advancement and the greater show of strength in same...Too, of course, the industrials that are in the positions for MANNING or powering other nations with implements of destruction of every nature, these will show for a greater and greater volume being carried on in the United States.

04/28/36 261-021 /12
ECONOMIC PREDICTION FULFILLED

The comment about Industrials is basically a repeat of other predictions, but the statement about war materials is unique. The *Statistical Abstract* for 1941 reports that dynamite exports averaged \$6.6 million in the period 1931-1935, increased dramatically to \$12 million in 1936 and kept climbing to \$22 million by 1940. Exports of “other explosives”, which presumably means general ordinance, increased from \$1.3 million in 1936 to \$32 million in 1940. Rather explosive growth rates, are they not? (see Table 602).

Mr. 261 began his association with Cayce with a distinctively right wing orientation. Even as late at the mid 1930's he was still pre-occupied with issues of socialism and direct governmental involvement in the economy, which

Cayce's readings continually cajoled him to accept. In October 1936 he fretted about Roosevelt's policies, to which Cayce responded by telling him that the democratic policies were not nearly as significant at that point as the huge changes which were occurring internationally:

(Q) *Will the outcome of the present political campaign have any important effect on business and investments?* (C) **As has been indicated by the general trend of business, as related to the national situations, these as we find will have no appreciable effect until very much later, or in the latter portion of the coming year. Those effects of international relationships, and provided America is kept in an even balance, will have the greater effect upon improvements of the general business, nationally, in this period, as we find. Hence we would not say, unless definite changes or stands are taken that become as a disposition to side with those disputes in Europe, by the change in administration, that there would be any appreciable effect upon general business, in the United States.**

10/04/36 261-025 /13

REPEAT ECONOMIC PREDICTION

(Q) *Is there anything important in the international situation that will probably affect the markets either beneficially or adversely?* (C) **As we find, and as has been indicated, not for some months - or possibly for a year or more yet, unless there arises some conditions not indicated in the present...**

05/16/37 261-028 /20

DISQUALIFIED ECONOMIC NEGATIVE PREDICTION FULFILLED

Just as indicated in the reading, political situations did not really change much anywhere until Hitler annexed Austria eleven months later. But after Germany's unilateral annexation of Austria, Cayce again predicted in 1938 for Mr. 261 that America would serve as a shelter for capital, which would lead to an economic boom in 1941 and 1942, greater than any previously known:

04/23/38 261-032 /20

ECONOMIC 2 PREDICTIONS FULFILLED

(Q) *Any further suggestions as to the investment counsel activities?* (C) **...For, as will be the greater activity for some years yet...more and more investments will**

be made of foreign capital in America. For there is the general growth of the idea that America is and will remain in its activities (and justly so) more secure than many of the other countries or activities in same. Hence we will find more of French, English, Spanish, German, Russian and some Italian activities that will make it possible for those engaged in the activities of securities in this land to gain a greater amount...This is then gradually making for a period - which must come, of course, before '41 or 2 - when there will be the GREATER BOOM in the United States that it has known!

This prediction is all the more amazing because it was given during the 1938 recession amidst a lot of doom and gloom about the labor movement and international affairs. Measured in 1972 dollars, the "ES" figures for the annual Gross National Product easily demonstrate how accurate Cayce was. The previous all time peak of the American economy was 1929, which grew at 6.08% to achieve a gross national product of \$315 billion. Recovery rates during 1934 to 1936 ran at 7.65%, 8.74%, and 13.65%, but these recovery rates still did not return the economy to its 1929 peak production. We wouldn't call these years a boom. The GNP was still below 1929 during 1938 when this prediction was given in 1938, in fact it slipped backwards somewhat as part of the 1938 recession. During 1939 the economy expanded 7.79% to finally exceed the production levels of 1929. This is the base from which the economy boomed another 7.6% in 1940, and an astounding 16.25% and 15.43% in 1941 and 1942 to deliver the greatest boom which has ever been known in the American economy, before and since.

This boom was in no small part generated by a huge increase in exports of American products, especially food and military supplies. Total exports increased some 25% in 1940 and then doubled by 1942.

A part of the investment capital which financed this boom, Cayce claimed, came from those in Europe who sought harbor in the American safe haven. A surplus of \$333 million in earmarked gold came into the U.S. during 1938, increasing again the next year. Net movement of currency from abroad (into bank accounts, not in payment for exports) was in surplus \$300 million in 1938, increasing to \$1.116 billion in 1939.

(Q) Do present business conditions reflect a new era of prosperity for United States in 1939? (C) After the conditions as will arise in March and April, yes.

01/06/39 270-041 /30

REPEAT ECONOMIC PREDICTION FULFILLED

The improved economy was obvious, all the way through the war years, but what happened in March and April 1939? In March 1939 Hitler unilaterally absorbed the rest of Czechoslovakia and in April 1939 he began making demands on Poland for territories. At this point it became clear that Hitler was a war menace and that another European war was probable. On April 7, 1939, Italy invaded Albania. From about that point, the U.S. began to seriously prepare for self defense. The “arsenal for democracy” set up shop. The economy grew rapidly through to the end of 1945.

The Long Cycle

Cayce gave an highly interesting prediction in 1931 about long term economic cycles which has never been noticed. Perhaps that is because the prediction begins with some obtuse grammar:

(Q) When will be the peak of the next period of general business prosperity, and the bottom of the next period of general business depression? (C) As the cycles come and go, these may be judged much for the future as they have been in the past. There is, as has been seen, (those general periods - going back, as we find) the greatest DEPRESSION as arose from ORDINARY causes (Those in the present are OUT of the ordinary, for they are the COMBINATIONS of both wrath, oppression and SIN), in the one nearer akin, as we find, in 1907. Hence a cycle seen - this, then, of the greater next depression, would be another cycle, or a seven (7), which comprises - as is seen - near to twenty-four to twenty-five (24 to 25) years. This, you see, makes the combination of peak made - oppression or depression, also of business.

09/08/31 282-003 /10
ECONOMIC PREDICTION FULFILLED

Cayce seems to be saying that there is a seven year cycle which, in combination with other factors, makes a longer term cycle of 24 to 25 years. I cannot understand what Cayce is saying about a seven year cycle but his projection about a 25 year cycle of depressions is pretty clear. Will we find them in the records? The answer is an unequivocal yes. (For data on this subject see Mager's "*The Kondratieff Waves*" and the London Economist Newspaper's "*World Business Cycles*".)

The year Cayce references is 1907, which is not a bad pick but 1908 is better. A recessionary period started in 1907 and the GDP actually contracted in

1908 by 8%, a true “depression”. The next year it was up. Thus 1908 is the bottom year. There were two other contractions in the GDP between 1909 and 1930, but they were each smaller, which seems to correspond to Cayce’s commentary. If we add or subtract 25 years to 1908 we get the following table. Since 1858, the cycle hasn’t missed a beat, though the 1958 and 1982 recessions did not result in an actual contraction of the overall economy, just a slow down to almost no growth.

Table 204: Cayce 24/25 Year Economic Depression Cycle			
Interval in years	Cayce Bottom	Recorded Bottom	Note
25	1783	1784	Recession
25	1808	1808	Depression
25	1833	1837	Bank Crisis
25	1858	1858	Depression
25	1883	1883	Depression
25	1908	1908	Depression
25	1933	1933	Great Depression
24	1958	1958	Eisenhower Recession
25	1982	1982	Reagan Recession
25	2007		Bush Depression

These economic bad years are not by any means all of the depressions or recessions which have been recorded in the U.S. There were several other recessionary periods. Economists have defined many different cycles, and there are many schools of thought on the issues of economic cycles. A 24 year cycle has been identified, as well as 54, 50, 48 (Kondratieff Waves), 7, and 3 year cycles. None of them work perfectly in predicting economic events in any given year and all of the long range models by the economists and the statisticians are quite “sloppy” indeed. They vary by several years. This Cayce cycle doesn’t predict all downturns, but it definitely predicts the bottoms of some of them quite accurately.

Cayce specifically described the depth of the 1932 Great Depression as the result of extraordinary circumstances – a combination of errors and major faults or “sins”. A great many analysts and major investors in the world of 2005 are now making the claim that the coming downturn, which is widely expected and should begin in 2006 and reach bottom in 2007, will also be very deep and calamitous as a result of major faults – sins against the Golden Rule – in the

policies of Globalism and militarism which have dominated the U.S. during the past 20 years. Many now argue that major restructuring to rival the efforts of the New Deal will be needed to cope with the coming economic collapse of 2006-2008.

Inflation & Interest

Cayce was very good on the trends of money: five out of five.

(Q) Will the re-discount rate be changed before July 1st?

(C) In some sectors, yes.

04/06/29 137-117 /12
ECONOMIC PREDICTION FULFILLED

The Federal Reserve Board raised discount rates a month later in May, 1929.

(Q) Is the tendency toward inflation apt to increase, and can inflation once started be kept under control? **(C) This has been indicated in that given regarding the basis and the position of THIS government structure at this time. It WILL be controlled!...the stabilization of such will remain basically, principally, sound.**

05/06/33 261-009 /26
ECONOMIC PREDICTION FULFILLED

The 30's were a deflationary period and prices did not begin to advance much until World War II.

(C) As to the inflation...will be AFTER '36, and should not be a disturbance for investors or the general public in the present...

03/26/35 261-014 /7
ECONOMIC PREDICTION FULFILLED

Inflation in 1936, as calculated from the CPI in "ES", was 1.2% in 1936, 3.57% in 1937, then prices dropped in 1938 and 1939. Even during World War II, inflation was relatively mild except in 1942 when it shot up to 10% as a result of war time shortages.

(Q) *How soon will the failure to balance the budget in this country begin to affect the credit of the Government and the prices of its bonds? (C) By '37 and 8.*

04/28/36 261-021 /11
ECONOMIC PREDICTION FULFILLED

In 1936, three month t-bills yielded 0.14% and U.S. Gov. Bonds yielded 2.69%. In 1937, t-bills went up to 0.45%, bonds up to 2.74%. They declined again in 1938. I think the prediction was reasonably accurate.

(Q) *When business improvement reaches a certain point it is customary for interest rates to advance and high grade bond prices to decline. How soon may we expect this to occur? (C) **Changes or differences are arising in these directions.** And as we find with the general trend, the general changes that have been brought about, this will not occur until along in those **months of February, March or April.** And this only proviso that those disturbances in the Far East and the change of rule or power in Russia and the activities of those divisions of the spoils from Spanish possessions - that will disturb many another disturbance of a nature that - not so good!*

10/04/36 261-025 /11
ECONOMIC PREDICTION FULFILLED

(Q) *When will this condition become more noticeable? (C) **It has already begun, and as we find through January and February it should become more noticeable.***

11/26/36 270-038 /19
REPEAT ECONOMIC PREDICTION FULFILLED

On October 3, 1936, the DJ Bonds were at 105.4, achieved a high of 106 in December, after which they very slowly declined to finish January at 104.86. February ended at 104, March at 102.13, April at 101.12

09/24/42 261-035 /15
ECONOMIC PREDICTION FULFILLED

(Q) *It now appears that in spite of efforts of the government to hold them back, commodity prices and the cost of living are going to continue to advance. Will you comment. (C) **There is considerable influence being brought to bear by varied groups. As we find, this will eventually be***

taken into consideration and there will be a general or better stabilization of prices, as well as the wages to meet the general needs. While these may make flurries in certain sections and areas, these will stabilize the currency and the activity of the government.

The CPI (consumer price index) was 1.19% in 1940, 4.29% in 1941, and jumped to 10.61% during 1942, which obviously prompted this question. In 1943, 44, and 45 it dropped to 6.06%, 1.43% and 2.35% respectively, obviously fulfilling the prediction.

Gold & Money

Here is one of Cayce's perversely obscure non-predictions:

(Q) Will the United States always remain on the Gold Standard? (C) If these are able to be carried through, it will. If they are changed, it won't.

08/02/32 270-029 /9
ECONOMIC STONEWALL

This may be another of the Source's "refusals" to bind the future. Or, it may simply be a refusal to deal with what it considered a trivial issue or one which was both trivial and too volatile within fickle human will to call. As a matter of fact, the U.S. went off the gold standard in 1934 and certain reactionary schools of thought who do not comprehend money and how to share it and use it are still fulminating about it.

(Q) Will the administration recent legislative proposal to build up a 25-75 silver ratio to gold facilitate international trade? (C) As indicated in this field of activity, there will be the greater expansion in the relationships of the country with the foreign relationships. But as on the specific basis of the gold and silver ratio, no this will be changed considerably before it becomes acceptable; though the basis of activity is sound and correct, the RATIO will be changed.

06/12/34 270-032 /18
ECONOMIC PREDICTION FULFILLED

On June 19, 1934, the silver block proposed a 25-75 gold-silver ratio which was implemented by the Roosevelt administration. In other words, for each ounce of gold in the reserves of the nation to back its currency, there would also be three ounces of silver. But it was totally unrealistic. The U.S. was purchasing so much surplus gold to expand the actual money in circulation, it was never able to buy enough silver to meet the ratio. Speculators kept trying to drive up the price, requiring the government to occasionally sell silver on international markets to keep the price reasonable. Eventually, Roosevelt's administration tired of the game and gave up trying to maintain any ratios (see Allan Everest's *Morganthau, The New Deal, And Silver*”).

(C) ...In some circles, as in the monetary units of the various countries and their various changes that are to become - and will be - a portion of the questions that arise; these, of course, are to be considered - but the stabilization of these, at least through the greater portion of the coming year, will make much nearer to normal conditions - or tending towards much nearer normal activities. In general, these are the conditions as we see them from the present trend.

11/22/34 261-013 /6
ECONOMIC PREDICTION FULFILLED

Banking was already beginning to return to normal after the hiatus of 1932 and 1933. It never returned to the free flows and rates of the 1920's, but the worst of the currency gyrations were already over by the time of this prediction. Conditions gradually improved in most currencies, except for the continuously sliding Franc. For this and other comments below about foreign exchange see *“The History of Foreign Exchange”* by Paul Einzig.

(Q) Is an early stabilization of foreign exchanges still probable? **(C) In specific countries and specific relations, yes. In others, no. As in the Latin-American countries, these will soon be stabilized. As in the Central European powers, not so stabilized; but a medium or a basis for the greater exchange will be had.**

03/26/35 261-014 /10
ECONOMIC PREDICTION FULFILLED

The Latin American exchanges became relatively stable after 1935 with the revival of demand for raw materials out of Latin America. (See Einzig, *“The History...”*, chapter 20). In September 1936, the U.S., the U.K., and France reached agreements to stabilize their exchange practices, central bank policies,

and rates. The franc, however, continued to lose gold value throughout the remainder of the decade. The central powers in Europe stabilized by highly centralized means, free exchange of currency with other currencies was never fully realized, except Austria and Czechoslovakia became quite sound.

(Q) *Is a further devaluation of the franc in France a probability in the near future?* (C) **This, as we find, has almost reached a stabled condition. The getting together of those that have been in authority heretofore, as in relation to these conditions, is making for a better and a firmer stabilization of same. And that there are the joinings rather of forces with Russia and with England makes for this becoming more unified.**

08/19/35 261-016 /7
ECONOMIC PREDICTION FULFILLED

The gold value and dollar exchange value of the franc was reasonably stable, with very minor ups and downs, until it was devalued in October of the next year. But beyond this “*near future*” the franc was not stable. It continued to slump, sliding until the Fifth French Republic under De Gaulle.

(C) **...The effect of those activities in the French situation will have the greater influence upon the stabilization of the monetary forces of all Europe, as with America. These for the next few months will be that towards more optimism for a general helpfulness from those directions.**

04/28/36 261-021 /9
ECONOMIC PREDICTION FULFILLED

During the early 1930's France attempted to stay on the gold standard with an unworkable situation. As a consequence, it continuously lost gold and was unable to implement enough deficit government spending to recover from the depression in the same manner in which many other countries had succeeded. France's economy was the ultimate “bear” country. In 1936, a Popular Front of all leftist parties won a majority control of the government and confidence began to return with a turn around from French “Hooverism”. The Franc was devalued in October and capital flight out of France began to abate, stabilizing European currencies. (See “*The French Franc Between The Wars*” by Martin Wolfe.)

(Q) *Will the recent devaluation of the franc bring about a return flow of gold from this country to Europe and if so how soon?* (C) **This will not bring about such, until**

the early portions of next year, and then only if changes are made in the administration of affairs and associations and connections...

10/04/36 261-025 /10
ECONOMIC PREDICTION FULFILLED

The conditional in this prediction is impossible to determine but apparently it was not a factor. The *Statistical Abstracts* show that the flow of gold into the U.S. increased each year from about \$0.6 billion in 1934 through to the end of 1937, increasing by about \$400 million just in 1937 alone to total \$1.45 billion. To equate this to 1999 prices, you would have to multiply the figures by about 10. It is difficult to conceive of this much gold coming from any other area than Europe. Thus there definitely was not a return flow of gold to Europe from the U.S. Presumably this prediction was fulfilled.

(Q) What is money - should it be based on gold or otherwise? (C) Money is that medium of exchange that is agreed upon by individuals as a medium... For some fifty to sixty more years, though, gold will be considered the basis of consideration. But there will gradually be the waning, which has already been started by those who have not "gone off" only but who have made for activities with this as a CONSIDERATION but not as the standard.

03/12/36 0877-006 /14
ECONOMIC PREDICTION FULFILLED

Since Roosevelt forced the dollar to 60% of its former gold value in January, 1934, there has been the gradual waning of the use of gold as a medium of exchange. More and more nations got off of it after Roosevelt's moves. By 1937, all countries were off the gold standard. Roosevelt's action was an interesting "straddle the fence" measure, called "pegging" by the financial experts. Gold bullion could only be purchased and owned by the government, except for foreign accounts. Its private export was forbidden. Yet it retained a fixed dollar value for purchase by the government and the government could and did use it to settle international accounts with the central banks of foreign nations. This arrangement was formalized under the Bretton Woods Conference in the summer of 1944 and theoretically the dollar was returned to free convertibility to gold at \$35/ounce (for international bankers, not individuals), thus allowing it to serve as the world's reserve currency. Nixon finally abandoned a fixed domestic gold price in 1971 and allowed its value to float fully free, along with free ownership and import/export. This came about 15 years earlier in the U.S. than the 50 years mentioned by Cayce.

Gold is now technically irrelevant as a medium of exchange in most of the world.. Theoretically, nations use reserves of U.S. dollars or other strong currencies which can purchase gold or other commodities on international markets. For the most part, the International Monetary Fund, especially since the oil crises of the late 1970's, has become the arbitrator of currencies and its reserves are based not at all on gold but on the collective credit strength of the major industrial nations. Nations with exchange problems seek support from the International Monetary Fund, which assigns them reserves of enough strong currency to stabilize their own currency.

This next prediction is close enough to call it right on the money as well. Keep in mind that the key words in the answer are "**long, long time**":

(Q) Would it be feasible to work out an international currency, or an international stabilization of exchange values? (C) This, too, will be worked toward. It will be a long, long time before established. There may indeed be another war over just such conditions, but it'll be a step in the right direction - in the attempts in bring peace at this time.

06/20/43 3976-028 World Affairs /14
ECONOMIC PREDICTION FULFILLED

The banking world has evolved a complicated system for the North American and European powers, basically relying on the U.S. dollar as the basic reference of value. Through regular international conferences since the "Bretton Woods" conference at the end of WW2, the U.S. and a few powers have evolved a system which uses and maintains the U.S. dollar as the primary international currency. Since all oil is bought and sold in terms of the dollar, the value of the dollar has become based as much on its use as a "petrol-dollar" as on any other factor.

The Bretton Woods conference set up the World Bank (of Reconstruction) and the International Monetary Fund. Originally conceived to be a U.N. organization, communist opposition made the U.S. set it up as a separate operation, which it formed originally from the NATO Powers. These organizations work to keep currencies freely convertible at relatively stable rates. Working together, the central banks can and do stamp out speculative bubbles and bear movements in the exchange of any currency for countries which adhere to the common policies of the IMF. Originally the stable reference of value was the U.S. Dollar pegged at \$35 per ounce of gold, which only the central banks could trade in. With the complete abandonment of gold, there is no ultimate fixed rate. Value rests on confidence in the overall stability of the major industrial powers. Unfortunately, the plutocratic elites have weakened the industrial basis of the U.S. to such an extent under their globalism policies, it is now doubtful that the dollar has any basis other than hot air.

Since the early 1970's, the system worked fairly well, but most currencies remain in dynamic flux and many currencies are still not publicly convertible on international markets. It has been a long time, and it looks like still a long time to come. With the development of the euro, many of the nations of Europe are using a single currency. In the Orient there is strong bank interest in the development of a gold-based currency and among the oil producing states, there are growing efforts to switch away from the dollar and into the euro. Given the virtually incurable dilemma of the Yen, which is too complicated to easily discuss, the Yen is not likely to emerge for at least another generation as a standard anyone wants to use. But the Chinese currency might very well take such a step because of the huge industrial base which globalists have built up in China. Thus the dollar's use as the main international currency is increasingly doubtful, especially in Asia and the Americas. Since the Euro will probably become dominant in Europe, the Middle East, and Africa, the world will basically have a two currency system for the next generation or two, possibly a tri-partite system with an unofficial but powerful gold annex for central bankers.

(Q) Will the monetary value of money be subjected to further readjustment by the present administration? (C) This as we find is in the position where it will be held or maintained or sustained as in the present.

11/26/36 270-038 /17
ECONOMIC PREDICTION FULFILLED

If the "*monetary value of money*" means its relationship to the value of gold, this is true. The price of gold remained fixed at \$35 dollars per ounce and this value did not change until Nixon freed it in 1971. The value of the free exchange rate of the dollar with other currencies continued to fluctuate, but the fluctuations tended to get damped out as a result of the "Tripartite Pact" which the Roosevelt administration negotiated between the Sterling and the Franc in September 1936, two months before this prediction.

Commodities

After a half dozen readings for Tim Brown about weather theories, predictions about how the weather would effect crops, and tips about commodities markets, Brown asked:

(Q) What will be the effect on the growing wheat crop in North America? (C) This will produce in various sections according to the various conditions produced by these variations in climate. There may be expected

that the excess of grain supply in the world will be short in '27, '28, '29 and '30 the shortest.

05/28/26 0195-029 /8
ECONOMIC PREDICTION FAILED

Of all the weather and commodities readings for Tim Brown and others, this was the only one which was simple enough to verify through standard reference data. The others require specialized expertise beyond my own.

As Cayce sometimes did, he did not answer the question. He made no statement about North American wheat crops. Instead he predicted that world grain supplies would decline during a four year period. Since supply of grain for the world, i.e. stored in silos, cannot be perfectly reconstructed for that period of time for the whole world, I have used simply the production of wheat as an indicator (corn and the others seem to parallel wheat fairly closely). A decline of production during the preceding year will create a shortage of supply during the following year. For the period 1926 through 1930, was production lowest in 1929? Yes it was. For this same period, how does wheat production compare to 1925? It was consistently higher and grew higher until 1929 when it dipped downward by roughly 10%. Even so, 1929 production was higher than 1925. Wheat supply was not consistently short as predicted by Cayce, not compared to 1925. (see "U.S. Agricultural Statistics, 1936")

Real Estate Predictions: Norfolk - Virginia Beach

A senior land developer asked Cayce in 1932 about the future of Virginia Beach. He got a rave prognosis, and a remarkable long term prediction which was right on the money:

(C) With the years that are to come, conditions that are to arise, as we find, eventually - and this within the next thirty years - Norfolk, with its environs, is to be the chief port on the East coast, this not excepting Philadelphia or New York; the second being rather in the New England area.

07/27/32 5541-002 /5
ECONOMIC PREDICTION FULFILLED

(Q) *What is the future of Virginia Beach?* (C) This, as we find, would require a great deal of speculation on the part of individuals. As WE would find, and as we would give, of all the resorts that are in the East coast, Virginia Beach will be the first and the longest lasting of the increasing of the population, valuation,

and activities. Hence, as we would give, the future is GOOD.

07/27/32 5541-002 /9
ECONOMIC PREDICTION FULFILLED

(Q) What is the future of Pinewood Park? **(C) That depends upon the character of developments that are to make for the greater expansions in its immediate vicinity. If these were to remain much in the line as has been the expanding portions in the last few years, these would not advance for some time. With the changing of conditions, that will bring for the changing of the environs around, these will prove to be the most VALUABLE of the properties in the vicinity, for they offer OPPORTUNITIES in so many VARIED directions.**

07/27/32 5541-002 /13
ECONOMIC PREDICTION FULFILLED

Cayce pointed several other times to the growth of Virginia Beach and the Port of Norfolk. He predicted that real estate on the north side of Virginia Beach (Pinewood Park area) would do especially well. How did the predictions turn out? According to W. Russell Hatchett, who was a long term friend of Edgar Cayce and the City Manager of Virginia Beach in 1959:

“Well, Sir, they certainly have...Property in the area at the north end of Virginia Beach has advanced in price I suppose 10 times what it's value was at the time when Mr. Cayce made this prediction...The south area was more fully developed at the time - the north end had not begun to develop too much...for residential areas, the values there are probably four or five times greater than the residential values of property to the south.”

In 1959, W. Russell Hatchett testified publicly on radio that no one in the world in 1932 had any idea that such growth would occur in both Virginia Beach and the Norfolk Port (Hampton Roads), except Cayce. In 1932, Hampton Roads handled a million and a half tons, very low compared to New York and Philadelphia. In 1956, New York handled 39 million tons, Philadelphia 29 million tons, Hampton Roads 49 million tons. In other words, in tonnage, Hampton Roads Harbor by 1960 was the largest port on the east coast of the United States. (see Source File Key ##5541 for a long list of additional documentation and the report file for 5541-002 on the Cayce/Davis CDROM for a transcript of Hatchett's testimony).

Growth Industries For The Post-war World

Kahn used Cayce's readings effectively to cue himself into the broad stream of the technological future. While radio was still a novelty, Cayce insisted he stick within the industry. He advised him to concentrate on deluxe fine furniture cabinetry for them, which Kahn virtually pioneered for the entire industry (from which he made a small fortune). Cayce then pointed him in the direction of composite woods and molded materials. With Cayce's clues, Kahn eventually pioneered in plastic resins and acquired some of the first patents in the field. Cayce's clairvoyance was equally good in many other patterns of the technological future.

Night Vision

In one of his dreams, Edwin Blumenthal got an idea about fog-penetrating vision. But a Cayce reading told him his approach wouldn't work all that well. Instead the reading outlined a technology which was far ahead of its time, pointing directly to the concept of night vision:

(Q) *"The idea of inventing a fog penetrating lamp is one that I have in mind often. While thinking of this I saw an aeroplane fall to Earth while in battle. The aeroplane had been trying to hide behind its own smoke screen, but the fog piercing lamp made it visible."* (C) **...this may be produced; yet...hindrances...for the refractory rays from such a light would act upon objects on which the rays were directed, in such a manner as to bring destructive forces in many; yea MOST, movable objects. The success of such a rays or light may be made perfect, when a better understanding is gained of what may be termed the night side of life... The night side, or invisible side, which is meant by night, the abilities to overcome with those rays as are found now in those invisible forces to the naked eye in that of the ultra violet and the red ray, raised to an nth degree in its brilliancy or refractory effect, see?...**

12/07/25 137-038 /13
TECHNOLOGY PREDICTION FULFILLED

At this point in time, it is doubtful that any one had yet conceived the idea as a useful product. Infrared night vision is now one of the mainstays of U.S. military superiority.

Aviation

Here is another amazing prediction for another person, which in the same breath predicts serious “*disturbances*” after World War II and the rapid growth of the aviation industry:

- (C) **As has been indicated, there should be those tendencies towards expansions that must eventually, and will, be a part of the great changes which will come with the next two to three years when the present disturbances are more in accord...**

i.e., expansion after World War II,

- (C) **...but there will come first some serious disturbances, not necessarily with this body, but in the general conditions...**

i.e., the advent of the Cold War and the Korean War (but since it is vague I won't tally it),

- (C) **...you needn't get away from Norfolk or Virginia Beach, for any town that has any name will eventually be on an airline and when they're off it's as bad as being off the railroad, (in another ten to twenty years).**

06/02/44 416-018 /09
TECHNOLOGY PREDICTION FULFILLED

It was a little exaggerated and a little on the early side, perhaps, but it was fairly fulfilled.

- (Q) *What would be my possibilities with an air line now and after the war and with whom?* (C) **These would be very well, the American Airway. Commence from Baltimore.**

06/02/44 416-018 /16
ECONOMIC GOOD ADVICE

Mr. 416 had been a rail road freight agent and telegrapher for 20 years prior to this reading. Starting with American Airlines in 1944 or 1945, he had nowhere to go but UP. Cayce even told him exactly where to find the open door. He could have become a senior executive in a rapidly expanding international company in just a few years. Pretty good advice.

Cayce's emphasis for all of his clients was on the long term growth of the aviation industry and the long term expansion of mass communications. This emphasis was reflected in a great many of his stock predictions as well. We begin with some of Mr. Accountant's more general, economic questions which he asked during the deepest days of the "Great Depression" (1929-32).

- (Q) *What industry is to become this country's next source of activity?* (C) **Those of the aerial nature; that is, radio and its associations; aerial and its associations.**

05/29/30 270-025 /7

REPEAT TECHNOLOGY PREDICTION FULFILLED

The next question seems to be asking for the name of an "individual" as a "leader". Instead, the reading deflects the question back to the preceding answer, the names of the industries. This type of deflection is typical of Cayce's readings in dealing with certain types of questions. The readings preached time and time again in the readings about the primacy of free will as the great gift of God and the necessity to preserve it. The readings never intended to "bind" individuals by making proscriptive "predictions" about individual outcomes. The closest Cayce came was the issuing of certain warnings and helpful suggestions.

- (Q) *What existing or new leader of industry is to come out of the future to stir the creative genius of this nation?* (C) **This has been given.**

05/29/30 270-025 /8

REPEAT TECHNOLOGY PREDICTION FULFILLED

As early as 1930, Cayce predicted the large scale growth of the aerospace and communication industries. At the time, airplanes were still using baling wire and were more novelties and war toys than real products.

- (Q) *How, when and where should I associate myself with air transportation? If this is advised, please tell me something about the future of this business after hostilities cease.* (C) **This, to be sure, air transportation, - will become more and more the basis of ALL relationships with other nations, countries, as well as the internal or national activity.**

11/05/42 416-017 /13

TECHNOLOGY PREDICTION FULFILLED

- (C) **Thus, all communications are a part of this activity. This means not only radio and telegraph (for these**

must be eventually one)...but more and more the air as the greater means of communications. But one begins with using that in hand. Do that.

11/05/42 416-017 /13 b
TECHNOLOGY PREDICTION FULFILLED

Indeed, eventually microwave radio became the medium for the transmission of all telegraphy as well as direct voice transmission.

(C) ...and the railroads (for they will never be entirely eliminated)...

11/05/42 416-017 /13c
TECHNOLOGY PREDICTION FULFILLED

The railroad was still a major social force - who would have thought to say in 1942 that "*they will never be entirely eliminated*".

Communications

As early as 1929, Cayce had outlined a master investment strategy for his clients which focused on all aspects of radio, telegraphy, and telephones. He repeated the strategy in 1936, to which he added those sectors in the communications and electronics industries which were associated with war products:

(Q) What are the best investments now and for next few years - want to know to help clients? (C) Those that have to do with communications, when considered for years. Those that are of allied industrials, that deal with preparations of war materials, for the next FEW months. But the industrials having to do with COMMUNICATIONS of all natures, for LONG terms.

03/12/36 0877-006 /15
REPEAT TECHNOLOGY PREDICTION FULFILLED
TECHNOLOGY PREDICTION FULFILLED

(C) ...deal with the communications. Especially as to those relationships that must eventually come, and that as we find by '39 should be a fact - that is, the united activity of Radio and the Telegraph lines. This is indicated by the entrance into the field of activity through the radiograms from not only communications in the distant portions and from

vessels, but from land communications that are being handled in much the same manner.

10/07/35 416-007 /09
TECHNOLOGY PREDICTION FULFILLED

In 1934 the International Telegraph Union was transformed into the International Telecommunication Union. By the end of the 1930's the ITU had created the technical standards which allowed all forms of communication to inter-operate and various companies and services began to experiment with inter-operability. Using wartime advances in radio communications, Western Union pioneered the first commercial intercity microwave system in 1945 and inaugurated an 11,000-mile transcontinental microwave system in 1964.

The communication industries spawned the electronics and mass broadcast industries. These industries in turn directly created the computer and advanced telecommunication industries such as the internet. Cayce had the beginning direction for the long-term industrial future clearly pegged.

The Consumer Age

Now we come to two very clear predictions - unambiguously fulfilled.

- (Q) *Upon termination of the last World War the automobile and radio became important industrial achievements. What principal product will enjoy similar leadership after present duration? (C) All of the industrial products, including radio, ice box, automobile, lights.*

03/29/44 270-049 /26
TECHNOLOGY PREDICTION FULFILLED

- (Q) *Will electronic modulation coupled with television become an important consumers product when present war ends? (C) It will.*

03/29/44 270-049 /27
TECHNOLOGY PREDICTION FULFILLED

- (Q) *What types of investments offer the best protection for investors of their principal and of the purchasing power of their incomes? (C) Those of utilities in the present, as we find, and will be for some time to come, even following the eventual establishing of peace relationships through the world. These then will still offer the safer investments, - such as the home appliances and those things that have been and are being curtailed so as to necessitate the better*

placing of same in homes throughout the land. Any electrical appliances, all forms of home appliances, those of greater conveniences, - all of these will offer the greater investment now and for the future - for the next few years, at least.

09/24/42 261-035 /16
ECONOMIC PREDICTION FULFILLED

After a short period of re-adjustment at the completion of World War II, the advent of the baby-boomer generation drove the economy, creating unprecedented demand for household items of all kinds, especially for electrical appliances, refrigerators, radios, record players, and TV's. During the 1950's ice boxes finally disappeared, replaced with refrigerators.

As an example, General Electric stock is probably as good an indicator of this strategy as one can find. In 1942, it could be bought for between 21 to 30. Its high in 1946 was 52. In 1951 the high had moved to 64, and to 92 in 1953, at which it split 3 for 1. The new low price in 1954 was 30, high was 48. In 12 years, investors would have easily tripled their money. It was possible that a \$21 share would have turned into \$192, depending upon the exact timing at which they bought and sold it. That's an outstanding return for any 12 years, no matter what twelve years you are talking about.

Psychotronics

Mr. 2012's past life in Atlantis was Oron, where he was in command of Atlantean science. Oron projected the return of the Fourth Phoenix (pole shift) and undertook the creation of the Phoenix Project to determine how much of Atlantean civilization could be saved and how. Two hundred years later, the Phoenix Project started construction of the Rostau complex, including the Sphinx and the Great Pyramid. In his 20th century life Oron was a physicist and asked Cayce this question:

*(Q) Will psychic phenomena ever, or within say 50 years, be accepted and provable on directly scientific measurements; that is on meters (instruments) and mathematics? If not, why? (C) **When there is the same interest or study given to things or phases of mental and spiritual phenomena as has been and is given to the materialized or material phenomena, then it will become just as practical, as measurable, as meter-able, as any other phase of human experience. Ye did it before! Ye used it correctly, -***

**even though the whole world was against you:
Would you again?**

09/25/39 2012-001 /42
TECHNOLOGY PREDICTION PENDING

Cayce definitely did not specify a time frame, he specified a condition, placing as much research emphasis on the spiritual/occult phenomena as material causation. The physicist apparently thought Cayce was nuts and never had another reading.

There is much experimental research which has been done and is underway. There has been excellent work done, but this is totally ignored by the dominant academic professions who have made an elaborate fetish out of narrow materialistic paradigms. Most current work in the field is conducted secretly or just below the horizon of public visibility. Who knows? Only the shadows, apparently. There already may be new breakthroughs and if those are not enough, the Cayce readings provide many additional hints ... as do any of the great yogin masters.

Scoreboard For Cayce's Economic Predictions

SOURCE	TOT	REP	NOVER	ADVICE	NET	FAIL	PASS	PEND	SCORE
Chapter 23	84	12	2	10	60	4	55	1	93.22%
Chapter 9 – Kahn's	6	0	1	2	3	0	3	0	100.00%
Total Economic Predictions	90	12	3	12	63	4	58	1	93.55%