

- [Home](#)
- [About](#)

[The Analyst](#)

January 11, 2008

[Legendary Funds Manager Julian Robertson Predicts Utter Global Collapse Stemming From Bursting of Property Bubble](#)

Posted by the analyst under [Economies](#), [Financial Markets](#)

In a recent interview on CNBC with Ron Insana, one of the “old-timer” funds manager, Julian Robertson, predicted “utter global collapse” as a consequence of the bursting of the world-wide property bubble.

Often called “Never Been Wrong Robertson”, the former head of Tiger Management (once the largest hedge fund in the world), is extremely worried about the speculative bubble in real estate.

Specifically, he is very worried about a world that is sustained by American consumer spending which is in turn 1/4 sustained by a property bubble. He predicts that 20 million people could lose their homes once the property bubble bursts.

Even more worrisome, he thinks central banks around the globe out of desperation will try to re-inflate the world economy with more liquidity that will create an inflationary spiral unseen in the economic history of mankind. “Where does it end?”, Insana asked Robertson. “Utter global collapse,” he answered. But not just economic collapse ... collapse of epic proportions. Collapse and disintegration of all infrastructure, including government. Inflation will run into the double and triple digits. “Food production will fall. People will be carrying around U.S .

dollars in wheelbarrows like Germany,” he said.

There will be “total collapse of public infrastructure. Total collapse of medical care systems. All public pension plans, Social Security will collapse. All corporate pension plans will collapse.”

“The American consumer is effectively now supporting the rest of the planet,” he continued. “Consumption rates in all other nations are falling, have fallen to the point that the tax revenues to governments, that the business and industries those nation states are providing is now a net negative number relative to total debt service and public cost, that this exists in virtually every nation state on the planet now.”

And for much of this “doom”, interestingly, he blames the Bush-Cheney “regime”. “They have now consolidated power and money on the planet to the maximum extent possible. The planet’s net liquidity, that is its, net free cash flow. Is now a negative number. The planet is not simply sinking into a sea of red ink; it is already sunk. The people just don’t realize it yet,” he said.

According to Robertson, “the Bush-Cheney regime is preparing the nation for transition from democracy into dictatorship because a dictatorship will be necessary to control, in 5 years time, food and water riots.” He said “the federal government, that part of Patriot II Act, the internal exile, that the government is going to have to build now huge detention compounds on federal lands, probably in the West where the land is available, to potentially house 50 million or more citizens that will be in financial ruin.”

In 10 years time, whoever is left will be effectively starting again, he said. “More importantly, and I’m trying to think how we imply this or how we express this to the people, what extraordinary times we are living in and how the destruction of the planet has been engineered by the Bushonian Cabal from 1980 to 1992, and then from 2001 to present, which has effectively destroyed the economic liquidity of the planet,”

he said.

Robertson ended the interview by saying that he hopes he is not alive to see this. “The lucky ones are the ones who are my age now,” he said.