

A Stark Warning About the Coming “Revolution”

Editor’s note: this article is part of a discussion published on the Inner Circle newsletter published by Bonner Partners, 28 July 2016.

‘When a society is relatively stable, more and more people figure out how to feed off the Deep State. As a result, the economy slows... things go wrong... people feel bitter. The next thing you know, you’ve got a revolution on your hands.’

– Bill Bonner

Bill Bonner in Discussion With Doug Casey

Bill Bonner (BB): So, we’re talking about how our modern money system favors the Deep State – the “shadow government” ruling the U.S. made up of elements of private industry, finance, and non-elected government officials.

Let’s start with negative interest rates. Today, if you want to lend money to the government of Switzerland, Germany, or Japan, you have to pay for the privilege. To me, this is a fire alarm in a crowded theater. Something is very wrong. It doesn’t make any sense at all for money to have no value.

Doug Casey (DC): I thought it was metaphysically impossible to have negative interest rates.

BB: That’s what I thought, too. If you have negative interest rates, your savings are worth less than zero. It’s like one of those mathematical conundrums that can’t be solved by normal humans.

DC: That’s exactly correct. The Deep State controls the top levels of government, the top levels of corporations, the top levels of universities, the top generals, people like that. I don’t know how many Deep State cronies there are in this country... a couple of thousand maybe... but they’re going to benefit from all of this free money.

It’s the average middle-class guy who doesn’t know anything and has to save dollars who is in trouble. If he is able to save anything, he is getting no interest. And that’s not to mention the wipeout he faces when the whole system cracks up.

BB: When I mention the Deep State, people tend to think I’m talking about a conspiracy. They imagine some little group that meets clandestinely somewhere in Washington, D.C.

But it’s not like that at all. It takes place right out in the open. Still, it took me a long time to understand

how it really works, because we are taught in school the myth of democratic government – where the government is all of us. The government may be all of us, but the Deep State is not. There are some people who benefit... and some who don't.

Take Obamacare... Now, there is a case of a lobbyist for the pharmaceutical industry writing a bill that Congress passed into law. It brought in so many cronies, zombies, and hangers-on – all these Deep State people – that it got to be more than 2,000 pages long. The people responsible for it – members of Congress – didn't even read it.

You can't have a public law of 2,000 pages. That's crazy. It was a big "Christmas tree," as they say in Congress – it had baubles on it for lots of different interest groups.

That's the way the real government works. We think the U.S. government works for us. But it doesn't. It works for this hybrid collection of Deep State interests.

One of the biggest is the IMF. It's run by Christine Lagarde, who went to school, interestingly enough, in Bethesda, Maryland.

That's the thing: These Deep State people are all connected. They all tend to go to the same business schools. They frequent the same universities, the same clubs, the same everything. So, there's a big, fluid community of insiders and elites.

As Vilfredo Pareto, the great Italian economist, said (and I'm paraphrasing here), "Forget what kind of government they say you have. In any group, there are some people who are shrewd, who figure out how to make the government work for them."

Pareto called these shrewd operators "foxes." They're all over D.C. They play the angles. And they make sure public laws, such as Obamacare, have a lot of little stuff... a lot of plums... in that pudding for them.

DC: I totally agree. Some will say the Deep State is a conspiracy. But I don't believe in conspiracies. It's hard enough to get three friends to figure out what movie to see together...

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Sometimes, the Deep State *seems* like a conspiracy. But as you rightly point out, they're just people who went to the same schools, have the same notions, and share the same worldview.

There are two types of people: those who believe in dealing with others on a voluntarily basis and those who believe in coercion. Naturally, over time, an

organization such as the state – which deals coercively with others – attracts the worst kind of people. Not the best and brightest, but the worst type of people. That’s what the Deep State is all about. And it’s grown like a malignant cancer to the degree that, now, it’s reaching a crisis point.

BB: I think you’re right. The Deep State has reached a crisis point, primarily because it’s become so expensive to run. Remember, the Deep State’s cronies are parasites. They don’t produce any useful output. Instead, they feed on the productive part of the economy.

That’s why I’ve started calling the Deep State the “Parasitocracy.” Because it’s made up of people who are fundamentally parasitic. They take advantage of the rest of the economy.

DC: It’s funny. The U.S. government has tried to go around to all these different countries – in Africa, the Middle East, and so forth – and install democracies. But actually, we’re taking lessons from them. We’re becoming more like them than they are like us.

I like to use the metaphor of a pack of dogs. You’ve got the top dogs – the Deep State cronies... the retired generals... the heads of various government agencies... the heads of corporations... lobbyists... and so on. Underneath them, you have the running dogs – midlevel managers, local police chiefs, and so forth. They don’t pull the strings. But they have a real interest in the continuation of the Deep State, because they feed off it.

Below them, you have the whip dogs – the vast majority of Americans who believe these people are operating in the interest of voters. And the whip dogs do as they’re told.

BB: So, which group are you in?

DC: I don’t see myself in any of these groups. I see myself as a lone wolf... which is, of course, very romantic. But it’s not very intelligent when you’ve got millions of these different types of dogs out there... because dogs hunt down wolves. That’s why I prefer living outside the U.S.

BB: I don’t know if I prefer living outside the U.S. But I’m *ready* to live outside the U.S. at any time. Because you never know.

I lived in Europe with my family for about 20 years. When I came back to the U.S., I was shocked at how society had changed. It had become much more rigid... with many more rules. And people were ready to follow the rules.

Americans have lost that spirit of independence – or

just the contrariness – that they used to have. Now, everybody takes for granted that you're going to stand in line and get zapped by an X-ray machine or a fullbody scanner when you go to the airport. Is there any evidence that these machines have helped prevent terrorist incidents?

As we recently saw in France, you don't need to take over an airplane to kill people. All you have to do is drive a truck. There are so many ways that you can create mayhem that the level of airline security we all endure these days seems totally irrelevant.

Besides, people who are going to blow up a plane are not that difficult to spot. So, putting Girl Scouts through those metal detectors – it doesn't help our effort to stop terrorist attacks one bit.

But we now have this national myth that we're under attack... that we need to protect ourselves... that we need muscled-up police departments... that we need a muscled-up military.

I don't think this logic serves any purpose other than to help promote the control of the population. And this becomes more and more important for the Deep State every day. Because again, the Deep State doesn't get rich by creating wealth. It gets rich by taking money from the other parts of the economy.

That's why Donald Trump is running so well now in the presidential race. He represents all those people who feel like they've gotten a bad deal.

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And that's what happens. Over time, people start to notice they are getting a worse deal. They start voting for Brexit... then for Trump. Then Texas wants to secede. And then the Deep State apparatus – the system of control – becomes much more important.

The Deep State is happy people are willing to stand in line, take orders, and rat out their neighbors. A more heavily policed society is a symptom of what's going on at the Deep State level right now.

DC: That the TSA now has more than 60,000 employees should tell you something.

It's driven by middle-aged people who can't find anything better to do than wear a costume and interrogate and antagonize their fellow citizens.

These are the same kinds of people – your next door neighbor who plays baseball and has a dog – that would have joined the Gestapo in Hitler's Germany.

BB: As I like to say, people are neither good nor bad, but are subject to influence.

When a society is relative stable, more and more

people figure out how to feed off the Deep State. Think France before the revolution, when the entire aristocracy exempted itself from taxes. As a result, the economy slows... things go wrong... people feel bitter. The next thing you know, you've got a revolution on your hands.

DC: I know this is shocking to say, but I believe we are approaching a revolutionary situation here in the U.S. This explains how so many people could vote for a mildly demented, hostile old man like Bernie Sanders, who has manifestly stupid ideas.

It explains Trump, too. He's never been a government employee. He has lots of money and success. And people want something like that. It seems different. It's a revolutionary situation. And I'm not looking forward to it. You mentioned France. In 1789, I would have applauded the overthrow of Louis XVI. But then what did the French get? They got Robespierre. Then they got Napoleon.

If I was in Russia in 1917, I would have applauded the overthrow of Tsar Nicholas II. But of course, then they got Lenin. And they got Stalin. And it got a whole lot worse.

The same thing could happen here. We're no different.

BB: It's a frightening situation. Because we have a democracy, we believe it's always self-correcting. That whenever there are excesses, the people eventually come to their senses and vote the bad guys out of office. But it doesn't work that way.

DC: No, it doesn't...

BB: But to get back to the topic of money... one powerful weapon of the Deep State is the fiat money system itself.

The feds corrupted our money when President Nixon ended the direct convertibility of the dollar to gold back in 1971. Now, they're about to corrupt it again. Already, the British, the Canadians, the Chinese, and the Russians have floated the idea of a fully digital state-controlled currency – basically, a governmentrun version of Bitcoin. [Catch up on our previous dispatch on this topic [here](#).]

And that's more control... because it means no more cash.

In a cashless society, every transaction you make will require authorization from the government. It also means the government will have a permanent record of every transaction in the economy.

In a cashless world, you'll go in to buy a pack of cigarettes, and the guy at the store will say, "I'm sorry, Mr. Casey. You've already smoked one pack this

month. That's too much."

It will be for your own good, of course...

DC: And your health insurance premiums are going to go up proportionally.

BB: That's right. So, it's going to be a fun world.

DC: You mean it's going to be an Orwellian world.

I'm absolutely disgusted at the obeisance that the average person pays to government officials and people running for office. They treat them with respect, when they should really be treating them with contempt. They're your masters, even though they're pretending to be your servants.

BB: It's like ancient Rome. As you know, the Roman Republic transformed itself into an empire. And

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the emperors started wearing purple and wearing diamonds on their fingers. People had to kneel when they'd come into the room. They were surrounded by guards and hangers-on.

Gradually, these people started to regard themselves as gods. And of course, the people were supposed to act as though they *were* gods.

Most people don't think about this much. And I don't blame them. They've got better things to think about. But their lives are affected by this in subtle ways. Like the prices they pay for everyday stuff... like standing in line at the airport... like how much you have to pay to go to school. Tuition costs \$40,000 at some schools. It's crazy.

DC: The amazing thing is that people think that by voting for the "Dempublicans" or the "Republicrats" – whichever wing of the same party they happen to like – that they're going to change things. But this is completely ridiculous. Your vote counts as much as a piece of sand on the beach.

BB: And even if you voted for a president who understood what was going on... and who genuinely wanted to put the Deep State in its place... he couldn't. A president can't do anything on his own. This elite class we've been talking about organizes and controls the whole system.

DC: Exactly. When libertarian Ron Paul was running in the Republican presidential primaries four years ago, a lot of people were thinking, "Oh, maybe Ron Paul can win, and he'll change everything."

At the time, I said, "No. That's ridiculous. The first thing that's going to happen is he'll have a sit-down with the heads of the praetorian agencies and the generals. And they'll tell him how it works... and how he better listen

up. If he doesn't, the Supreme Court will impeach him. And if that doesn't work, the people are going to riot, because you're breaking their doggy bowls." The situation is completely beyond repair. I don't see how it can be fixed.