

Casino Gulag - The US Empire Plays Russian Roulette

Ross [00:00:28] Welcome to Renegade Inc. In a seemingly innocent exchange between a talk show host and the Speaker of the House, Nancy Pelosi, did we get an insight into the state of the American empire?

Video clip (James Corden) [00:00:42] Speaker Pelosi, what have you found? What are you gonna share with us from your home?

Nancy Pelosi [00:00:46] Chocolate.

James Corden [00:00:47] Really?

Nancy Pelosi [00:00:48] Chocolate. Chocolate. Candy.

James Corden [00:00:51] Oh, wow!

Nancy Pelosi [00:00:53] And this is, this is something you can get through the mail.

James Corden [00:01:00] Oh, my....Wow!.

Nancy Pelosi [00:01:02] Other people in our family look for some other flavours but chocolate and then we have some other chocolate here. We just got to restock the ice cream, right, for Easter Sunday because we were, shall we say, enjoying. I don't know what I would have done if ice cream were not invented.

Ross [00:01:20] All empires end with massive debt and inequality in an age of decadence. In the final throes of Rome, slaves were sent to the mountains to collect snow to make ice cream for the elites whilst the people starved. Is the US empire repeating history? Max Keiser, welcome to Renegade Inc. It's great to have you.

Max Keiser [00:01:47] Oh, Ross, you know, I can't tell you how excited I am to be on the Renegade Economist. As you know, I'm a big fan of....

Ross [00:01:53] No, no, it's not Renegade Economist. We're Renegade Inc. We haven't been Renegade Economist for years now. Where have you been?

Max Keiser [00:01:58] As you know, Ross, I'm a big fan of Renegade Inc. And I've been following it for years, and I'm pleased to be on it.

Ross [00:02:06] You need a bit more sincerity.

Max Keiser [00:02:08] I am incredibly pleased to be on your show. Ross Renegade Ink is my favourite podcast.

Ross [00:02:17] You're very requested.

Max Keiser [00:02:18] Yes, I'm sure. You know, I got out of that stink hole, Great Britain at a good time, and a lot of people there request that I am, you know, speaking to them because when I was there was the only time they heard the truth. Then I left and it's back to Michael Grove or Gove and it's just one wall to wall propaganda. So people are sick of that, of course.

Ross [00:02:42] Do you think that Meghan Markle looked at your move and mirrored it in some way?

Max Keiser [00:02:48] Yeah, it's funny, Ross, because, you know, when Megan Markle became princess, et cetera, I said, look, there's no way that an American is gonna voluntarily live in Great Britain. And sure enough, she bolted the first chance she got. No American would voluntarily live in Great Britain. It's an anathema to our DNA as Americans. Thirty percent of British people call themselves royalists.

Ross [00:03:13] Right.

Max Keiser [00:03:14] You know, they're down with this whole idea of monarchy.

Ross [00:03:17] Right.

Max Keiser [00:03:17] And of course, that makes the American mind puke.

Ross [00:03:20] Let's talk about the global economy through the eyes of Max Keiser. What's going on at the moment? Because when we look at 2008 and we look at 2020, it seems to me that 2008 will be a picnic in comparison to what's going on at the moment.

Max Keiser [00:03:33] There's a lot of symmetry, you could say, between 2008 and 2020. So in 2008, the policymakers, principally Barack Obama and his gang here in Washington, D.C., made a strategic blunder by bailing out the creditors and not the debtors. So they bailed out the too big to fail banks, but they let the mortgage holders and the credit card holders kind of twist in the wind. And at the time, we said, look, this is not actually solving any problems. All you're doing is you're engaging in moral hazard. You're rewarding the worst bankers that we've ever seen in American industry with more credit, more money, the ability to continue to do what they've done. And that's exactly what happened. They just did exactly the same thing but on a much grander scale. So then you get into kind of a guessing game. OK, when will this blow up again? And since 2008 and 2009, we've always been talking about on the Keiser Report that the remedy for 2008 was to increase the size of the Bezzle of the embezzlement. So it's only a matter of time to try to predict when it will blow up again. And we figure 10 to 12 years. So basically right on schedule, it has blown up again.

Ross [00:04:47] When you read the press, wherever you are really in the world now, there's an assumption that almost all journalists make. And that assumption is we're going to restart the economy as if restarting economies, which are interconnected and supply chains are interconnected. It is actually really easy to just come out of lockdown and everything fires back into life. Are they right to make that glib assumption?

Max Keiser [00:05:10] No, they not. What's your question there? You're hinting that it's really a bogus assumption to think that once you stop the economy dead in its tracks, then it's

just a matter of flicking a switch and turning it on again once the supply chains are breached. And it's very difficult to re-establish those supply chains because you destroyed a certain critical mass, you've destroyed a continuum that's been going on for a number of years that has reduced the cost of this just-in-time economy in this global economy where goods and services are delivered to the microsecond right where they're needed at the exact same point. And when that is severed, it's really like the old Humpty Dumpty analogy, you know, all the king's horses and all the king's men couldn't put Humpty Dumpty back together again. Once it's shattered, it's really difficult to put it back together. That's first point. The second point is that I think it will never be put back together in a sense that we're never going to go back to the way it was. I think you're already seeing the global economy morph into new strategem, new business models, new way of doing things. People are adapting. In America, it's very adaptive. You already see a lot of entrepreneurs kind of figuring out what to do. Zoom is a company that's pretty new. They compete with Skype, but now they're blowing Skype out of the water. Zoom is really the product of choice for a lot of people doing teleconferencing, et cetera, so that that business is growing. Netflix, their business is growing. Amazon's business is booming. They'll come out with earnings pretty soon. They're going to be probably the top line. Anyway, it's going to be very robust. So we have an interesting market, Ross. You've got some of these trillion dollar American companies look like they're benefiting from the pandemic. Also in the gold mining sector, one of their biggest costs would be energy. And that, of course, is hitting multi-decade lows. And we're in a period when the fiat money and fiat currency system is coming under a lot of stress. People are moving into gold. So that looks like a sweet spot for the gold mining industry. And then, you know, you've got a lot of losers. But I think to your question there, the economy will come back to be where it was before. I think it's going to change dramatically. We're entering a new era.

Ross [00:07:27] Who else should we be looking at to birth this new economy insofar as, like, who are going to be the value creators? Because if we look over the last decade and think, naturally, it's been an extractive decade. Reflating that artificial bubble has meant that bankers, the FIRE sector have come in - financial, insurance and real estate - and taken rents out of it. Who are going to be the value creators on this next wave? Because what you're getting at is, you're saying that actually this economy is going to be entirely different now.

Max Keiser [00:07:55] Right. I think if you look at the big picture here, the idea of globalisation is going to change and you're going to see more localisation. So the economy is going to be more robust, to be resilient and to be anti fragile. To use a Nassim Taleb term, it's going to have to be more local. And so supply chains are going to have to be local. Manufacturers are going to have to come back. The US, I think, is pretty shocked that all of their drugs come in, the precursors to the drugs come from India and China. And so that's a vulnerability. I think that's going to have to come back to the US. Apple Computer is probably going to bring some manufacturing back to the US. It's going to be more regional. So we're going from globalisation to more nationalization. You know, if you look at the fiat money system and the fractional reserve banking systems, you've been railing about that for years. Your film, The Four Horsemen. I think it's got so many millions of views now on YouTube. And I see people reference it all the time as the foundation for their thinking in terms of how to re-architect and rethink about the global economy. And now we're at that point where the fiat money, fractional reserve system, central bank model is really coming under tremendous scrutiny and is really looking quite shaky. It's amazing, Ross, that in America, the Federal Reserve Bank now owns 30 percent of the GDP of America. That's

right. They have six trillion dollars worth of assets, which is about a third of GDP. I'm anticipating that I'll move to one hundred percent as we enter into a model that I call neo feudalism.

Ross [00:09:30] Just unpack that the neo feudal model, because people are starting to understand what's been done to them. What does neo feudalism look like and who are the serfs?

Max Keiser [00:09:40] So neo feudalism would be a return to a model of monarchs and serfs or peasants. And the way to get there is that trend toward extreme wealth concentration. The top 1 percent or the top 1 percent of the top 1 percent is exacerbated and becomes even more extreme. And the vehicle by which this happens would be zero percent interest rates, no regulations in the financial markets whatsoever or the regulations are ignored completely in the financial markets. And you have private equity that is seeking to control up to 100 percent of all income producing assets. So if you have, let's say, the Central Bank, which now owns a third of the GDP of America, and that moves to 90 to 100 percent, you've got one Central Bank, the Federal Reserve Bank, owning 100 percent of the stock market. And they've outsourced, by the way, their entire function of buying stocks and the stock market to Black Rock, which is a private company, a Wall Street firm. So now that's part of neo feudalism, because you have a Black Rock, which is opportunists on Wall Street who are now going to be in control of buying their own stocks on behalf of the Federal Reserve Bank. And by the way, they happen to be the biggest underwriter of exchange traded funds, which are repackaging of the same stocks over and over again. So you have essentially instead of owning the means of production, you own the means of capitalism and that would be the stock market. The stock market would be hundred percent owned by a few people at a central bank. This rolls into another concept I've been talking about for a number of years called a casino gulag. So the casino gulag is happening right now. People are sheltering at home. They can't leave their homes. They're forced to be on social media. The economy is collapsing around them. They have very little they can do about it. Their jobs are being cut or their pay is being severed. And they're forced to go online to try to click on as many ads as possible to win a protein pill to survive another day on behalf of the monarchs of Black Rock.

Ross [00:11:50] And another aspect of this is Black Rock buying up great swathes of the American housing market?

Max Keiser [00:11:57] Right. In 2008, we saw a taste of that when Warren Buffett swooped in and grabbed huge numbers of homes and through the proxy of, I guess, real estate investment trusts and other ways. And he is one of the biggest landlords in America now. So he would be part of the monarchical class of neo feudalism. Warren Buffett definitely would be up there. And now Black Rock, I believe, and others after the Katrina hurricane in New Orleans swooped and bought huge swathes of apartments in that area, forced out the population, the black population that's been there for decades. They got marginalized. Now they scattered to different cities around America. And yes, the real estate would be now owned centrally by just a few players. And so the vibrancy, the dynamism of a free market capitalist system is being replaced by the dead hand of private equity.

Video clip (Nick Shaxson) [00:12:55] In the old days back in the 1960s companies, company bosses, were supposed to serve various goals. They were supposed to serve

obviously, you know, the owners of the companies to make profits. But they were also sought protecting and helping creating good jobs for workers was another goal. Paying taxes for society, being, you know, creating good products and services was all part of it. And then you got these new ideas coming in. Milton Friedman in 1970 saying the only goal of a corporation should be to make profits for the owners and to create wealth for the owners. At that time, there was this, in the 1980s in particular, you have the rise of what's now known as private equity. Then it was called leveraged buyouts, LBOs. And these kind of corporate raiders would come in. They were buying up companies and they were doing all this kind of financial engineering. They were buying up perfectly good companies with good cash flows. And then they would financially engineer all these cash flows to try and extract more wealth. So it was a kind of purified version of Milton Friedman's ideas. So sort of extract wealth for shareholders. And the kind of justification was that if you do this and you get all this wealth from then you can invest it somewhere else and create kind of good stuff. The process of extraction became so extreme that it became started to harm, it started to cause all sorts of damage and this got worse and worse. And you ended up getting companies just being milked and left as kind of dry shells. Perfectly good companies that had been doing a great job doing stuff, just being taken apart by these people and gushers of profit going to these guys. An everyone was kind of looking at these billionaires being created and saying, hey, wealth creators, this is fantastic stuff. So this whole kind of ideology became accepted that this is great stuff because people are getting rich and all this money is a good thing.

Ross [00:14:56] Welcome back to Renegade Inc. Before we go back to North Carolina to talk with Max Keiser about reshaping the global economy and the future of America, let's have a look at what you've been tweeting about in this week's Renegade Index. We only have one tweet this week because it's on-message and this is it. It's from the Financial Times', Patrick Jenkins: 'Goldman's grip on global finance through its own commercial operations and the influence of its alumni seemed unshakable. But as banking has changed so the prestige of Wall Street giant has declined'. And this is the article from the FT how Goldman's vampire squid gave way to Black Rock. So Goldman, the bad boy of 2008, seems that BlackRock is going to take that mantle to the 2020 crash.

Video clip [00:15:45] Within the Anglo American property owning democracy, the homeowner became a captive voter. But more importantly, a consumer lulled into the irrational belief that we can get something for nothing. Millions bought the property dream and almost everyone stopped saving for a rainy day when bankers and economists claimed ever increasing house prices would pay for everything. Infatuated by this insane belief, people borrowed massively to buy dream homes and build speculative property portfolios, whilst government, real estate agents and banks made billions out of transactions because house prices could forever go only in one direction. Everyone spent this free money, but without a moral compass to question the rights and wrongs of taking it or where society was headed, thousands of people stopped going to work and sat at home looking for more speculation opportunities. Pandering to speculators, populist governments reshape taxation to favour predators in search of rental spoils and penalize the productive minority who produce actual wealth by going to work.

Ross [00:16:54] So in the first off, we talked about moral hazard and basically neo feudalism. And we will now know who the surf class is because, not least, we're almost all paying the 1 percent, or as you put it, the 1 percent of the 1 percent. When you take that analogy a little bit

further, Black Rock bought up great swathes of the American dream, as in the American housing market. How do you function as a country when apparently you've got liberty and the pursuit of happiness over their. People can't afford their own homes, nor will they ever own their own homes. That American dream is finished, isn't it?

Max Keiser [00:17:30] Sure. You know, the Bill of Rights is being eroded. So the free speech, right, number one is being eroded. The Fourth Amendment, which guarantees unlawful search and seizure, is also being eroded because there's legislation now trying to make it possible for cops to unlock your phone, take a look inside, with just a mere suspicion of illegal activity. And various other rights guaranteed under the constitution and the Bill of Rights are being destroyed and private property fits in to the pursuit of happiness. You know, America, it's all about the pursuit of happiness and once you take away the right of owning your own home and you have to pay as an indentured servant to the Black Rock overlords, you know, that doesn't sound like a happy situation. Even the happiest place on earth, Disney, is shutting down and firing hundreds of thousands of people. So, gosh, they are going to shut down Mickey Mouse. You know, things are bad in America.

Ross [00:18:34] How does this logically end when you look at it? Because America is obviously awash with guns. I don't think the American people, having worked hard all their lives, will take this lying down. How does it pan out?

Max Keiser [00:18:47] Well, you're right. There is a Second Amendment there. There are a lot of guns and there is an American spirit that is intolerant of government overreach. So I think that spirit is alive and well. I think that the easiest way to take back control is through Bitcoin. Bitcoin would be a way to de-capitalise, not decapitate, government officials in a civil disobedience manner and take back control of our money. Once we take back control of our money, we would take back control of our future, our destiny, our country. The problem is fiat money. The problem is central banks. The problem are too big to fail. And they all rely on the ability to print money for themselves and keep it that way. That's why we see, despite the hundreds of trillions of dollars worth of fiat money printing around the world, the actual velocity of money is dead. And that doesn't move because they just hoard the money. It's not circulating. So we have to re-introduce sound money. And the easiest way to do that, and you can do it on a global basis, would be through Bitcoin. I think America survives and thrives as an idea, globally. America, geographically, might not be where you find the American spirit and the American dream. The American spirit, the American dream will live globally through anyone in the world who embraces Bitcoin and everything that comes with Bitcoin. That's where you'll see the American dream take off.

Ross [00:20:18] Is it a hopeful situation that so many blue collar workers now begin to understand how badly rigged the US economy is? And actually by understanding that they can go out. They've got a vote once every four years and that doesn't do much good. But they can go out and start talking amongst themselves about how badly they're being ripped off. Is that not a hopeful situation? Can Renaissance pop from that when those sort of people take action?

Max Keiser [00:20:46] Right. I think you make an interesting point there. So the connection between printing money and how that destroys the economy was an esoteric concept ten or fifteen years ago. You, over their at Renegade Inc. have done a lot of work to try to pierce the

veil of ignorance, to get people to understand that. We, at Keiser Report have also been working to do that as well. And finally, people now understand, there's a great meme on the Internet called money printer go brrrr. And it shows, you know, like a pink woh jack weirdo spinning the printing press to make the stock market go up. So that connection, that very simple connection, that simple meme, is now you can't take that back. People understand now that the money printers are their solely for the purpose of their self benefit and to make stock markets go higher in asset prices go higher. So people now understand that. People in the financial press at Bloomberg and elsewhere are trying to convince people that that meme is not correct. And the more they try to convince people it's not correct, the more people understand that they are telling wholesale lies. They are in this huge propaganda matrix that's pushing this garbage junk economics. So, yes, the blue collar or the non financial professionals now understand that the game is horribly rigged. So they are now aware it started with Occupy Wall Street in a big way. That was a move to concentrate various protest movements on Wall Street. You know, before that, the protest movements were scattered. There was an environmental movement. There was a feminist movement. There was this movement and that movement. They all seemed to coalesce around Wall Street, like this is the source of the problem. Occupy Wall Street and now 2020 that's gotten sharper and more refined. And there is a thing called Bitcoin, which does give a path, a way out, of the worst of the problems. So, yes, I agree. It's filtering down to the hoi polloi. So the average guy on the street now recognizes that they've been completely hoodwinked by a extraordinarily corrupt system. And they are open to ideas. They are mobilizing. They're taking action in their own small way. And I think we're very close to a moment of clarity for the country as a whole that could lead to a financial uprising and a wholesale adoption of Bitcoin with the purpose of taking down the fiat cartel. We did a program or a campaign back in 2011, I believe, called Buy Silver Or Crash JP Morgan. The price of silver was at 15 and the idea was that JP Morgan were short millions of silver futures contracts. And if you could get the price high enough, we could bankrupt JP Morgan. We got the price up to 50 from fifteen on that campaign. And JP Morgan actually had to make some serious move otherwise they would have declared bankruptcy. Blythe Masters, of course, was the architect of their silver futures market and she was fired by Jamie Diamond. And, you know, it shows that you can, through popular movements, change capital markets. And Bitcoin now is the escape path for those interested in changing capital markets permanently and getting rid of the fiat cartel. We saw it in Europe during the last crisis in Cyprus when they did a bail-in of their banks and took money out of people's accounts. Bitcoin adoption skyrocketed. If you look at charts of where Bitcoin adoption is right now, globally, on what's called local Bitcoins, you'll find that in countries like Argentina, where they've experienced tremendous stress from central bank failures, Bitcoin adoption is skyrocketing.

Ross [00:24:42] Where's your thinking at the moment, then, on precious metals? Because I know you've gone very, very hard down the Bitcoin route, but what about silver? Because that campaign. JP Morgan was very successful. Gold, the futures of gold and also the paper gold in the UK looks pretty dodgy at the moment insofar as is there enough to go around? Answer no. How does the precious metals complex wash out?

Max Keiser [00:25:05] Right. I've never been any anything but incredibly constructive about precious metals since 2003 when we first started recommending it in the four hundreds for the same reason. It's just that when Bitcoin came around it did the exact same thing, but it was easier to do the exact same thing. But look at gold. You mentioned the LBMA and the

Comex. They have been playing fractional reserve games for years and now they're caught out because of demand for gold is now so high that it looks like they're going to go the path of Bernie Madoff, right? Bernie Madoff was running a Ponzi scheme. He got caught out and he went bust. The LBMA has been running a Ponzi scheme. The Comex has been running a Ponzi scheme and they're going to get caught out. As soon as some major player demands physical delivery, it's going to be game over. The short squeeze is going to be enormous. And you've got gold at five, six, seven thousand dollars an ounce.

Ross [00:25:57] So that's a punchy prediction. You think five, six, seven thousand dollars?

[00:25:59] Right. So look at it this way. If you look at the chart of gold vs. debt in the system, they usually map pretty consistently over many years. And then about 10 years ago, they started to diverge. So gold started to kind of flatten out versus the growth in debt, really exponential growth in debt, because the amount of resources that were applied to suppress the price of gold. And, you know, I don't think anyone can refute that now. The gold price, two or three cases have proven without a doubt that the price of gold is suppressed. So once you have genuine price discovery in gold, the first move is it's got to snap back to where it should be just based on current debt. So that's three thousand bucks right there, between three thousand thirty two hundred. That's it. That would be a snapback move that could happen in one week just based on LBMA or Comex going bust, which is a pretty high degree of certainty. Then from there, people are going to start to discount future debt and say, wait a minute, there they're lining up a one hundred trillion dollar bailout facility through the IMF. So let's put that number into your calculator and you come up with six, seven, eight thousand dollars per ounce of gold. Let's start to discount that price.

Ross [00:27:16] You heard it here first. Max, always a pleasure to have you. Thank you very much for your time. Send all love to Stacey and hope to have you back soon.

Ross [00:27:24] Meghan Markle says hi.

Ross [00:27:26] That's it from Renegade Inc this week. You can drop the team a mail, studio@renegadeinc.com or you can tweet us at Renegade Inc. Join us next week for more insight from those people who are thinking differently. But until then, stay curious.