

## The Revolt of the Public

By John Mauldin | September 14, 2024



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“All over the world, elite institutions from governments to media to academia are losing their authority and monopoly control of information to dynamic amateurs and the broader public. This book, until now only in samizdat (and Kindle) form, has been my No. 1 handout for the last several years to anyone seeking to understand this unfolding shift in power from hierarchies to networks in the age of the internet.”

—Marc Andreessen, cofounder, Netscape and Andreessen Horowitz

“We are in an open war between publics with passionate and untutored interests and elites who believe they have the right to guide those publics. Gurri asks the essential question: Can liberal representative democracy survive the rise of the public?”

—Roger Berkowitz, founder and academic director of the Hannah Arendt Center, professor of politics and human rights at Bard College

The above quotes refer to a powerful must-read book by Martin Gurri called [\*The Revolt of the Public\*](#). No less than Marc Andreessen made this his number-one book suggestion. If you recognize the name, and how important he is to technology, you will understand the significance. What he thinks matters.

Full disclosure—to my personal embarrassment, I was vaguely aware of Gurri’s book but didn’t look at it until a few months ago. As readers know, I have been writing about cycles in the coming crisis for well over a year. I am literally crashing through the final edits of a book on the topic. In the final stages you have to block out everything and focus on finishing the book.

But a funny thing happened on the way to the forum. Gurri began popping up everywhere in my normal reading. In an effort to manage my time, I began to read reviews of the book. The more I read, the more I began to drill down. When my partner Ed D’Agostino [interviewed Gurri](#), I realized that I had to read the book. I ended up with 27 pages of Kindle notes. This is an important book and I want you to know about it.

## Four Questions, Same Answer

In my cycles book I’m reviewing the forecasts of Neil Howe, Peter Turchin, George Friedman, and Ray Dalio. For different historical reasons and patterns, all see a crisis culminating at the end of this decade. Some readers have legitimately pushed back, saying no one knows the future. As fund disclosures always say, past performance is not indicative of future results.

These four different forecasts, based on different readings of history, all lead to the same dénouement. My own contribution is to suggest that the trigger for this crisis will be the accumulation of debt in the US, which has the global reserve currency and is still the world’s only superpower.

The bigger question is *why*. What makes this time different? Yes, you can see analogies in the past but why the end of this decade?

As I reached the end of Gurri’s book, it began to click. He gives us the “why.”

Neil Howe views history through four generational archetypes that repeat roughly every 80 years. Turchin doesn’t see such a precise timeline, focusing on elites and overproduction. George Friedman thinks in terms of geopolitical patterns forcing a change of institutions. Dalio sees it in terms of economic and business cycles. I think a crisis will be triggered by a cataclysm in the bond market, which will force a restructuring of the social compact between government and citizens.

[Sidebar: Whatever you thought of the presidential debate this week, the \$2 trillion deficit and \$35 trillion of national debt on the way to \$50 trillion in less than 6–7 years was not on the agenda. What do we make of \$1 trillion in interest payments every year?

Crickets. The silence of space. The tinnitus in my ear is louder. Yet this is the most critical problem facing the country. When (not if) there is a recession, that number will get worse.]

Let’s go back to Andreessen’s note above. Many other reviews say the same: Our current situation is rooted in a change in the way we get our information. This, in turn, caused institutions all over the world to lose authority. This has been a problem since Gutenberg but has become enormously larger. For Andreessen, it is hierarchies versus networks, as that is the technological world he lives in. I think it is deeper, though.

Notice that Berkowitz says: “We are in an open war between publics with passionate and untutored interests and elites who believe they have the right to guide those publics.”

I highlighted the word untutored. This is the condescending term (though I am sure he did not mean it that way) at the heart of the issue. It is a polite way to say “deplorable.”

## Different Music

The full title of Gurri’s book is “**The Revolt of the Public and the Crisis of Authority in the New Millennium.**” And it is the crisis of authority that is driving the entire disconnect of our social crisis.

At the heart of the matter, diminishing trust in government and institutions is creating uncertainty within the public. Uncertainty always increases personal tension on whatever level, and when it pervades a community or country, the tension can be expressed in uncomfortable ways. Sometimes actual revolution.

Let’s start with a simple example (not from Gurri) which I think older generations can relate to. Something as universal as music.

In the ’50s and early ’60s, AM radio stations were the only way most of us heard new music. You could watch TV where you generally got music from an earlier era (think Perry Como and Andy Williams, with the occasional Bing Crosby and then Dean Martin crooning ballads). Fabulous music, but it was the music that our parents wanted to hear. Young people wanted to hear something different.

So back then, you learned about rock ‘n’ roll from the AM radio. But you only heard what the AM radio played, and they mainly played what the record labels put in front of them. Legions of representatives would assault radio stations, trying to persuade the local disc jockeys to play a particular record.

The good news is they were actually competing for listeners, so they paid attention to what their audience wanted. The bad news is we only heard a fraction of what was out there.

Then FM radio came along. Music became more diverse but still controlled by the record companies. Then we graduated to MTV. Nothing really changed, just a different delivery method.

And then Napster turned the music world upside down. It was quite contentious, lots of lawsuits, but it became the future. Now we have Spotify and its competitors, and we all think it is natural to have 50,000 different choices. We are overwhelmed with choices. You can create your own channels, personalize what you want to hear, and even get recommendations for new music an algorithm thinks you may like.

My personal channel is a mix of Beatles and Beach Boys, with some hard rock and Eagles thrown in. Yes, I know I need to diversify into more current musicians, but I get so much pleasure from the Rolling Stones and Creedence Clearwater Revival. Taylor Swift just doesn’t cut it for me. But my daughters and granddaughters live and die by her music.

Who among us doesn't like that diversity? I can tell you who: record companies and radio stations. Record companies no longer control who gets recorded and radio stations no longer curate what you can listen to. Both have lost their "authority." And their profits. Nobody is crying for the record companies. Radio stations are scrambling to adapt their offerings to create a market and profit, but it is not like the old days. Why listen to the radio when you can choose from hundreds of streaming or satellite channels?

Let's fast-forward to the Great Recession.

Quoting a [review](#) on Semafor:

"David Rubenstein, the co-founder of the private equity giant Carlyle Group and collector of America's founding documents, is the author of a new book on a running fascination of his: The American presidency. [The Highest Calling](#) is a series of 21 interviews with presidential historians and biographers, as well as with two former presidents.

"The most striking moment in the book comes in a conversation with former president George W. Bush, who offered a simple diagnosis of the current political moment: 'You wonder why populism is on the rise. It starts with taking taxpayers' money and giving it to the powerful.'"

Think about this remarkably reflective idea. It all happened in the middle of a crisis where we were trying to avoid another Great Depression. But there were unintended consequences.

Cue Occupy Wall Street. The Tea Party. And on and on. Trust in institutions diminished and frustrations grew.

Why? Because our news source had become Spotify, in the generic sense. Mainstream media, which those of us of my generation thought of as Walter Cronkite and *The New York Times* and our local newspapers and TV no longer controlled our news. Yes, smallish sources existed, but it was hard to create a megaphone. Ask Bill Buckley or Ralph Nader.

Political changes like those of Ronald Reagan or Bill Clinton almost required a "reasonable" centrist consensus. It was grassroots work that needed a lot of time. And it required one-on-one discussions and generally civil discourse.

With the development of the internet, to use Gurri's analysis, we are not truly "polarized" today. We are *fragmented*. Not just in the US but all over the world, our information sources are no longer limited to mainstream media. We are bombarded with opinions on our phones and email. Social media adds to the tumult. We are increasingly tribalized and, not surprisingly, we value the opinions of those in *our* tribe more than others.

This lost trust in authority, whoever you consider that authority to be, creates uncertainty which produces significant tensions. It is emotional.

Much of the mainstream media considers those who don't pay attention to their opinions to be, using Berkowitz's term, "untutored." Never mind if they have a PhD, are very involved in the community, are published, and have large audiences if they disagree with the established wisdom. They are dismissed if not openly derided and challenged.

On the flipside, more and more people are following these non-mainstream thought leaders. They become lightning rods. Elon Musk is now the most notable of that cluster.

For Gurri, it is the disruption of information sources that is at the root of the current fragmentation. It is not simple partisan frustration, because distrust of authority exists all along the spectrum. We have simply stopped engaging with those who think differently. Civil discourse is sadly seemingly leaving our civilization.

Gurri believes that Trump and to some degree Bernie Sanders represented the **repudiation** of the current party establishments, more than they represented an intellectually differentiated stream of political thought. They were outlets for frustration.

Neither of this year's two presidential candidates today represent anything like mainstream Republican or Democratic politics and thought from 20 years ago, and perhaps not even 10 years ago. And for many, that is precisely the point. (Some might say that my taste in music is reflected in my political policy preferences.)

## A Necessary Precursor

With that introduction, we are going to spend the next two weeks looking at *The Revolt of the Public* in detail. But let me end with why I think this book is so important.

In my cycles book, the four writers I describe all foresee future events based on their own analysis of history. They all end up in the same place, but for different reasons. Gurri doesn't predict or forecast; indeed, he says that such an attempt is impossible. He "merely" tries to analyze where we are today.

But as I read Gurri's book, I realized that what he is saying is a precursor, a fundamental condition necessary to each of the four forecasts I review. What he writes about is the "why."

Neil Howe talks about generational cycles in the crisis of the Fourth Turning. But it always involves a frustration with current institutions or a crisis of authority. Peter Turchin in his book *End Times* talks about the overproduction of elites and the revolutions it sparks. But at its root, this is a rejection of authority.

George Friedman talks about the 80-year cycle of changes in the societal contract between institutions and government and society. Again, it is frustration with whatever represents the current manifestation of authority. Something has to trigger that frustration. Obviously, in the past it wasn't social media but that seems to be the trigger now.

Dalio notes the tension caused by wealth and income disparities. Whatever the source of that frustration, it is real for those who are frustrated. And the awareness of that differentiation has been exacerbated by current sources of information. It is not just the visible manifestation, but the constant highlighting of what many perceive as injustice that becomes the problem. Dalio is no radical. His business and writings in the past have generally been moderate. His recent analysis (over the last 7–10 years) has led him to predict a 40% chance of the Civil War in the US.

The frustration isn't just in the US. You can see it in Europe, the United Kingdom, China, Brazil, and we could go on and on.

Lately, attention has turned to how we get our information in a fight over what we think of as "free speech." People are literally going to prison in the United Kingdom for anti-government social media posts. We are talking about the home of the Magna Carta and Hume and Locke and Adam Smith. Who among us would not be subject to prison time at one point or another over the last 10 years?

And now we have potential presidents suggesting that "misinformation" is not protected by free speech or openly saying they will prosecute political opponents. Mark Zuckerberg recently broke ranks by claiming the government actively tried to get Facebook to censor (and in many cases did) sources of information that disagreed with their view of the world. Never mind that a year later it turns out those sources of disinformation were right. This is a far cry from the ACLU defending neo-Nazis over the right of free speech.

Love or hate Elon Musk, he has decided that free speech is the hill he will die on. I get that Telegram as anarchist and terrorist and drug dealers are using it. But it is also an uncensored communication source for hundreds of millions of people who need a way to communicate apart from their dictatorial governments. Do the French really believe that free speech should be moderated by the government? It is a tough damn question.

Free speech is blurry at the edges and can make us uncomfortable. There are all sorts of things said in the name of free speech that I find either disgusting or unpalatable. But who draws the line?

And that is the nature of what Gurri says is creating the tension in our world. Stay tuned for next week as it will be a fabulous ride.

## **Birthdays and Travel**

I am finishing this letter in Dallas where I have been in fascinating meetings with Mike Roizen and the team we are assembling for our new longevity project. Details will follow, but I am having more fun than the law allows.

My birthday will be in three weeks, but it looks like I will be traveling at least once if not twice between now and then, destinations to be determined. I am really extraordinarily happy looking forward to my family being gathered as well as many friends. I wish I could invite all of you.

I know I am writing about crisis, and the tone of the time certainly lends itself to that. But in my core, I am still optimistic, because after we reorganize society in the midst of a crisis, history suggests we always come together around the new consensus. It may not be the '50s and *Leave It to Beaver*, but it will be a future version.

My publishing partners and I have been in intense conversations (there's that word again) about how to express our rational optimism. As I wrote 20 years ago in *Bull's-Eye Investing*, pessimists miss the opportunity, optimists get caught up in the Zeitgeist and get slaughtered in the turns, but cautious optimists are the true winners. We are actively discussing how to express that cautious optimism not just in a letter or paper, but how to gather those of a similar mindset to move forward together. We have been talking about this for the entire year and I think we are close to our conclusions. Maybe in the next few weeks we will announce it. I am really ready.

And with that, I will hit the send button. Have yourself a great week and don't forget to [follow me on X!](#)

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