

The Revolt of the Public, Part 2

By John Mauldin | September 28, 2024



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Two weeks ago, I began reviewing Martin Gurri's important book, *The Revolt of the Public*, with this framework:

"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.'"

Rather than try to do a general review, I am going to liberally quote from [Gurri's book](#) and interviews, trying to let him explain himself in his own words.

The Fifth Wave

For Gurri, the “why” was the development of what he calls the Fifth Wave of human communication:

“Information has not grown incrementally over history but has expanded in great pulses or waves which sweep over the human landscape and leave little untouched. The invention of writing, for example, was one such wave. It led to a form of government dependent on a mandarin or priestly caste. The development of the alphabet was another: the republics of the classical world would have been unable to function without literate citizens. A third wave, the arrival of the printing press and moveable type, was probably the most disruptive of all. The Reformation, modern science, and the American and French Revolutions would scarcely have been possible without printed books and pamphlets. I was born in the waning years of the next wave, that of mass media—the industrial, I-talk-you-listen mode of information...”

As we will see, for Gurri, the establishment of the internet and the web slowly and then like a tsunami overwhelmed traditional sources of information, which threatened the entrenched order—not just media, but government and large institutions. That source of authority began to be questioned and then increasingly castigated.

“It’s early days. The transformation has barely begun, and resistance by the old order will make the consequences nonlinear, uncertain. But I think I have already established that we stand, everywhere, at the first moment of what promises to be a cataclysmic expansion of information and communication technology. Welcome, friend, to the Fifth Wave.”

Here’s a little bit about his background from an [interview](#) my partner Ed D’Agostino did in late July with Gurri:

“I’ll reprise my own trajectory. I always say that I had probably the least sexy job at CIA. I didn’t have a license to kill. I was an analyst of global media and for many, many years that was a fun, fun job, but very straightforward. There was very little open information. Around the turn of the century, not just me, but those of us who were in this particular field noticed this sudden tremendous transformation of the information sphere. Gigantic volumes and there’s data to prove it.

“In the year 2001, double the amount of information was produced that had been produced by the entire human race from the cave paintings and the dawn of culture until now. 2002 doubled 2001. Of course, those of us who were writing analysis based on that information went a little crazy. It’s like, ‘Okay, now what do we do? Where do we find what’s real? What’s false? What’s good? What’s bad? Who are these people? Where do they come from?’

“And it occurred to some of us that that was the wrong question. The question was what are the effects of this tsunami? Information structure is like the landscape, right? Our institutions evolve in that way, or if you will, it’s like the stage and the props that get set, and you can only play certain plays given the structure. And this tsunami was rolling, this immense thing was rolling across the world. And as different countries digitized differently, different times, you could see behind these tremendous information effects was tremendous social and political turbulence. Now, that was a while back, and it now sounds very naive. It is naive I suppose, but we all wondered, ‘Okay, what’s it got to do? This is a communications device, the internet, what’s that got to do with a revolt in Egypt, for example?’

“And that question, by the way, we placed that to our masters in the CIA, and they didn’t see any connection. They thought, ‘No, this is completely irrelevant.’ So when I left the government a few years later, I decided to write my book. Is it really irrelevant?

“Well, by then we had had the Arab Spring, and it was 100% evident that the two things were massively connected. And then if you looked at what was going on here, and what’s going on in so many different places, the character of the revolt of the public.

“But the flip side of it, probably the more important side, which is the subtitle of the book, which is the Crisis of Authority of the Institutions. These institutions that basically had spoken from on high, we had accepted as authoritative. Suddenly everybody saw their mistakes, saw their self-centeredness, saw their condescension, didn’t like either how competent they were or how self-interested they were. So the bond of trust was broken. And when you pile all these things together, you have a super chaotic situation. Jonathan Haidt calls it the Tower of Babel. We all got put in the Tower of Babel. Suddenly, we all start speaking different languages. We were living in different worlds. What’s true for you isn’t true for me. So that, in short, is the gist of the book. I think I was helped by a lot of friends at CIA in coming to the initial realization.”

Arnold Kling’s foreword to the book offers this wonderful trip into history, which many of us lived through:

“In 2004, venerable newsman Dan Rather delivered a story on CBS’s *60 Minutes* that purported to show that George W. Bush had used political connections to evade real military service in the 1960s. But a participant in the far-right internet discussion group Free Republic, writing under the pseudonym ‘Buckhead,’ claimed that one of the documents used by CBS was fraudulent. He pointed out that the document used a proportionally spaced font that was typically not available when the memorandum was supposedly written. Instead, it was likely typed on a computer using word processing software from Microsoft that only became available decades afterward.

“His analysis quickly spread, serving to discredit the CBS story and Dan Rather as a reporter. Before the internet, ordinary individuals would not have had access to sufficient information to second-guess an investigation conducted by a major news organization. Nor would someone lacking any sort of formal credentials have been able to disseminate his findings as widely and rapidly as they were disseminated in the Rather-gate scandal. The World Wide Web gave a single anonymous individual the ability to humiliate a powerful media conglomerate and one of its most famous reporters.

“In the 1960s, the US government was able to hide important information about its involvement in the failed attempt to depose Fidel Castro (the ‘Bay of Pigs Invasion’ of 1961) and about the difficulties it was facing in Vietnam. Today, a similar embarrassment likely would be exposed via YouTube or WikiLeaks. The public has access to information that it did not have 50 years ago, about matters ranging from police shootings to hurricane relief efforts to lurid details of celebrities’ sexual misconduct.

“With his eyes on this altered media space, Martin Gurri saw what was coming. [He wrote the first edition in 2014 before Trump.] He saw that the elites would be increasingly despised, as more of their mistakes and imperfections became exposed. He saw that the elites would respond to the public with defensiveness and contempt, but that this would only make the public more hostile and defiant toward authority. He saw that the public’s new-found power does not come with any worked-out program or plan, and as a result it poses the threat of nihilism. If the existing order is only torn down, not replaced, the outcome could be chaos and strife.”

Gurri does not forecast. He says it is hard enough to analyze the current situation. But the four other analysts we have reviewed do forecast, and even though they all expect a crisis, their independent paradigms all eventually point to a positive resolution. But that resolution can’t be predicted from our current understanding. Are they based on hope? Some would suggest so, but my own view of history suggests humanity prevails even after terrible situations. Maybe not quite Muddle Through, more like staggering, but there is progress. Our job is to try and understand the nature of the crisis and to make sure that we, our families, and our communities survive.

Let’s move on with some selected quotes. Gurri talks about the development of the internet in the blogging community which morphed into social media, podcasts, and alternative news sources:

“Bloggers, and in general all dabblers in digital communication, are often accused of insulting sacred things: presidents, religion, property rights, even the prerogatives of a democratic majority. They speak when there should be silence and utter what should never be said. They trample on the sanctities, in the judgment of the great hierarchical institutions which for a century and a half have controlled, from the top down, authoritatively, the content of every public conversation. The idea is not that some forbidden opinion or other has been spoken. It is the speaking that is taboo. It’s the alien voice of the amateur, of the ordinary person, of the public, that is an abomination to the ears of established authority.”

And one thing we learned in elementary school, authority does not like to be questioned. For Gurri, it is not the rightness or wrongness of a particular authority, but the reaction of that authority that is the telltale sign. He described an early blogger (who I actually remember well) writing about the problems of the authoritarian regime in Iran. Some lone no-name blogger suddenly became a voice for Iranian opposition. And the regime went into apoplexy:

“So to arrive at the destination mapped out by our hypothesis, we must set aside the salient characteristics of the men in charge in Tehran. What matters is not that they are thugs, or that they oppress their own countrymen. That simply speaks to the range of actions open to them. **The meaningful bit is that they belong to a larger class or category of people, found in every country and in most walks of life, who long ago persuaded themselves that they alone have the authority and legitimacy to speak and act within their own domains.** This—not from selfish motives, no, not in the least—for the good of humanity. Their authority rests on the moral order of the world. Any challenge, however insignificant, isn’t just a potential threat to them but a violation of that order, a perversion which must be crushed utterly in the name of all that is good and true.”

Borriboola-Gha

And let’s close this letter with one last quote worth reading twice (emphasis mine):

“Much of the negation poisoning the democratic process has stemmed from a confusion of the personal and the statistical. I may hold down an excellent job, but the failure of the stimulus to meet its targets infuriates me. I may live in peaceful Vienna, Virginia, safe from harm—but a report that several Americans have died violently in Kabul appears like a fatal failure of authority. By dwelling on the plane of gross statistics, I become vulnerable to grandiose personal illusions: that if I compel the government to move in this direction or that, I can save the Constitution, say, or the earth, or stop the war, or end poverty now.

“**Though my personal sphere overflows with potentiality,** I join the mutinous public and demand the abolition of the established order. This type of moral and political displacement is nothing new. The best character in the best novel by Dickens, to my taste, is Mrs. Jellyby of *Bleak House*, who spent long days working to improve ‘the natives of Borriboola-Gha, on the left bank of the Niger,’ while, in her London home, her small children ran wild and neglected.

“Dickens termed this ‘telescopic philanthropy’—the trampling of the personal sphere for the sake of a heroic illusion. Mrs. Jellyby, sitting in quite a nest of wastepaper, drank coffee all the evening and dictated at intervals to her eldest daughter. She also held a discussion with Mr. Quale, the subject of which seemed to be—if I understood it—the brotherhood of humanity, and gave utterance to some beautiful sentiments...

“The revolt of the public has had a telescopic and Jellybyan aspect to it. Though they never descended to details, insurgents assumed that, by symbolic gestures and sheer force of desire, they could refashion the complex systems of democracy and capitalism into a personalized utopia. Instead, unknowingly, they crossed into N. N. Taleb’s wild ‘Extremistan,’ where ‘we are subjected to the tyranny of the singular, the accidental, the unseen, and the unpredicted.’ In that unstable country, ‘you should always be suspicious of the knowledge you derive from data.’

“I can’t command a complex social system like the United States, but I can control my political expectations of it: I can choose to align them with reality. To seize this alternative, I must redirect the demands I make on the world from the telescopic to the personal, because actionable reality resides in the personal sphere. I can do something about losing my job, for example, but I have no clue what could or should be done about the unemployment rate. I know directly whether a law affects my business for better or worse, but I have no idea of its effect on the gross domestic product. I can assist a friend in need, but I have little influence over the natives of Borriboola-Gha, on the left bank of the Niger. Control, however tenuous, and satisfaction, however fleeting, can only be found in the personal sphere, not in telescopic numbers reported by government.”

Being a Rational Optimist

While writing about crisis in cycles and societal conflict isn’t terribly optimistic, I’m still quite positive about life in general and our future in particular. So many good things are happening, obviously in technology, especially biotechnology, along with many individual initiatives to foster a more cohesive, cooperative world.

Matt Ridley wrote a book over a decade ago called *The Rational Optimist*. It strengthened my core belief that conscious, rational optimism is the only way to move forward in the world, and perhaps the only way to have a happy and content life.

Rational optimists are the true winners. My partners and I have been actively discussing how to gather those of a similar mindset and help us all get through what could be a bumpy period. A way to stay clear and focused on a positive future—together!

After almost a year of preparation, we have launched the [Rational Optimist Society](#). Already, dozens of groups are joining with us to share their positive outlooks, exciting new programs designed to affect local communities, and ways to meet people who share that optimistic view in your community and area.

If you join us in the [Rational Optimist Society](#), you will get a weekly letter talking about exciting new breakthroughs and movements. You will learn how others are making their communities better, and maybe get ideas about what you can do.

Ultimately, we hope to get members together for fellowship with like-minded optimists who also have a clear idea of what problems need to be dealt with.

It has long been apparent to me that we can better face instability by finding our own tribe, people who will walk with us through it, sharing ideas and encouragement.

It starts with you. And then you find a tribe and become part of a movement.

You are going to hear me talk about the Rational Optimist Society a lot over the coming years. Today, I am asking you to join me by becoming a founding member, one of the first of the band who joined together to create our future.

I just talked about the problems with mainstream media. They are focused on getting clicks, and the easiest way to do that is with sensationalist negative headlines. [The Rational Optimist Society](#) will be a counter to that constant negativism. It will help you show your children and friends how the world is actually improving, and what we can all do to make it even better.

Join me. Join the rest of us, [click on this link and join the Rational Optimist Society](#).

The Tyranny of Deadlines and Family

I assume you got the point that I think Gurri's book is one you should read. I literally have over 30 pages of quotes highlighted in a Word document. When comparing them to the quotes of other people who have posted their favorites online, I see surprisingly little overlap. Gurri's book is just like that.

My life has always been controlled by deadlines. It is the fate of writers. My first real mentor, Dr. Gary North, once wrote me that he wanted his tombstone to read "Oh Deadline, Where Is Thy Sting?" I wonder if that actually happened, but I do share the sentiment. Not just writing deadlines, but business deadlines, meeting deadlines, constant communications and reading deadlines, emails... Probably not unlike your personal situation. But then again, I do it to myself willingly and joyously.

This next week will see my 75th birthday. All of my children and significant others and grandchildren are coming in, plus many friends from around the country. Shane is thankfully handling so many of the details, otherwise there would not be food or drink or entertainment for my family and friends.

There was so much more I wanted to say in this letter, but it will wait till next week. For now, it's time to hit the send button. Have a great week and I hope you get to be with family and friends as well.

Your slayer of deadlines analyst,



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