

The US Supports the Biggest Financial Scam in History

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PARIS – Yesterday, we described what we believe is the true source of today’s bubbly markets: fake money from the Deep State’s finance arm, central banks.

Today, we connect more dots. Specifically, we explore why the stock market celebrated after “The Donald” was elected and the role he plays in the Greatest Show on Earth... and what to expect next.

We also want to look at how America’s form of government has changed... but that will have to wait until tomorrow.

Fake Dollar Finance

Why did voters and investors turn their lonely eyes to a reality TV star... and put their trust and faith in a bombastic huckster rather than a more conventional scalawag?

Why did stocks rise after he was elected?

What did they see that we didn’t?

In short, the fix was in... and Mr. Market knew it.

Fake dollar finance has been an abiding theme here at the *Diary*. Few others – apart from economist George Gilder and President Reagan’s first budget chief David Stockman – seem to care about it.

But for us, it is the biggest financial scam in the history of the world. It has moved at least \$10 trillion from the people who earned it... to the rich and the Deep State elite.

It has corrupted our institutions... our culture... our markets... and our government.

This system is supported by almost everyone – by Republicans and Democrats... by the mainstream press... by academic economists... by international organizations such as the UN, the IMF, and the World Bank... by the “defense”... “education” and “medical care” industries (all in quotations to signal our deep skepticism that they are doing what they claim to be doing) and perhaps more importantly, by Wall Street.

What is this system?

It is the system of creating “money” out of thin air... controlled by the government and central banks... which ends up in the hands of Deep State cronies and the elite.

It creates an economy that runs on credit, not real wealth or real output. It can only grow by increasing the level of debt, thereby damned to its own destruction.

Disruptive Personality

There are only two major threats to this system...

The first is the obvious one: economics. You can’t increase debt levels infinitely. Sooner or later... the whole kit and caboodle will blow up.

The second is political: A determined, disruptive politician might be able to slow it down... or even reform it.

Last year at this time, there was some hope that Donald J. Trump might be such a man. He was clearly a “disruptive” personality. Perhaps he had a disruptive program?

It was hard to know. What he said publicly was so incoherent and undisciplined that many people believed he must be more than he looked, with a hidden agenda... a plan of action that he dared not divulge for fear of bringing the entire weight of the Deep State crashing down upon him.

Hillary Clinton was clearly on the dark side. She favored more spending, both on social programs and military meddling. She was so deep in the pockets of lobbyists, big banks, and corporate America there was no chance she could ever climb out.

Mr. Trump was different. He seemed more independent. He was too rich to steal. And too dumb to lie. He seemed to be beholden to anyone – even the powerful Israeli lobby.

“I don’t need your money,” he told them.

Trump’s Greatest Trick

Yesterday, we glanced at a magazine sitting on the table in our hotel room.

Inside was a picture of a skinny young guy wearing a tight green suit, with some kind of fleur-de-lis pattern on it... pants that went up to the calf... with bright orange socks filling in the distance to shoes no less outrageous than the rest of the get-up.

We didn’t understand brand advertising until Mr. Trump came along. We had always wondered: What’s the point of advertising clothes no one would want to wear?

Now, we know. The idea is not to move the rags... but to fix the brand in the minds of the readers. The absurd outfits are a way of getting attention. They plant the brand in your mind – provocative, clever, cutting edge, innovative... or whatever you want.

That was the genius of Donald Trump: He ran as a brand.

But his important achievement, historically, was to silence the vestigial opposition to the Deep State.

Clownish Squabbles

Ms. Clinton would have had the whole constellation of “right wing,” evangelical, Tea Party, and establishment Republican responsible conservatives and rabid nut-jobs – against her.

They would have blocked her every move and hounded her every step.

They would have connected her, and her program, to the Deep State... and gnawed away at both.

For Mr. Trump, on the other hand, the coast is clear. If there is any opposition to the Deep State program, it is now confronted by conflicted loyalties... and distracted by Mr. Trump’s clownish squabbles.

We are supposed to care about whether football players stand or kneel... and not notice the \$1.4 trillion given to Lockheed Martin to build and maintain a fleet of planes that experts say may never be combat-ready.

Likewise, it is supposed to matter whether Mr. Trump calls the families of the boys who get killed doing the Deep State’s mischief. But no one seems to know or care about the latest price tag for Obamacare... or that the nation is on track to add \$10 trillion to its debt over the next 10 years.

And we are kept so busy wondering about a war with North Korea or a feud with Senator Corker that we don’t even have time to wonder where all this money bidding up stocks is coming from.

The money flows... and the show goes on.

And now we see what Mr. Market, in his wisdom, must have seen a year ago: Mr. Trump, not Ms. Clinton, was the real Deep State candidate all along.

Regards,

Bill Bonner