

The Surveillance State Rolls On

Wednesday, July 20th, 2011 | Filed under [Casey's Daily Dispatch](#) | Posted by [Doug Casey](#)

Doug Casey was on the *Lew Rockwell Show* yesterday discussing [The Greater Depression](#), its implications, and ways to protect yourself. The interview is well worth 15 minutes of your time.

We have two excellent articles for you today, but they're on the longer side, so let's get to it. First, I'll turn it over to Doug Hornig for an article on the surveillance state and then to Aaron Bedrick for his thoughts on social media and the practical value of Twitter.

The Surveillance State, cont.

By Doug Hornig

Sometimes it seems that the more we write about the rise of the surveillance state, the more examples of its long-armed reach pile up. Recently, a couple of new (to me, anyway) developments caught my eye.

The first came in the form of an email from a loyal reader who wrote: "In a convenience store in Pennsylvania, a young man was buying a pack of cigarettes and was told to swipe his driver's license through the credit-card reader. I asked the clerk what that was about. I was told that anyone under 27 years of age has to swipe their driver ID to purchase tobacco products."

Our reader was puzzled by this, wondering what law (local, state, federal?) it came under. Well, none, as it turns out – just store policy to verify the purchaser's age, management says. But isn't the person's DOB clearly printed on the front of the license? Of course, management explains, but it's "quicker to swipe the card and read it on the screen than have to do the math on the date to figure out if someone is of legal age."

Yeah... As Barbie once reminded us, "Math class is *tough*."

I checked to see if this was an isolated incident. Nope. It's a trend among retailers – not only of cigarettes but alcohol, too. And more. According to a news story out of KGO-TV in San Francisco, "A growing number of retailers, night clubs, rental companies, and banks now are requiring you to swipe your driver's license to make all kinds of transactions."

That leads us to ponder some disturbing possibilities... not just that the store is probably filing your personal info away in its database in order to hit you with some targeted advertising later on. You may already have set yourself up for that when you accepted the supermarket's offer of a discount card in return for it tracking your buying habits. But there's a rather significant difference between information given voluntarily and involuntarily. Consider the case of a 64-year-old California woman forced to swipe her license in order to buy liquor.

She complied, but later realized that, "It's out there. The cat's out of the bag now that I consume alcohol. I thought, 'Great, now what have I done?' I thought, 'I bet my health insurance is going to go up,' or 'Is my car insurance going to go up?'"

Good questions. And obviously ones that smokers would have even more cause to ask.

Beyond that, our reader wondered what other information that black strip on the back of his license contains. Answer: At a minimum, everything that's on the front of the card – name, address, DOB, height, weight, license number. Hmmm. Suppose an overweight person buys a six-pack of beer. Where does that info go?

Not to his insurance company, or so they say. But after a lifetime of watching *mission creep* make its stealthy way into so many different aspects of surveillance, I have my doubts.

And speaking of creepy, there's no other way to describe the sinisterly named VIPR, one of the Transportation Security Agency's brilliant brainchildren, and a major notch on agency chief John Pistole's belt as he seeks to "take the TSA to the next level."

There are at least 25 Visible Intermodal Prevention and Response (VIPR) task forces – comprised of federal air marshals, surface transportation security inspectors, transportation security officers, behavior detection officers, and explosives detection canine teams – fanned out across the country. VIPRs began modestly. As of 2009, the annual bill was a mere \$30 million. But Pistole, a former FBI agent, has asked for a much more aggressive \$110M for fiscal 2012. It's a key part of his stated goal to turn the TSA into a "national-security, counterterrorism organization, fully integrated into U.S. government efforts."

What are we getting for the money? In their word, security. To my mind, Big Brother.

VIPR teams have been deployed to perform random security sweeps of transportation facilities such as ports, railway and bus stations, airports, ferries, and subways. But it's no secret that the government would like to expand coverage in order to "secure" so-called soft targets such as malls, stadiums, bridges, tunnels, and the like – and VIPR is the first step down that path. They've already blocked traffic in order to search trucks and cars on the busy Chesapeake Bay Bridge, near Washington.

What's next? Walmarts, restaurants, schools? The list is essentially endless. So, will pat-downs and full-body imaging become just another routine part of everyday life in the United States? Well, as Jim Harper of the Cato Institute aptly wrote, "The natural illogic of VIPR stings is that terrorism can strike anywhere, so VIPR teams should search anywhere."

There has been some pushback, notably in February, after VIPR took over the Amtrak station in Savannah, GA, and thoroughly searched every person who entered. When Amtrak Police Chief John O'Connor first heard of a blog posting about the incident, he thought it was a joke. It wasn't, and O'Connor went ballistic, ordering VIPR teams off of Amtrak property... at least until a firm agreement could be drawn up to prevent the TSA from taking actions that the chief says are illegal and clearly contrary to Amtrak policy.

Why the big search happened at all is unclear, but the most logical conclusion is that the agency was either practicing or perhaps simply justifying its payroll. You'd have to suspend a lot of belief to think that it came about because of an actual terrorism tip, because agents posted a sign at the station's entrance proclaiming that anyone who entered would be "subject to mandatory screening." And if that weren't sufficient warning to cause a would-be bomber to abort, chances are he'd just alter his plans slightly. The pathetic truth is that it's not even necessary for anyone departing Savannah by train to go into the station: If one already has a ticket, all one needs is to be dropped off near the platform. So the action wound up targeting such suspicious citizens as the elderly and infirm who had to sit down inside as they waited, mothers of infants who needed a diaper change, and the like.

The Savannah incident was a fiasco to be sure, but no more of one than when VIPR units were first rolled out on Dec. 12, 2005, then promptly pulled back two days later after it turned out that no one had bothered to inform local law enforcement. Upon hearing of these new semi-SWAT teams, a number of facilities, including the D.C. Metro system, subsequently said they had no interest and opted out.

It'd all be quite comical if these people weren't armed and taking their job deadly seriously.

Kate Hanni, spokesperson for the Coalition for an Airline Passengers' Bill of Rights, sums it up neatly:

They're trying to scare the pants off the American people that we need these things... Fear is a commodity and they're selling it. The more they can sell it, the more we buy into it. When American people are afraid, they will accept anything.

Will we?

[The trend of increased surveillance may be clear, but how an investor might profit maximally from it is anything but. A [three-month trial subscription](#) to *The Casey Report* will bring you insights from Doug Casey himself, as well as others who've learned to spot trends in the making as well as how to profit from that information.]

Social Media: Evolution of the Collective Conscience

By Aaron Bedrick

When most people think of social media, the first images that come to mind are clicking through pictures of a long-lost friend's fishing trip or following LeBron James' tweets from the locker room. Of course, this is what the vast majority of social media use is devoted to. However, social media have been used recently in ways completely outside of the mainstream: for example, Facebook and Twitter were instrumental in the revolutions taking hold across the Middle East and beyond. And there has been a steadily growing constituency of social-media users who see the value of using the dynamic, interactive brainstorming aspect of these services in the world of business. They are changing the game.

Twitter especially has been embraced by the financial community in recent years. Many big players in finance, including fund managers (@KeithMcCullough, @Makro_Trader), traders (@FuturesTrader71, @sellputs), and even pundits (@herbgreenberg, @jimcramer) are active on Twitter. And while a number of the heavy hitters choose to keep their true identities anonymous, their "tweets" still provide value.

Twitter "clout" is largely based on the number of followers one has: If one has a specific concentration for one's tweets and is followed by a large number of people, one is regarded as more senior in that particular field. As more sophisticated users join and actively use Twitter, the more valuable the entire stream becomes.

Being active on Twitter for these personalities can sometimes mean off-the-cuff one-liners about the decor of the conference they are attending or the waitress at the Palm, but far more often it is live color commentary and analysis on economic, political, and market developments. This is useful to the experts, who share their analysis and comment on their peers' views of similar events, but it is infinitely more useful to the novice, who can observe a groupthink between proven leaders

in their fields and learn from the knowledge that they dispense (for free, no less). Anyone with an Internet connection, an email address, and a thirst for knowledge can access live streams of consciousness of people who might charge \$50,000 for a speaking appearance.

Twitter not only gives one access to the thoughts of people normally tucked behind closed doors, it provides a channel for direct communication. Have a question about the way that your favorite grain trader defines a pullback in cotton? Ask him. He will probably respond, and subsequently you have just formed an online “relationship” with the person who you respect. On the launch date of Google+ last week, I asked the CEO of BNO News, Michael van Poppel (@mpoppel) for an invitation to the service after he tweeted that he had some available. I had never communicated with him before, but within minutes I had an invitation in my mailbox. The lines of communication between experts and laymen have never been so open.

The best feature for active traders, however, is the speed that data travels across Twitter. An example of this was in late April and early May. The CME, fearful of exponential price rises in commodities, decided to quietly hike silver and crude oil margins during the trading day, hoping to spark selloffs and bring the price down. The margin hikes were only a temporary fix, of course, and the valley created by the panic-selling was actually a buying opportunity.

The CME wanted the selloffs to be interpreted as genuine market action, so they kept the margin hikes quiet. Notices went out on the CME website, but there was no public press release. When I noticed the selloffs taking place, I simply checked my Twitter feed. Of course, there were over twenty tweets about the margin hike. Had I taken the selloff as a genuine market move driven by fundamentals, I may have become biased against higher price levels and shorted rallies, rather than buying the dip, which was the correct move. But armed with the free knowledge from Twitter, I was able to make the right move and profit from the opportunity.

To get a good start on Twitter, find someone who you respect in whatever field you choose, and view their Twitter profile. Look at the people they follow, make sure you would want their tweets showing up on your feed, and follow them yourself. Many find following a lot of people (200+) to be an overwhelming faucet of information. To divide the spigot into concentrated streams, one may create lists of people to follow and label them with whatever specific focus one chooses.

Twitter is literally a live collection of streams of consciousness; your Twitter feed should ultimately be a master stream of consciousness that spans the globe and is an expert in many areas. Expanding one’s virtual mind may be the next evolutionary step of the Internet; it is already boosting the real-time IQ of many who choose to immerse themselves in the collective conscience.

Additional Links and Reads

[Drone War in Pakistan](#) (*Spiegel Online*)

By many in the U.S., remote-controlled drones are considered great tools in the “war on terror” (whatever that is). These high-tech weapons have been bombing sites in western Pakistan for years. And Washington has lauded their precision and lack of “collateral damage.” But one local journalist says he has proof that civilians are often the victims.

[How the U.S. Government Uses its Media Servants to Attack Real Journalism](#) (*Salon*)

Earlier this week in *The Nation*, investigative journalist Jeremy Scahill published an article entitled, [The CIA’s Secret Sites in Somalia](#), documenting that the CIA uses and effectively controls a secret

prison in Mogadishu. This article by Glenn Greenwald explains how the mainstream media is keeping this story under wraps.

That's all we have for you today, dear reader. It's very late and I must run. Vedran Vuk will be back with you tomorrow. Until then, thank you for reading and for subscribing to *Casey Daily Dispatch*.



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