TFTC 418

**Marty:** [00:00:00] We're live. Peter St. Welcome to the show.

**Peter:** Thanks for having me on. Marty.

**Marty:** Thank you for coming on. I, I was just explaining, uh, I've been a big fan of the content. You've been putting out your weekly roundup podcast. You're only three episodes in I believe. Yes. From sharing that publicly. But I wanted to get you on because I think you're covering a lot of the stories of the news as it pertains to the banking crisis, the debt ceiling, just the overall monetary fiscal situation here in the United States from a very clear point of view, which is getting everybody back thinking about first principles of what's actually going on in the world.

Uh, which I think is extremely useful right now. Cause I think people deep down have this, this uneasy feeling if something seems terribly wrong, I'm not exactly sure what is wrong. And thank God we have people like you trying to help people understand. So we. [00:01:00] We were talking in DMS last week. You're like, what Do you wanna talk about?

Anything specific or the whole enchilada? We're gonna talk about the whole enchilada today cuz there's a lot going on and people need this information. So I don't know. Yeah. Where we should start. Obviously debt ceilings in the news, um, the banking crisis is going on, but I'm just riffing off of the weekly roundup that you posted today.

Uh, I think it'd be good to start towards the end. You talked about MMT and this whole concept of central planning. Which I think is the crux of the issue of, of is what started all of the problems we're seeing today, whether it be the banking crisis or the debt ceiling.

**Peter:** Yeah, I think you're absolutely right.

Mm. M t kind of kicked all this off. Um, mm. T itself has only existed for, what, 25 years or something. And Mm. T is really just sort of a custom version of Sian economics, which I think absolutely, uh, destroyed the world starting about a hundred years ago. [00:02:00] And, you know, the, the essence of Keynesianism is it's sort of built on the presumption that central planners can do economy better than the rest of us.

And, you know, we've known for a long time, for at least 500 years since Adam Smith, that that is, Uh, completely false that, you know, central planners, they are able to do one thing, which is to screw everything up that they touch. Uh, we have a natural experiment in the Soviet Union for some reason. You know, they, the, the optimism, uh, you know, is always there for them.

Uh, I guess the idea is, you know, sure we've tried socialism a thousand times. We have merely discovered a thousand ways. It doesn't work. Perhaps someday we'll stumble across the one that does. But, you know, the issueism was really kind of part of this revolution in the country that shifted power towards the bureaucrats.

And, you know, sort of the first, it wasn't called quinine yet, but sort of the first [00:03:00] instance of that was the effectively socialist economy that was imposed during World War I. And that had been deeply, deeply unconstitutional on every element of it. Uh, and you know, of course they used the war as an excuse to impose near total government control.

They literally had a bureaucrat. Like if you wanted to come up, uh, like with a new kind of shovel, for example, you had to get approval. There was like a department where they would look over your design and they would say, well, you know, there's already a lot of shovels in the market and it would be wasteful to have too many.

So, you know, let's just go ahead and make sure that your shovel is actually, uh, sufficiently different. Uh, you know, resources were allocated according to which industry is important for the wartime effort. So this is kind of the, uh, carbon footprint, permission economy that we're duplicating at the moment.

But of course on steroids, uh, I mean, just across the board you had absolute government control. The [00:04:00] jerks who installed that thing, they, you know, they got this taste of power that was just intoxicating, right? I mean, running the world is very, very intoxicating, I'm sure. Uh, and they really spent the rest of their careers trying to recapture that.

And unfortunately, they saw their next opportunity, which was the Great Depression. So they did it again. That was the New Deal. Carried that all the way through World War ii. And unfortunately, Dwight Eisenhower was, you know, he, he was the president after the F D R, uh, Truman Combination. And Eisenhower had an opportunity to take us back to normalcy back before the government took everything over.

But by all accounts, he was just not that interested in politics. He didn't change much. And so now here we are, what, 90 years later, we are still living with the. Essentially fascist economy that F d r, uh, imposed on the [00:05:00] country. So, you know, just bit by bit, we've been sort of, they've been running it along with bubblegum and bailing wire, and I think all of us feel that at this point it's accelerating the, the, you know, contradictions in the system, uh, the banking system, the monetary system, uh, the centralization of decision making on social policies, on economic policies really feels like these are coming to a ahead.

It really

**Marty:** does all at once too. I mean, you mentioned Yeah, the Hemingway quote gradually than suddenly in this weekly roundup, and it does feel like we're hitting the suddenly part of this saga, particularly when you juxtapose the, the banking crisis that's unfolding right now with the debt ceiling. It seems like the timing is not as opportune as, uh, the central planters would like with.

All of this going on all at once.

**Peter:** There, there was this great quote out of the 2008 crisis from John Stewart and he [00:06:00] said, you know, we keep having these storms, these events that are supposed to only happen like once every a hundred years or once every, you know, 3000, uh, earth creations. And, and yet these things keep happening every week.

So's like, I'm starting to think these are not perfect storms. I'm starting to think these are regular storms and we have a shitty boat. And I think that perfectly captures exactly what's happening now. So we have all of these crises coming together. We've got the banks collapse, we've got the inflation outta control.

You know, we've got, uh, the economy now turning south. We have just crisis after crisis, the dollar plunging. And it's tempting to look at it all and say, well boy, this is just the perfect storm. And the thing is, we, our system is it, you know, they, it, it's like they drive as close as possible to the edge of the cliff all the time.

And so any slightest breeze will turn it all into a perfect storm. And, you know, their solution in the past had been throw a crap load of money at it. Uh, in [00:07:00] 2008 when we hit that perfect storm. And, and I mean, that was all over the airwaves back then. Those, you know, who, who, uh, have the scars of that crisis, you know, that was like the mantra.

It's the perfect storm. Uh, so that took 4 trillion to dig outta that hole. 4 trillion of credit extended. And at this point, you know, we've now screwed that pooch where, you know, when you're bumping up against 10% inflation, that's no longer, uh, a choice. And so the one out that the system had to all this stuff they were breaking, which was, you know, shoot trillions of dollars at it, that is now in question, at which point the emperor has no clothes.

Yeah.

**Marty:** I mean, that's the big question right now. Does the Fed have another arrow in its quiver to paper over this again? Yeah, it was like John Stewart mentioned, and that was in 2080. Even since then, it seems like the, the time scale of these hiccups is begin becoming more and more compressed. I mean, we can go right.

[00:08:00] 2008, then you had the European banking crisis, and then you fast forward to September, 2019 when you had the repo market spasm, and then obviously we had the economic lockdowns and the trillions injected in 2020. And then we fast forward to this year and we have a, a proper banking crisis on, on our hands and it, and that's another thing there.

You can tell that the central planners, particularly Jerome Powell, Janet Yellen, the Biden administration, and even some in the banking sector, excuse me, like Jamie Diamond, are trying to quell fears, strong and resilient. His line, I think they've been given in the back, in the back of the stage, which is like, all right, just go tell everybody you're strong and resilient.

But one thing they're saying is that this banking crisis is not like 2008. It won't be anything like that. But if you look at the magnitude of the banks that have failed in the last two months, it looks like it could be a much larger banking crisis then we saw in 2008,

**Peter:** It honestly is looking like it could be [00:09:00] a lot bigger.

In 2008, you had almost no bank runs. You had banks that went in solvent because they had, you know, crap assets, uh, but you didn't actually have people lining up outside of banks pulling their money out, not in mass. You know, if you look at the, uh, total deposits, uh, you, you know, you had relatively little change in 2008, and part of the reason for that was that, um, you know, what we have right now is this massive systemic stress being put on banks because of where interest rates are.

And that did not happen in 2008, right? As soon as generally, as soon as a crisis hits, the first thing the Fed does is panic crashes, interest rates, and brings them as close to possible, um, to zero. And it does that because it knows that, you know, that's gonna give the banks a nice fat cushion this time.

The Fed cannot do that. Because it knows that, you know, if you yank rates down, sure it takes the pressure off the banks, but it also drives inflation. And the singular goal [00:10:00] in life for the Fed is to not lose its independence to hell with the economy, to hell with jobs. They have a political goal. We are, but you know, means to an end.

Uh, and so they know that inflation is how they get graded. Uh, if they let inflation get outta control, that's how they lose their independence. So they cannot use the tool that they usually use to paper over any sort of crisis. Not only can they not flush money in there, they can't yank rates down, which, you know, again, that's, that's the standard tool to fix the banks.

You, you shouldn't have to use that tool. Your bank, you know, it'd be super if your banks were actually sound and didn't need you to distort the entire economy to bail them out every so often. But any rate, that's the system we have and that's the only tool that the Fed has to rescue the banks. And right now it is afraid to use both, you know, capital injections and lowering interest rates.

So that puts us in a much dicier situation in 2008, which, yes, it was a crisis, [00:11:00] but the Fed felt like it had a, you know, a, uh, full, uh, quiver of arrows that it could use against us. At this point, I think honestly the Fed does feel like it's backed up against a wall. It really doesn't know what to do. It's kind of deer in the headlights.

**Marty:** Yeah, and that's another big question out there is does raising interest rates the way the Fed has over the last year and a half or year plus, whatever it is, actually curb inflation because they focus on demand destruction. That's what, and they can't say it explicitly. It's implied to a certain extent.

Fed speaks a very. Um, weird science that nobody outside of the Federal Reserve halls is perfected. But I mean, without saying it explicitly, they want to destroy demand by destroying the, the jobs market, uh, to lower wages. Yep. Uh, but they're not really focused on the supply side of things, which is where if you jack up the cr the cost of capital, uh, [00:12:00] very high, very quickly like that increases the cost for people to actually bring goods and services to the market.

So does it have this sort of counterbalancing effect on inflation with the rapidness, but by which they've, excuse me, raise

**Peter:** rates? Yeah, exactly. And it, it, it kind of sets up a foot race where on the one hand the higher rates are cra are, you know, crushing the economy so you're not producing as much. On the other hand, the higher rates presumably are also lowering, uh, the creation of new money via loans.

And it's, it's really a race between those two. And, you know, if, if the economy crashes really hard because of the higher rates, then the higher rates may actually end up not. Fighting inflation. In other words, they're shrinking the economy faster than they're stopping the money growth. And of course, what's frustrating is that there was a very, very easy solution staring the Fed right in the face.

Um, y you know, it's kind of popular now for people to [00:13:00] say, well, you know, Jerome Powell, you know, he had a, he had a bad hand dealt to him. What was he gonna do? He was, he was a really, between a rock and a hard place. That's absolutely false. It would've been extremely easy to end this inflation. He would've had to stand up to Congress and say, no, I will not buy your garbage bonds.

I will not, you know, enable your addiction to creating money. Right. There are about 7 trillion in deficit spending that was pushed out to buy Lockdowns and Jer Powell obediently played his part. There was a hearing maybe about six weeks ago, where a Republican asked. Jerome Powell, whether government spending had been part of the cause of inflation, which obviously at any economist, no matter your stripe, obviously if you spends 7 trillion into an economy, obviously that's going to increase inflation.

And Jerome Powell, boy, he got indignant. You may as well have like, consulted his wife. He was like, no, wild. Yeah, no, no, we don't get involved in that. He serves [00:14:00] Congress because he knows that Congress alone can clip his wings. They could pass a bill to audit the Fed. Uh, they could put it under more government oversight.

They could put it directly into the Treasury. And there's all kinds of ways that Congress can trim his wings. On the other hand, we, the people cannot do crap. And especially, you know, if they cover it all, all up with the jargon and the big word and that, you know, they've got the B T F and the, you know, they just keep on with the qe, you know, always with this, uh, language that's disguising what they're doing.

If they do that, then they think they are, um, Protected against we, the, the, the suckers. Uh, and then they just keep on, you know, playing, playing their part for congress, enabling the spending. So faced with the choice between reigning in what was causing the inflation, which was the historic increase in spending by the federal government, he instead chose to crush us, crush our jobs, crush our businesses.

So I have absolutely zero sympathy [00:15:00] for him. He could have fought for the people. Instead he chose politics. He chose to appeal, you know, sort of play inside baseball with the court. Yeah.

**Marty:** And here we are with the banking crisis and, uh, well now let's get to the fiscal side of things. Like with this debt ceiling that we're rapidly approaching, they just expedited, um, the timeline to when we'll hit that to within a month.

Mm-hmm. And that is because tax receipts are coming in well below expectations. And so again, more central planning, creating these negative externalities throughout the economy on the federal government side of the ledger, uh, they messed up the economy so much that people aren't making enough money, uh, to send the government back taxes to then support the, the programs that the government's, uh, putting all these budgets forth to spend on.

**Peter:** That's exactly, I've got this, one of my, um, favorite theories, [00:16:00] uh, on why fiat is bad, why central banking is bad, uh, which is that it divorces in normal times, it divorces government from the economy, right? So like in the state of nature, government is a parasite, right? We, we do useful things, we create businesses, we engage in commerce, and the government can swoop in and, and, and steal little bits of it for itself.

And while that's disgusting, uh, on the bright side, it does mean that government has an interest in us being prosperous. Right. So the government of Singapore has a much better lifestyle, uh, than, you know, the government of Cambodia, right? Because Singapore, they can appropriate so many taxes as a parasite.

Um, that, you know, governments generally prefer to do that. And one of my areas of interest has been economic history. And, you know, China for most of history has been the dominant, really the richest country in the world. You know, if you sort of pick one region that [00:17:00] hit the lottery, the maximum number of times it would be China and throughout history, that sort of notion was very, very well understood there where the job of the government.

Was to keep the economy going, to keep the people prosperous, rich, poor, everybody alike because only then are you going to have lots and lots of tax revenue and you're not gonna have peasant revolts. So there's a number of reasons why you might wanna do that. And indeed, that's what Singapore does. Now where are we at the moment?

Once you bring central banking and fiat money into it? Now the government doesn't need us anymore. It doesn't care if the economy's crashing because it just calls up the Federal Reserve it it, you know, it spends whatever it wants and then the Fed goes ahead and buys it up. That's pretty much been the pattern since 2008.

So at that point, the government can turn from a parasite into a predator, right? No longer does it care if we are eating because it eats just fine. Thanks much. And in fact, if there's some [00:18:00] kind of a crisis where the government can grow, even though it is destroying us, that is actually, that's fantastic.

For a government like that, right? Because it can use the crisis to print up an enormous amount of money, let's say 7 trillion. And it really doesn't matter whether any of us even have jobs. Perhaps we're sitting at home voting for lockdowns. So covid has been, you know, just the sort of culmination of this horrific, uh, uh, perverted incentive built into fiat where the economy is almost the enemy of the government.

And they went to town on that for what, going on three years now. And so now we're bumping up against it where. You know, sort of the, the merchant of death who's been fueling that whole thing, the Federal Reserve. They're saying, we gotta get out of this because we're afraid what's gonna happen to us next.

So they're now out of that. And now we've got a [00:19:00] government that has spent three years predating upon the people, and it's, it's serving the wreckage of what's left. You know, we've got this economy that's hobbling along, uh, a lot of the numbers that look good once you dig into the numbers, it's just rotten all through, you know, for what, we've got three and a half million people who have exited the, uh, labor markets.

That that's the only reason that jobs are quote unquote plentiful. You know, we got three and a half million Americans sitting on the couch instead of working. This is not a healthy economy. Uh, there was just a number out today that Tyson food mm-hmm. Dropped 16% because, um, because they missed earnings, because Americans aren't buying meat.

That is something that happens to like Venezuela. Okay. When a country starts getting really poor, really fast, you know, the first thing people do is buy everything on credit cards. They use consumer credit. That's sort of the credit of last resort for people. Uh, we're seeing what, there was a survey by Lending Tree a couple weeks ago that one out of 10 Americans are now buying groceries on [00:20:00] installment.

And now we've got people who are, you know, going off meat as if we're, we're, we're going down a third world hole here. This is not a healthy economy. And given the administration, given the Fed, uh, none of them have the Vegas idea how to get us back to something sustainable. Yeah.

**Marty:** It's very disconcerting.

And that's the other thing too. You mentioned like the labor market, the jobs unemployment came in at what, 3.4% lowest it's been? Yeah. Right. Yeah. This century. And it's like, eh, like you mentioned, the participation rate is probably. Something you wanna mention when you're putting those unemployment numbers out, shift to cpi, uh, you know, with hedonic adjustments and, um, yeah, the base effect.

It's a bit underreported, like inflation's coming down via c p I, but is it actually coming down in your opinion?

**Peter:** That is the big question. You know, there have been a lot of adjustments to [00:21:00] unemployment or to uh, to uh, to C P I numbers since the 1970s and even just last year, you know, if we used some of the 1970s methodology, we were definitely over 10%.

We may have been above 15% year on year. Uh, if you, you know, people were sharing all kinds of, uh, receipts online or talking about the things they were buying that had gone up 20, 30, 40%. And you know, whenever they would do that, others would come in and say, ah, you idiot. Here, look at the C P I numbers.

But I think there's a lot of doubt on that. Uh, so they've absolutely been playing with the numbers there. Uh, you know, this is a long tradition of governments. They constantly play with numbers. They play with the, the unemployment numbers, you know, taking people out. They have a special definition where, you know, in many cities in America now we have sort of these tent cities springing up.

Some people call them Biden Villas. Uh, and, and you know, [00:22:00] all of those people who are just kind of, you know, bent over on the fentanyl and whatnot, they are not counted as unemployed. I mean, unless they got up in the morning and went out and looked for a job and then perhaps got into the fentanyl later on in the day, those people are not counted as unemployed.

And the reason is because the official unemployment number, it only counts you if you are looking. So statistically somebody who is literally spending all day, you know, baked out on, on Fentanyl, you know, waiting for somebody to deliver a sandwich, that person is retired. Statistically they are not unemployed.

That is insane. So when we look around our, you know, I was, uh, about a year ago, uh, I moved down from a former sort of Rustbelt town in Northern New Hampshire. Been a paper town, and, you know, there are people all over town who they don't seem to be doing anything. Uh, and, but you know, you look at the unemployment numbers, my gosh, uh, what it was like 2.2% foil.

Boy, you know, [00:23:00] uh, people are being paid to exit the labor force. A lot of that is, um, you, you've got, you know, extremely generous unemployment benefits that paid a lot of people more to sit on the couch, uh, than to actually go and work the, um, disability benefits. Now, there are a lot of states that are intentionally trying to push people onto disability because the feds pay disability, but the state has to pay welfare.

There are all kinds of sort of games going on in there. And then there's a separate question of whether. You know, whether it's long covid or something else, uh, whether people, you know, actually like the bonafide number of permanently disabled people may have also risen. You've got all of these undercurrents that are very concerning and when you put them together, you know, just when you've got a two mile stretch of campers, uh, in California of you know, people, uh, essentially living out in the open.

This does not look like an economy that is, uh, strong as hell. [00:24:00] No,

**Marty:** no, it doesn't. And where does it, how does this end? Like are we in the end game? Talk about like gradually then suddenly when you take in the inflation numbers fed policy, the banking crisis, and this debt ceiling, Situation we find ourselves in.

Like, what do you think happens a month from now? Like, do you think they're able to solve that, that sealing crisis? If it doesn't go solved, what happens? Like another thing right? Thing about too, obviously we have the baby boomers all retiring now, so that adds an asper, exasperate exacerbating effect to the, the selloff and assets.

It does not seem like we're, we're in a position of power right now.

**Peter:** Yeah. I think the, you know, sort of the smart money on the debt ceiling I think is that they're gonna kick it. Uh, they're gonna kick the can down the road again. They have done that so many times. I think, I think they've raised the dead ceiling more than once a year going on like 50 years.[00:25:00]

It's just, it's, it's completely obscene. It is a forest every time. Uh, one could always dream that Republicans grow a spine. Um, but you know, I wouldn't count on it. So my guess is they get some face saving cuts. There are a couple things in the Republican offer that are sort of gaming the numbers a bit.

Uh, things like unspent covid funds that shouldn't really be counted as, as a spending cut that should just be refunded as is. So there are a couple games in there where they've got room for negotiation without really making an impact. Uh, so, you know, if I had to guess, uh, the can gets kicked down the road.

There's some kind of cosmetic reductions in the, not reductions in spending, but reductions in the imaginary future spending. This is the game they play. Uh, so I do not think much is going to change there. And, you know, certainly the, uh, regulators, whether it's the banks or sort of the economic policy makers, I, I think they're [00:26:00] about as dumb as we've had in that office for a long time.

And so they're, they are not going to come up with any clever solution there. Um, the question is just, you know, do they break it really fast or do they break it slowly like they, uh, used to? Um, now on the other hand, I'm maybe, surprisingly, I'm extremely optimistic. You know, one of the comments that I get online is, you know, people are like, you're talking about the world being destroyed.

Why are you so happy? And which I mean partly, you know, Gallo's humor is the only humor we have left. So, uh, whatcha are you gonna do? Um, but honestly, I am extremely optimistic in the long run for the reason that, you know, one of the sort of basic concepts in Austrian economics, or really in economics broadly speaking, is that if you leave the people alone, they will fix it.

All right. And so when people talk about the whole thing collapsing, uh, for me, I don't translate that into, you know, we're all gonna be eating the pets and then we're going to eat [00:27:00] each other. I translate that into the cavalry is coming. When the system collapses, the people take it over. The people take care of violent criminals in their midst.

We don't have to get into how that happens, but they do. Uh, the people take care of the economy. They start businesses. They, you know, no longer have these, this gauntlet of gatekeepers and regulators and taxmen. Um, you know, pork Fest is an annual libertarian, uh, festival up in, up in New Hampshire. And one of the things I love about going there is that there's businesses all over.

Man, this is like a campground, right? It was just a standard campground last week, but now this week it's got low cafes with the Christmas lights and it's got, you know, kids selling ammunition. Well, I don't know about that, but anyway, kids selling things that kids don't normally sell, it's got all kinds of cool businesses going down that just sprang out of nowhere.

Why? Because it's an unregulated environment, right? It, it, it. You know, the, the local man kind of turns a blind eye because, ah, you're gonna run a cafe for two days, [00:28:00] whatever. That's cool. So for me, when I hear the system collapses, that makes me very, very happy. Um, you know, be thanks to the Second Amendment.

Uh, I believe that people are gonna be able to defend themself, uh, if and when that time comes. And beyond that, I look forward to a very, very exciting rejuvenation, revitalization of the nation that gets us back to what our roots are, which is we fix it. We don't wait for some schmuck up above to fix it.

We ourselves take it in our own hands.

**Marty:** Yeah, that's, that is the most optimistic view of the future I've heard on this show in quite some time. And that's, I mean, that's a reason why I focus on Bitcoin. I view Bitcoin as this tool that you don't have to wait for permission to work on or leverage, uh, or educate people about.

You can look at what's going on in. The traditional financial system, a monetary system, and say, Hey, this looks like it's gonna run into a wall. I'm gonna begin building this thing over here. Which I think is an extremely [00:29:00] resilient alternative to, uh, the, the cloud show that is, uh, modern monetary theory and, uh, the federal government getting so large that it is probably the largest evil force on the planet that's ever existed.

And that's the other thing too, with Americans particularly, it's, uh, it's always baffled me that most Americans don't realize that the government is causing all of these problems. And yet they, they go running to the government anytime a banking crisis pops up, or, uh, COVID pops up and say, Hey, fix this for us.

And they inevitably make the problem, uh, a hundred times worse in very

**Peter:** short order. Right. Uh, yeah. Public education works. It does exactly what it's intended to do, which is brainwash the population and keep them intentionally stupid. So, um, I mean, I think the shocking part for me anyway, is how many Americans don't [00:30:00] believe the narrative anymore, right?

Given something like 96% of Americans have been through the, you know, 12 year madrassa that is, um, public education. You know, they've been nonstop brainwashed. A lot of 'em have gone on to college for an extra, um, paid bout of brainwashing. And yet, you know, we can debate the specific numbers, but roughly half the population, uh, twice now voted for a man who promised to bring the whole thing down.

Uh, for me, that's, that's the exciting part. And that's also I think why. As horrible as Covid. Uh, setting aside Covid as the political reaction to Covid has been for many of us, you know, the, the censorship, the violation of our rights, including religious rights, as horrible as, as all of those things have been.

Uh, in a way I'm, I'm very pleased that it happened when it did, because I feel like the government, the, the sort of, um, socialist totalitarian forces, they've been taking over [00:31:00] more and more of our society. They've been brainwashing more and more people. You know, you can look on a variety of topics where, uh, public opinion is generally not on almost any topic.

It's moving towards the sort of state favored opinion, and I feel like they, they sort of panicked. Uh, after Trump and Brexit that made them start thinking that, you know, they had been assuming for a hundred years that they were gonna win. You know, that, uh, victory is inevitable. You, plebs should just lie down and take it like a man.

Uh, and I think that Trump and Brexits kind of scared them. It made them start thinking, wait a minute. No wait. We, we might actually lose here. We're, we're starting to lose ground. Uh, and so they started sort of casting around panicked, looking for some way to, to basically recapture the World War I magic.

They didn't think about it that way, but basically to, to, you know, launch their revolution. Uh, and when Covid came, they jumped at the chance. And what, what thrills me [00:32:00] there is that I, I don't think they were ready. Right. I think they were planning that this long march to the institution. They were gonna keep going.

They were continue brainwashing. They were gonna get us to the point where we're like Canada, where like 15 or 20% of people are skeptics. And you know, given another generation or two, I think they would've managed it. So in a sense, as horrible as the covid political reaction has been, uh, for many of us, I'm, I'm very thrilled that they basically launched their invasion too early.

**Marty:** Yeah, that's a silver lining. And the theme that's been picking up, which is extremely encouraging is probably why you're in Florida and I'm in Texas, is that states are beginning to reassert their autonomy from the federal government. Which is something that I really hope, hope continues and gets stronger as we move through this decade.

Cause I think it's gonna be particularly important. Especially for, for Bitcoin. Uh, obviously the Biden administration and many Democratic, [00:33:00] uh, officials do not like Bitcoin, uh, because they can't control it. And they're, they're moving pretty aggressively to stop its growth in the United States, uh, whether it be stifling banking relationships with companies in the space or going on this energy fear mongering campaign with the, the mining industry.

And so I think as a Bitcoin, it, it's gonna be really important for states to stand up and say, Hey, federal government, uh, thanks, but no thanks. We're gonna let our citizens here play around with this.

**Peter:** Absolutely. And that's how the country's set up, right? We're supposed to be a laboratory of democracy.

These states are supposed to be sovereign. Uh, the feds pretty early on cleverly got ahold of taxing power. Uh, so, you know, ideally I would go back to the articles of Confederation where they didn't have that. But, um, but absolutely. And you know what I think is interesting about the. Uh, sort of anti Bitcoin Democrats [00:34:00] is that, you know, most Bitcoiners are, they do actually vote Democrat because they're young and young people tend to vote Democrat.

You know, there's a very strong age stratification in Bitcoin simply because it's, it's harder for, uh, I think older people to understand it. Uh, and so, you know, if you sort of go with the textbook politics 1 0 1 theories, then you would imagine that the Democratic party would be, you know, very, very pro Bitcoin because that's what their voters want and that's how democracy works, right?

And in fact, what I think we've seen is the exact opposite where, you know, I think what's happened to, I mean, to a certain extent in both parties is that given a choice between control and making the voters happy, the, the voters really don't matter, right? It's, it's how do we get more control? And to the extent the voters come in, the question is how do we get away with it?

How do we, how do we bamboozle the voters? How do we, you know, talk up the boiling [00:35:00] oceans with the bitcoins and, you know, how do, how do we sort of spin this narrative and, you know, give our marching orders over to, uh, to our, to our media friends, uh, in order to sell some narrative? And, you know, I, I, uh, I, I think that's happening in both parties.

I think that's certainly happening on a national level. Uh, you know, a lot of the things that are being pushed from the center at this point, I mean, they poll like 20% cbd, cs, for example, uh, you know, government, uh, surveillance coins. When those are actually poll, they score like 15, 20%. I mean, nobody wants this garbage.

And so you might ask, well, given this a democracy, uh, you would think they would stop pushing it, but they don't. They are serving some higher purpose than we the voters. Yeah.

**Marty:** Do you have any ideas of what that higher purpose is?

**Peter:** That's one of the mysteries with a lot of these things. It's like, You know, when they discover a hidden planet, not by seeing the planet, but by noticing the [00:36:00] gravity.

Okay. And they say, wait, there's this really weird gravity anomaly here. And then that may, you know, it makes 'em go and look for something that might have the kind of mass that would do that. And on a lot of these topics, you look at it and you're like, who the heck is pushing this garbage? You know who, um, I don't wanna get you, gets you in trouble.

But anyway, there's a number of social issues that I'm sure listeners can imagine. I'm not worried

**Marty:** about getting in trouble, so, sorry, I'm not worried about getting in trouble. So you can feel

**Peter:** free to free. Okay. All right. There we go. So, you know, stuff like gender, I mean, you've got to be kidding, right?

Like, you know, where is this garbage coming from? What is the hidden planet, uh, on cbd, cs, or, I mean, who, who, who is into this stuff? Sort of this, these redefinitions of, you know, core values in society. Uh, this is not the voters who are asking for this stuff, so where is it coming from? And throughout, you know, it, it's a challenge to discover kind of the, um, the hidden planet that is exerting these forces.

And, you know, I think it, you know, if we sort of gather it and sum it [00:37:00] up, uh, all in one, uh, it, it, the left has morphed from a. Uh, pro freedom party that prioritized the little guy. Uh, there, there are still particular politicians who I think, um, see their job that way, but I think that it is largely morphed into, uh, serving money, right?

That, uh, this sort of potemkin, you know, AstroTurf billion dollar agenda and that agenda is largely driven by which special interests are getting a cut. Uh, and you know, traditionally, I think there was a lot of that in the Republican party. They were not very good at it. So I think those special interests changed horses.

They basically upgraded to a faster horse, which the Democratic party obviously is. It's much, much better at what it does. Now, of course, both political parties wanna share in that they're both perfectly happy to eat at that trough. Um, so, you know, neither of us are our friends. Uh, you know, I think throughout [00:38:00] history there's always been a tension where the voters want one thing, and both political parties are trying to give the voters the absolute minimum possible so that they can maximize their take from donors.

So, you know, in each case, I think the donors are a different gang. They're pushing whatever crap the donors particularly want. Uh, it has little to do with what the voters want, and I think that people like you or I, I think our job. Um, is to sort of survey things. We, we are not beholden. Um, you know, we, we don't have special interests who donate.

Even, even though my day job is heritage, we take 1% of our money from corporations. We do not even know who they are. We have strict rules. We must like, I mean, they have no contact, we have nothing. Um, and so that to me is much, much healthier and our job is to, you know, serve as a counterweight, uh, sort of saying the emperor has no clothes, you know, pointing out a lot of [00:39:00] this stuff is basically AstroTurf, that's billionaires pushing in, you know, green energy or whatever they're making money on this week.

**Marty:** Yeah. It, it almost seems like a form of maoism has taken over United States, like we're caught up in this color evolution where the powers that be the influence, the donors, whoever's behind it, and they're just trying to disassociate the American populace from. The truth, whether it be the transgender stuff going on, it's like you're trying to make us believe like there isn't an xx and an x y chromosome in biology, right?

That defines a man and a woman. Um, uh, whether it just be like disinformation, believe the experts, like you have to listen to these people. Like, and if you say anything outta line, we're gonna, we're gonna kick you off the internet. I mean, we've been kicked off of YouTube a couple times in the last year for talking about, uh, the vaccine particularly, but Yep.

And if you, everywhere you look and then [00:40:00] if you know history, particularly a few study how MAL came up and what they did during that color revolution, there's a lot of parallels going on now, which is disconcerting. And, um, it is, it feels like something that we need to get ahead of and say, Hey people, you're being emotionally manipulated to be cattle herded into this.

We're well in. Future built on a digital pan Opticon.

**Peter:** Yeah, I think that's, that's very well put. And, you know, that's, that's exactly what we're going through, um, was the culture revolution. You know, they, they wanted to destroy everything old. The goal was to de resonate people by cutting that off with their history.

Uh, there's a, you know, concept for example, um, which I'm, I'm like 50, so, you know, this is all fascinating to me. But apparently there's a concept among younger people of, uh, the film bro. And what the film bro does is he goes and watches like Pulp Fiction or Fight Club or, [00:41:00] you know, um, Uh, American Psycho.

He watches older movies that are apparently not approved, and he's like into that and it makes him kind of weird. And, you know, uh, uh, point being that there's this sort of clear lining up of, you know, what is the approved media and then what is the sort of rebo. Um, and you know, I think their goal here is to keep going and, and basically put a line about around that so that any, any of that unapproved material to try to keep that away from people, you know, because it's problematic.

Uh, and I mean, just in every single detail, that is precisely what was done in the, uh, culture revolution in China. You know, they burned all the old temples. Um, they, you know, were very aggressive about, uh, pushing back against your parents because your parents would've, these old-fashioned points of view that were left over from the feudal evil society.

Um, yeah, they are absolutely implementing that now. I think the good news [00:42:00] again, is that they launched their revolution too early. Right. The, the ground was not fertile for such things, and I don't think they'll take root. And the evidence is that if anything we are gaining cur converts on the skeptic side, you know, so there are people like, uh, Jordan Peterson or um, Elon Musk who they did not think of themselves as, you know, counter mainstream.

Uh, I mean, Jordan Peterson was a psychology professor. Um, generally you don't get there, but he was religious. Yes. So, you know, that did set 'em apart. Um, but they did not see themselves as sort of ta torch bearers for the, um, to fight against the elite. And yet, you know, the elite, it, it sort of feels like they're moving the goalposts so quickly that you are getting a lot of people who are coming over, I think, uh, to the side of the skeptics.

So in that sense, I am very, um, optimistic. You know, again, on, on gender issues, on a lot of social issues. Uh, there [00:43:00] seem to be more people who are willing to express alternative viewpoints. Uh, in other words, the trend is moving, I think in the dir in our direction towards the direction of skeptics. If they had launched their revolution 30 years later, like Canada, I'm not sure that's the case.

Uh, you know, Canada, uh, I think that the people who complain in Canada to a substantial degree, they complain alone. Or certainly among Bitcoin or Canadians, a large number of them have left. Um, so I think that's where we would be if they had sort of chosen their timing, uh, on their own schedule. Yeah.

**Marty:** And then you have Bobby Kennedy.

He's pulling at what, above 20% right now, a couple months into his campaign. It's

**Peter:** very, he's, he's really exciting. I mean, he's got, you know, there's a perfect moment for him. Biden is so useless. Um, the question at this point is now we test the hypothesis whether d does the media carry water for, [00:44:00] you know, say the Democrat party?

Or does the Democrat party carry water for the media? Right? In other words, has the media actually taken the country over in a coup and they can ultimately decide? So I, I, I, I think it'll be fascinating if one wanted, uh, like the Democratic Party itself, I would think, um, might want to go with, uh, Bobby Kennedy, because, you know, he's a centrist, he's a heck of a closer to Bill Clinton, which was kind of a winning coalition.

Um, you know, I don't think. Either Kennedy or Biden have quite the charisma or the, uh, interesting resume of Obama. So, you know, I don't think that's within their reach, but certainly if we live the Clinton model, uh, they should go with Kennedy. On the other hand, you know, Kennedy's got a lot of points of view that the media does not like, for example, alternative energy or, um, uh, vaccines, things like this.

So I, I think it'll be fascinating over the next year so far, and correct me if I'm wrong, but so far it seems like the [00:45:00] media is, is sticking with Biden and, and they're not interested in this sort of c Clintonian reaching out across the aisle?

**Marty:** No, I mean, they've gone as far, I don't think they plan on having any primary debates, which, yeah, I think, I think, uh,

**Peter:** I don't know if that's, that's a very pro Biden position.

Yeah. Yeah. I don't know

**Marty:** if they're like afraid of Biden speaking. Yeah. Or they genuinely just don't, outsiders getting in. Yeah.

**Peter:** Yeah. All of us are afraid of Biden speaking to a certain degree, but yeah. Yeah, I can sympathize.

**Marty:** I mean, he's emblematic of the state of the country. Literally an old senile man can't string together a coherent sentence.

It's yes, how far we have fallen. It's, uh, but again, I'm optimistic like you are, but it is unnerving everything that's going on. I got two young boys trying to navigate the world that they're growing up in. It's like, what is this country gonna look like, uh, when you're 18, 15 years from now? Like, [00:46:00] can we fix things by the time you're becoming an adult?

It's something that's in my mind constantly. And again, why I focus on Bitcoin. Cause I think that's a big tool to do that. Um, but again, if we're reaching the then suddenly part and the federal government as we know, it fails to maintain their grasp of control. How quickly do you think. American citizens working within a truly free market could turn things

**Peter:** around.

Oh, instantly, absolutely. Instantly. Um, there, you know, Hollywood for Forever has sold this narrative that, you know, whenever there's a major crisis, you know, you gotta wait for, you know, the policemen to show up because everybody's at each other's throats. When you look at actual humans and actual crisis, that, that is goofy, that is not at all what humans do, humans organize.

They are so impressive. If you take something like, um, like a plane crash, you know, if you have survivors, uh, like in the Andes and just, I mean, [00:47:00] people come together, they fix crap immediately. So, you know, I think the danger in a crisis is not from the government collapsing and the people taking over. The problem is that you have this sort of transition period in the middle where the government is sort of there, but it's not entirely there.

Right. So for example, uh, would vigilantes feel emboldened to, uh, defend their property? Well, there's a certain stage that government gets to where the risk to being a vigilante is still very high, right? So when the government is functioning and, and I mean this is across the board of many countries, it will go after vigilantes far, far more aggressively than it will go after criminals.

Why? Because the vigilantes are the competition, right? The vigilantes show up, how, you know, lousy. Um, government's, policing powers are, and you know, the, if you've got like a vigilante, um, uh, [00:48:00] justice somewhere in America, the F b I, they'll fly down like a dozen agents. They'll set up a field office, they'll requisition, sp gotta catch this guy.

On the other hand, you know, some random dude just goes around and shoots kids and, ah, you know, that's a random day in Chicago. Uh, so there's this very, very differential treatment towards people solving their own problems. And there comes a stage in every collapse where it's kind of twilight. It's not quite, uh, it's not quite, or I guess, uh, dawn would be the better, uh, image.

It's still kind of light, uh, dark, but it's not quite daytime yet. And that, that dawn is the dangerous part because people are, uh, still afraid to defend themselves. Um, but the government has gotten even worse, uh, than normal at maintaining public safety. So, Without a doubt. If it comes to that, then there will be a lot of victims.

It'll be very, very tragic. Um, and I do hope that Americans, uh, confidently self-organize quickly. Uh, but you know, if we do look back through history, [00:49:00] there have been many, many times that society's collapsed. Uh, Japan after World War ii, for example, the government was, I mean, it was prostate, you know, there was, there was effectively no government.

Um, you know, people say, wow, that's Japanese. But I mean, you get that in countries where people can actually self defend. You know, throughout American history, there have been many periods where, out west, for example, the government was either temporarily or permanently, um, at a commission. Perhaps it was distracted or a na, you know, a natural disaster.

There are a number of reasons, and people do not, you know, suddenly start. Stealing their neighbor silver. Uh, they get together, they organize, they, you know, if they're worried about public safety, they put up roadblocks in their neighborhood. They, you know, trade off who mans it. I mean, there's, people are astounding.

They're, they're, they're very, very impressive. And indeed, that's the entire premise of our system, right? The reason why we trust voters, because voters are amazing. Uh, people in government are not amazing. They are to be controlled by the real, [00:50:00] you know, uh, impressive leaders of our country, which are the people.

We forget that because so much power has been taken away from us. You know, and because government schools sort of, uh, try to indoctrinate us into thinking that we serve the government, no, the government serves us. Why? Because we are better than them.

**Marty:** Yeah. And I, I, to paint the picture, like how, how big has our government gotten in the context of, oh my goodness.

Of history. Yeah.

**Peter:** Yeah, I mean it spends, uh, at the federal level about a third of what we take. So in other words, uh, if you work a five well and, and then uh, you add state and local and you know that that brings it up well past 40%. So, you know, if you wake up five days of work, uh, five days a week and go to work, two of those days are for the government.

You are working for the government. Everything you earn that day is going directly to the government. You get none of it. Uh, that's quite astounding. Um, at the time that we got independence from Britain, it was more like five or 10%. I think it might actually, it would've been [00:51:00] substantially lower. They were trying to bump it towards a couple of percent and that's what set us off.

Uh, so I mean, it's really been impressive. You know, I have to. Uh, give credit to the socialists, uh, long marks through the institution that, you know, put us into a world where almost half of what Americans produce now in places like Canada or Europe, of course it's even higher. It can be 50, 60%, but I mean, those are Europeans and Canadians where Americans, uh, so it is pretty shocking what they've achieved.

If you, you know, go on to look through just, uh, all of the, um, the economic choices we make, the social choices, you know, how we live our lives, uh, they're an increasing number of areas where you have to ask a. Bureaucrat for permission. One of my favorite examples, just kind of paint a picture of what things looked like before.

You know, I mentioned earlier that there was kind of an economic revolution in the country where the government took over around World War I, and if we look, you know, if we ask what did life look like before that? [00:52:00] One of my favorite examples is that Yankee Stadium used to be built in a way that you could see the games from the houses around the park.

And so what people would do is they would reinforce their porches and they would put railings up and, you know, benchers, uh, and, uh, sorry, Beachers, is that it? Yes. Uh, anyway, they would put seating up there, uh, and, and then, you know, people could come into the house and climb up and they could sit there and watch the game.

And, you know, mom would, would be cooking something downstairs and, uh, you'd have beers, of course. You know, and so, I mean, j just kind of get an idea of how the country worked before the government took over. You could do any kind of commerce you wanted, uh, if you wanted to start a business, if you wanted to sell something.

Now you were still, uh, um, subject to common law, right? So, you know, if your product that was unsafe, there was a reason they were reinforcing their porches. They didn't want to hurt anybody, uh, [00:53:00] because the legal system was very, very strict with you if you actually hurt somebody. But that was just common law.

That was not some bureaucrat deciding this, that was just, um, you know, longstanding, uh, negligence rules that have been around for thousands of years. You did not have this regulatory gauntlet, this bureaucracy where you had to ask them for permission. And getting back to that, you know, sort of back of envelope, if I had to guess how much that government bureaucracy, that sort of permissioned economy is taken from us, uh, back of envelope, I'd guess we'd be about seven times richer today.

Which, you know, a seven time difference in wealth is roughly the United States versus Bolivia. Okay. I mean, we, we, we have lost a ton to this bureaucratic super state, and that's not even getting into the inventions that we don't have. Right? I mean, al almost everything. Uh, that we call technology today was invented over a hundred years ago in the late 19th century.

Every single thing that Elon Musk deals with, [00:54:00] and by all accounts Elon, is dealing with the cuttings edge of technologies. All of those were born in the late 19th century. We are coasting on fumes. Let's see, um, electricity, magnetism, uh, rockets, uh, computers, cell phones, uh, via transmission of data. Every single thing that we call technology was born in basically between eighteen seventy, nineteen, ten.

And then it had gone through little tweaks along the way. Um, you know, give an example. We had all of the ingredients for the internet by the 1950s. Something called ethernet and you know, they were using it to route around offices. Um, the government actually banned an e-commerce on it because, uh, they had funded it.

They had funded it by pouring so much money in it that it stole people off of the projects that were actually trying to commercialize 'em and put that on the government projects that were explicitly banned from music just across the board. Like, once you start going back through history and recognizing all that we have lost how much poorer we are, [00:55:00] how, you know, we don't have any mortality.

We still have people dying of cancer. I mean, it, it, you know, and you, you go back to that period of optimism before the government took over. And I mean, you can see it, you know, if you read, uh, science fiction like Jules Fern, you've got all these images of the future where, you know, everybody lives forever.

They're forever young. You've got the flying cars, you've got the robots, you've got the whole thing. And people laugh at that today. They say, ah, they were so naive, they thought we would've all these things. No, they weren't naive. We killed it. We have killed it, and we have been coasting on fumes. So, uh, I mean, honestly, when you look out to, you know, the next generation, what kind of world we're gonna build for our children, I would absolutely love for it to come to a head.

Uh, I would love for, you know, to give the people a chance. There's a reason that the people are sovereign in this country. That may have seemed insane, but our founding fathers made that decision. I would love to find out or to, to, to re-experience the wisdom of that decision, [00:56:00] uh, and get back to rebuilding the country minus this, you know, bloated overlord that, that, um, that is turned from a parasite into a predator.

Yeah.

**Marty:** And it's extremely frustrating. Obviously tax season, uh, was upon us a couple weeks ago and you, you pay your taxes and you see that two days of your five day work week just going straight to this behemoth predator and. Return on that investment. I think that's another, I mean, less charged way to approach this is just simply ask people like, do you feel like you're getting value out of the money you're sending to this predator?

And when you look at the state of the healthcare system, all the wars that we're engaged in all this idiotic energy policy, it is criminal like having to send, uh, the government our money and then they literally light it on fire. Literally in a war or with

**Peter:** Yeah. Terrible programs. Yeah, I [00:57:00] was gonna say, I would literally prefer that they light it on fire, you know?

Um, the issue with, um, starting a war, part of it is the cost part of it is, you know, of course the lives, the, um, what that does to our political system, I mean, universally, Um, you know, certainly during the Cold War, whenever we go to war with somebody, we import their system. We don't spread freedom. We import authoritarianism.

You know, this was true. Our, our response, uh, to the Soviet threat, uh, we're now seeing it with this, uh, so-called TikTok Ban Patriot Act 2.0. Uh, so we, we import the authoritarianism. So honestly, if it was just a question of taking the money and lighting on fire, I would take that in a heartbeat, by the way.

It would then, of course, cause deflation, which would make all the rest of us richer. Um, but, you know, it's, it's not just that the government wastes the money, it's that the government actively uses the money to destroy us. And that's not even getting into, you know, if you're paying a bureaucrat [00:58:00] salary like an e p a guy to go out and try to find random species that nobody's ever heard of or ac uh, they actually invent species.

They'll, they'll take a species that exists in a lot of places. And they'll call that No, no, no. This is a, this is a southern Kansas grouse. You see, and you know, this is endangered and so we must protect this. Uh, I mean, there, there are games that they play in order to get, uh, control. So the issue is not just that we're paying that guy's, you know, a hundred thousand salary to go and, you know, invent new species in order to close down businesses.

Uh, the, you know, it's not the salary. I would per, in fact, I would pay the guy to salary to stay at home if he would just get out of there like, quit, go home. That's fine. You can be retired for the rest of your life and you know, we will pay your salary. Just get out of the e p A and stop destroying the economy.

**Marty:** Yeah. No, it's, I mean, with energy policy too, particularly, it's for sure energy is the base layer of the [00:59:00] modern economy that we have of life. Energy. I mean, you go back to caveman, like literally eating meat to energize yourself to go figure out how to augment the wheel, like it is the most important part and.

We seem dead set on destroying our energy infrastructure in some weird way to appease this idea of a catalytic cataclysmic climate crisis that I earnestly don't believe is actually real. Uh, and yeah, and again, we look over to Germany, you look over to Europe and we can see exactly what's gonna happen here a decade from now.

Cuz they started this, uh, the turn of the century. And like when it comes to Bitcoin mining, like at night, um, part of a company and we're going up, we're finding stranded natural gas wells that aren't being maintained. They're leaking methane at the atmosphere. We're putting a generator on them, mining Bitcoin with them, like that is a free market solution to the stranded well problem that exists throughout the country.

[01:00:00] Um, yeah. Yet the, yet the government doesn't want us to be able to do that.

**Peter:** Yeah. And, and that's what's so funny really across the board is that what they claim to be fighting for is not actually what they fight for, right? So, you know, if you take, um, I mean you see a lot of it in energy, but the stranded, uh, production, you're talking about flaring, right?

So if you're just letting things flare out, that is very, very bad for people who live nearby. It's bad, you know, if you accept that, um, uh, CO2 is a pollutant, then obviously it's bad for that. So even under their own premises, they should be doing everything possible to try to get Bitcoiners in there to capture that.

You, you've, uh, I mean, of course, you know, you know, it's a similar issue across all of renewable energy, where a lot of these things are built basically as boondoggles or as you know, um, political payback for donations. And so they're built in the middle of nowhere. Um, or, you know, they're built in competently.

Like, yeah, the wind is great here, but nobody lives there. You know, in which case you're gonna lose a crap load of it through the transmission lines. I mean, [01:01:00] they're, they're, they're just built in a very, uh, sort of central planner way. But the thing is that Bitcoin can actually take advantage of that. Like, uh, uh, can turn that frown upside down, right?

They can actually take all of those useless boondoggles and do something good with it, which is maintain the monetary system. So, you know, there, there are tons of opportunities, and I think it's, it's sort of a tell from the allegedly pro-environment, uh, policy makers where when you present them a solution to their problem, right?

They're concerned about co2 or they're concerned about, um, you know, breathable emissions from flares, okay? They claim to be concerned about those things. I believe they're concerned about those things. And yet when you come in with a solution, as soon as you say Bitcoin, they just, it's, it's weird. It's like they have this phobia, um, you know, perhaps because.

The issue for them, yes, they care about whatever topic they're selling at the moment, but the, the sort of bigger [01:02:00] issue for them is, is almost this religious belief that the only way to save the world is to centralize power in the government. You know, that, that the world is like a classroom of juvenile delinquents where, you know, if you let the kids, if you leave them alone, they're gonna burn the place down and, you know, kill each other.

And so you've gotta have the teacher in there. You gotta have a strict teacher in there to straighten them out. And I mean, I think honestly, they see the world that way. Perhaps they're trained that way because of public schooling. Um, and so when you come in and, and, and you say, okay, you've got these goals.

Here's a solution. And they say, no, no, no, no. That involves the juvenile delinquents. My God, no, the, yeah,

**Marty:** no, like the adults in the room, the politicians, oh, pardoning on all this, and. I'm really trying to centrally plan the economy. They, that's the other thing too. Most of them never actually worked a day in their life and they, they don't know how to, [01:03:00] they wouldn't know how to solve these problems.

Right. Like even if they weren't in the government. Cause they've never actually, that's the other thing. When you get to like information theory and you have all these people in DC making these broad brush decisions for the whole country, like they're literally removed from the source of information that would allow you to make positive economic decisions like where they need to be made.

Like just from that like hierarchy in that topology of how information is controlled essentially in DC Um, and they, they make or they make controlled decisions off of this data that they're completely. Dislocated from, it's very

**Peter:** frustrating. It is, and in theory, the solution would be for them to reach out to business people and get input from business people.

Uh, of course that relationship takes about five minutes to turn into a crony [01:04:00] relationship. You know, business people are no dummy, so they'll say, oh, wait, I got a senator calling me for advice. You know, how could I possibly take advantage of this situation? You know? So if we take financial, uh, regulation, for example, I mean, politicians are very open about, you know, they'll say, well, you know, we're not bankers, so we gotta listen to the bankers and say, well, what could possibly go wrong, my man?

Um, and, you know, it's, it's an impossible problem. I mean, once you have power, there are only two ways to wield it, either ignorantly or corruptly. There is no other way. And therefore the solution, the, you know, thousands of years old solution is don't have power, leave it to the people. So rather than, you know, making, um, regulations on finance, you let entrepreneurs create products.

Um, you let the tort system handle any kind of deception or fraud or violence or anything like that. And other than that, you let consumers who are not [01:05:00] juvenile delinquents, they are the sovereigns of the republic. They are the ones who the government works for you. Let them choose what they want.

Regulation, you know, uh, what they want regulation to look like, what they want the economy to look like by making their own choices, not by having some overlord coming in and telling them, choosing what's best for them.

**Marty:** Yeah. And how do you, how do you see Bitcoin playing into all this? Do you see playing

**Peter:** it at all?

Uh, I think in the near term it is, I think mostly a lifeboat. Partly, you know, just because, um, it does take time to learn about it. I think. I don't wanna sort of overplay the Bitcoin is hard to understand because I think, honestly Bitcoin is a lot easier to understand than the financial system. Like, if you make a decision that you wanna figure out how central banking works or you wanna figure out how like, credit card systems work, that is not easy.

Okay? Honestly, that is harder than Bitcoin. And you know, [01:06:00] big reason is because it's intentionally hard. A lot of these things are very intentionally made to be difficult. Bitcoin is as simple as it can possibly be. Um, but you know, because it's, um, Because it has its own built-in incentives and because it's frankly perfect, uh, that does make it a little bit complex cuz it works.

Um, but I don't actually think it's that complex. I think that we get to some tipping point where there are a sufficient number of people in society, uh, who understand it, that the rest of them just kind of take it on faith. Uh, that's how credit cards work, right? Like when you, when you tell a kid, you know, you give him a credit card for a 16th birthday and he's not like, I don't know, man, it doesn't look like money to me.

Is my money really there? No, because everybody else uses credit cards and at some point the kid says, well, if everybody uses credit cards, they're, they're probably legit. So, you know, I, I don't think we have to convince every last grandmother, grandmother in America. Um, but, you know, I do think there's some point, and I have no idea, maybe it's 20%, 30%.[01:07:00]

Uh, who understand it well enough that, you know, when other people say, is my money really there? Is there really anything backing yet that these people can sort of explain or, you know, ideally that we get to the point where people don't even ask that anymore than they ask that, um, about a credit card. So I don't know how long that process takes, and depending how long it takes, I think that's what defines whether Bitcoin is going to be more of a lifeboat in the early stage of that, or more of our savior in the late stage of that.

Um, but I do think, you know, if we look far enough out, whether it's 30 years, 50, a hundred, um, I think that Bitcoin ultimately saves humanity. Um, which is gonna sound ridiculous if you're not already a Bitcoiners. So I encourage you to just learn more and it'll make sense over time, trust me. Um, but that, you know, Bitcoin does for us what gold has always done, which is that it's safeguards, uh, in enormous part of our freedom against, um, you know, would be [01:08:00] control.

Gold, I think turned out to have a very fatal flaw, which is that, uh, it's physical and you know, in a sense that's selling point. You know, it's, it's backed. I mean, that is the selling point. But the problem is that it also introduces a fatal vulnerability, which is at once it's, uh, physical. It has to be located somewhere.

It has to be centralized somewhere and it's gotta have a wall around it. It's gotta have armed guards and, you know, emote with crocodiles, with lasers on their head. And governments know how to exploit those. And they did. You know, so I think one of the questions on gold, people might say, well, if gold is so amazing, then how come no country today uses gold?

Which is correct. And the answer is because governments are very, very good at violence. It's their core, it's really their only competency. Uh, and so governments have over the course of, you know, largely the past century, they have seized gold. Now, eventually they're gonna screw up. We know this because that's the story of history.

Governments sees the money and then they screw it up. Uh, eventually they'll screw it up, and [01:09:00] if they screwed up, You know, pretty quickly then I think we probably go back to essentially gold, uh, some kind of gold back system, just because people are more familiar with gold. Um, I mean, some people will go to Bitcoin, some will go to gold, but I imagine the majority of would go to gold.

Uh, if it takes 'em a long time to screw up, then I think, uh, instead enough people will know Bitcoin that we just go directly to Bitcoin, and I should know what that, you know, e even if they're, if the, you know, sort of collapse, I, I prefer to say screw up because collapse sort of, you know, plays into that whole Hollywood disaster thing.

It's not, I don't think it's a collapse, I think it's a renaissance. Um, but anyway, if that Renaissance occurs the next 10 years, you know, I imagine people go to gold, uh, and then Bitcoin keeps doing what it's doing, which is convince people, um, conversation by conversation. And I would imagine that either way, In 50 or 70 years, we have a Bitcoin based economy, uh, which means that government is out of the business of printing money.

It would be much, much smaller than it's today. We would not have the boom bust [01:10:00] cycles. We would not know what a recession is. Um, you, you wouldn't have a quote unquote business cycle, which is entirely a creation of government. Uh, so I, and you know, of course you also wouldn't have institutionalized inflation.

You would probably have mild, uh, deflation that would go at the pace that the economy's growing. I think we'd be much more prosperous. So personally, I very much look forward to it, um, with those caveats, right, that, you know, it's, it's, we don't know what path it's gonna take to get there. But I think we don't know how each chapter ends, but I think we do know how that book ends, which is, um, Bitcoin is world money.

Yeah,

**Marty:** no, I really like explaining Bitcoin is complex cuz especially when you juxtapose it with the incumbent monetary system. Like systems can be complex or they can be complicated and actually right. You want them to be complex and complex. Um, Is it systems that are complex usually are emergent systems that you have this incentive structure that the system, [01:11:00] uh, grows up within and then it turns into a complex system like Bitcoin with 21 million cap.

Uh, miners produce the blocks, nodes run the consensus rules. You have a difficulty adjustment, you know what's coming when, uh, it's very simple to understand, but it is a complex system. Whereas the Federal Reserve system's extremely complicated. You have all these new debt facilities and uh, only certain privileged entities or individuals can get access to particular parts of the system.

Uh, we were joking before we hit record about Krugman coming out and saying, Hey, it's really good that people don't understand this cuz we don't have to explain it to them. They just take it at face value. We can do what we want. Right. Um, so when it comes to like Bitcoin, it's not really learning what Bitcoin is.

It's more unlearning that. You took for granted that money just worked a certain way and you actually never took the time to properly understand it. And the government money, quote unquote money you've been using your whole life isn't actually

**Peter:** money. And even [01:12:00] on sort of the retail day-to-day level. So like, um, you know, Bitcoin fundamentally is what people think money is.

Okay? If you own a Bitcoin, it is your Bitcoin. Um, it is not, you know, reh, hypothecated. It is not it, it is not an imaginary back, uh, Bitcoin that is, uh, fractional, reserved. Uh, if it's yours, it's yours. It is exactly what grandma thinks her bank account is right now. On the other hand, what is a bank account?

Holy moly, right? You put a hundred dollars in the bank, they xerox your a hundred dollars and put a little picture of it there, and then your money is out the back door. It's out being lent in Argentina or, or, you know, whatever, whatever yield the bank can chase. Uh, if they lose it, then you know, you're outta luck.

Uh, you gotta go to the government and try to beg for insurance. You know, a, a bank account is nothing like what people think. Like if you've got a hundred dollars in the bank, no you don't. You have a relationship with a bank to which you have lent your money. There's actually a professor a couple years ago outta Switzerland, [01:13:00] he literally, let's see.

He borrowed 250,000 from his bank, uh, in Switzerland. And he sat down with him. He was a PhD professor. He sat down with him and he said, okay, can you write out exactly every step along the way, because I wanna know. I, I want to understand how money is created because apparently there is a massive debate among PhD monetary economists how money is created.

They don't exactly know. And what he concluded is that, so like if, if, if you borrow money from a bank, you, um, they won't lend you money unless you have an account at the bank. You may have noticed. And that's not just because they want you to like, you know, be a customer and you know, you know, give us some of your business.

No, there's a very specific reason for that, which is that they don't have the money and they can't, you know, they can't just, uh, write 250,000 and put it on a piece of paper, uh, for you [01:14:00] to take somewhere else because they don't have it. They're not creating, like, they, they create a debit. In your account, which they can do in-house because they match it up with a new asset that they just pulled out of their butt, which is called a loan from you.

I mean, it's, it's quite astounding. Um, but the moral of the story is that grandma thinks she has a hundred dollars and she went to the bank and she thinks the bank put it in the vault and maybe lent some of it out, maybe didn't. But like that's, that's what grandma thinks a dollar is when, when you actually dig into this PhD, economists don't know what a dollar is like.

I mean, to actually go to a bank and be like, help me understand this. Let me, let me just follow a long step by step. It's insane. Nobody knows what the fiat system is. So given that, you know, I wanna argue Bitcoin is one hell of a lot simpler than fiat money. And fiat money is largely, it shouldn't be complicated.

It should be what people [01:15:00] imagine, which is how you take your money in the bank. They put it in the back vault, maybe they lend it out, maybe they don't. We can, you know, we don't have to get into full reserve banking, of which I'm a huge advocate, but the point is that it's, it's, it's much worse than that.

Um, you know, it's not just that they reland your money, it's that, I mean, l literally the whole dynamics. It, it's, uh, you've got like little money printers, little counterfeiting machines in every bank, in every country in the world, in addition to the central banks. And, you know, through all of this, grandma has no idea what's happening.

And so when her bank collapsed, she's like, where did that come from? My money was just sitting there. So I, you know, I would argue that by that Byzantine design, Fiat, Uh, it's effectively a fraud on the people, uh, a fraud because it is intentionally designed to be difficult to understand. Um, you know, if if people actually understood what it, what, what fiat money was, how it was created at the central bank level, how it's created at the [01:16:00] commercial bank level.

Um, I think people do feel like, uh, they're in the process of being defrauded. Bitcoin on the other end does not do that. Bitcoin is exactly what you think money is. If you own a Bitcoin, you own a Bitcoin, that's that.

**Marty:** You can verify it yourself too. Yeah. Relatively cheap. Yeah. Cheaply. You don't do a say it like, oh, you don't, to spend hundreds of thousands of dollars to a, say you're Bitcoin and you just type a prompt into your, into your, uh, cli.

You prep a command, say, Hey, what's, what's the supply Bitcoin right now? And where are mine held? Yeah, here it is. Yeah, exactly. And I mean, you mentioned full reserve banking, you said you didn't wanna jump into it, but I think, uh, that would be worthwhile to jump into because that's, The big debate even within Bitcoin is, let's assume we get on a Bitcoin standard.

Are we just gonna recreate the banking system that has been erected over the last century, uh, after the Federal Reserve became a thing? Or will [01:17:00] we do full reserve banking? And you're not gonna lend out money, but you'll do like equity investments and companies to get dividends on that.

**Peter:** Yeah, I think either can be done with Bitcoin, just like, um, you know, you can have gold fractional reserve banking, right?

I mean, you know, during the, uh, gold standard, uh, I believe all banks in America, uh, generally throughout the, you know, 150 years, uh, before. Um, the Federal Reserve and, you know, the 200 years before Nixon, uh, the vast majority banks were fraction reserve, even though we had a gold standard. So you could do either, um, fractional or full reserve.

I think that whether that will be done in under a Bitcoin standard, I think really has to do a lot more with politics. And, you know, fraction reserve banking is extraordinarily profitable for the banks that engage in it because they can, you know, they can basically xerox your money and they can pretend to have it sitting there, uh, and then they go lend it and, [01:18:00] um, make a bunch of money off it.

So it is extremely profitable. They can essentially print money and so they are going to exert political pressure on it. And at that point, the question simply becomes, do politicians, uh, play ball? You know, do they give them this exorbitant privilege of pretending that, um, that a dollar is actually $2 or that a dollar is in, uh, more than one place?

Um, and I, you know, that, I mean, it would really be a question of what the political incentives are at that time. To what degree has Bitcoin sort of rebalanced, uh, the amount of power that cronies have, uh, to defra all the people at large. But I, I think it's useful to sort of sketch out like what full reserve banking would look like, because I know that, you know, the, the other side sort of, uh, uh, screams that it'll be the end of the world and in a full reserve banking system, the idea is that, uh, money cannot be in two places at once.

Okay? And if you're pretending that [01:19:00] money is in two places at once, and you are introducing, uh, risk into the banking system, for example, bank runs, when people discover that their money is not actually in two places at once. So the way that it would most likely work in full reserve banking, uh, is that, you know, today in the us something like.

20% of savings are, uh, of money that people put in the bank are checking, uh, or historically, this is how it's worked. About 20% is checking 80% of savings, meaning that 20% is money that people are gonna need to use in the next couple of months. The other 80% is longer term savings. Okay? And under a full reserve system, what would happen is for that 20% checking because you don't know when you're gonna get that money.

You would want that on what's known as a demand deposit, meaning that anytime you want, you can walk in the bank and they have to give you your money. Um, and for that demand deposit part of it, that would have to be in the vault, right? If the bank is telling you that your money is immediately [01:20:00] there, then your money has to be immediately there.

Otherwise, it's fraud. They're lying to you. They are telling you something that is not true. On the other hand, in full reserve, the that other 80%. That Americans are generally saving for longer term. Well, there the bank would try to offer you attractive interest rates. So they might, you know, pay you four or 5%, uh, in order to keep your money in a time deposit.

So most Americans don't know that as a cd, a certificate of deposit. So in full banking, you have a, you, you still have, um, the lending, right? 80% of people's bank savings would still be lent out. You would still have entrepreneurs, you would have, uh, business loans, car loans, mortgages, you would've, all that good stuff.

Uh, you would've 80% of it, uh, the final 20% would actually be, uh, sitting there in bank vaults as backing so that if people did their, uh, did want their money out, they'd come and take it. And historically, when you have full reserve banking, in fact, Nobody does take their money out. You don't get bank runs.

Why? Because it's easier [01:21:00] to, you know, uh, carry your money around in, in little bits of paper than it is in, in gold coins, for example. So, you know, I mean, the reason people use banks in the first place because they were doing a saving or a, uh, a service of storing their savings. Maybe you don't wanna walk around town with 20% of your life savings in your pocket.

Uh, you might get pickpocketed for whatever reason. The point is that if people are not afraid that banks will collapse, then the system is perfectly stable. Why would you take your money out? Your money's doing just fine. The instability comes from right in the fractional bank system. So contrasting with that full reserve system in that system, banks get to pretend that all of your money can be withdrawn immediately.

It is not on time deposits, it's not on CDs. Uh, you know, you don't have to wait a month to get your money. Your money can all be withdrawn immediately. But of course, this is a fiction because banks have lent out your money. It's often Argentina or it's with some Silicon Valley startup or something. Your money is not there.

And it, Americans empirically don't understand [01:22:00] this. They don't know it. Um, and we know that from opinion surveys. We also know that just from behavior, you know, like if you go to Walmart and they're outta eggs, right? You don't like call your wife, you know, oh my God, cash in all the Walmart gift cards.

Walmart is done. We gotta get our money outta there. Right? You don't do that. Why? Because you're confident that Walmart's gonna have eggs tomorrow. Right? Now the exact equivalent is that when you go to the bank and you say, Hey, lemme get my money. If the bank told you we're outta cash, but we'll have some cash tomorrow, people would flip, right?

Why do they flip on that? Because they don't understand. That's how a bank works. It is how a bank works. Banks have, you know, they have a little bit of cash coming in here and there. They're basically a conduit. But the point is that the banks deceive people by claiming that their money is available. On demand.

And the reason they do that is so that they can lend the entire 100%. And once you multiply that through the entire banking system, uh, through the magic of, um, uh, reserve, what's the term I'm forgetting the, the term now, um, anyway, [01:23:00] through the magic of fraction of reserve banking, they can then multiply that money 10 times or more currently reserve requirements to the, which are zero right now.

So they can Yeah, right, exactly. So like traditionally, you know, they could effectively multiply that money five or 10 times by basically passing it around and all having a turn with it, pretending that it's all there in their bank. You know, each of them put up a xerox of your dollar in their window. Um, and so that would, traditionally, that would lead in theory to a five or 10 x, um, increase in the money, uh, in practice, something like a four x.

Uh, but nowadays, of course, statutorily, ever since Covid started, there is no reserve requirements whatsoever. So in theory, a bank could just keep going and going, like they don't have to put any of that money in the vault. And so if you take that. Among multiple banks, you basically get one over reserve requirement, which is zero, which is infinite, right?

So, um, we're, we're in a very dangerous place. But sort of the moral of the story, for me anyway, is that, um, you know, the, the instability of our banking system, uh, a large part of the Boomba cycle, [01:24:00] um, because banks create most of the inflation, the economy via fraction reserve. Um, the, the, you know, the boomba cycle, the recessions, the inflation, almost all of this is coming, not even from the Fed.

The fed's doing a fifth of it, but most of it is coming from the commercial banks. Why? So that they can pretend that grandma's money is there when it's not. Uh, that, that strikes me as an insane policy. Um, you know, it's well accepted in, uh, whether you're, you know, free market, um, you know, sort of one of the, uh, Oppositions to full reserve banking, as people say, well, yeah, but the government shouldn't tell you what to do.

Now this is not telling you what to do. This is, you know, it's long understood under common law, uh, that if one party to a contract does not understand that contract, then it is null. It's not a legitimate contract. Uh, if I contract with a sleeping person or with a child, that is not a legitimate contract.

Um, if I persist right, you know, if the other party [01:25:00] persists in conducting contracts with people who they know don't understand. For example, if a banker goes to an old folks' home and, and tries to sell complex derivative products to people who have dementia, that is considered fraud that will be imprisoned for that.

Uh, and so similarly the fact that people do not understand how fracture reserve works, they don't understand that their money is not actually there. The bank is pretending to have it there. Uh, that, you know, makes it an unconscionable contract and the fact that banks continue to offer these products, and in fact politically lobby, um, in some countries it is illegal to question, uh, whether a bank has the reserves that it, by all accounts does not have.

In other words, to, to, to tell the truth about a bank. So that to me is enough evidence that they are, not only are they deceiving people, they are very intentionally deceiving people. So I would call a fraction reserve a crime. Yeah,

**Marty:** no, it it, when you bring in the current banking crisis and you have JP Morgan [01:26:00] absorbing a lot of these regional banks right now, again, going to the point that people really don't understand what this is.

A lot of Americans see JP Morgan scooping up First Republic and any other of the banks that fail. I'm like, ah, all right. It's, it's in safer hands now, but, All that fractional reserve risk is just being more concentrated in fewer mm-hmm. Parties, which is mind blowing, say

**Peter:** Yeah. Safer in the sense that JP Morgan has better lobbyists.

Yes. Right? Yeah, it is, it is. It is, uh, more assured that it's going to be bailed out. And, you know, in a sense they set that in motion intentionally, but they're too big to fail. Right. Once you draw a line in the financial system where you've got the guys who we're gonna save no matter what, and the guys who we might let die, I mean, you, you have, you know, set in motion.

Um, I, I mean, at that point, it's just a matter of time until the entire system is gonna concentrate on the side that has the, uh, the immunity.

**Marty:** Well, [01:27:00] and then you find out they're actually not too big to fail. Like something that is seeped in, uh, no sense of logic will fail eventually. So that's a, another part of it that.

Whether you call 'em too big to fail, or now they're calling the systemically sci-fi systemically important financial institutions. So like they're getting slapped at that label, making people complacent, feel like, all right, that's good. Everything concentrates here. The government will bail it out, but government's not gonna be able to keep doing this.

And the

**Peter:** perpetuity. And that's exactly the risk is that you, you sort of tie all the banks together. Uh, in, into a convoy to the point where like nobody goes down until everybody goes down. And when everybody goes down, there's absolutely nothing that you can do to save the system. And you know, because, I mean, of course, as you say, the banks themselves are perfectly capable of failing and in fact they seem to be, uh, getting very good at it.

You know, this has been essentially twice now in 15 years. Uh, so the banks absolutely fail. What they mean by too [01:28:00] big to fail is that we, the taxpayers are gonna foot the bill for now and ever we the livestock. And there's a point where, uh, you know, we can't bail them out. But I think what's interesting is that there's actually much, much earlier point where the livestock say, no thanks.

You know, we saw that in Greece for example, and it's been coming up in the debt ceiling, uh, discussions. You know, whether there's a point that America might default and a lot of the emphasis there has been on, well, you know, is the debt sustainable? Can we handle it? You know, what percentage? G D P? No, that's not the question.

The question is, at what point do voters decide that they would like the government to default? Because there is a 30 what? 31 and a half trillion dollar. Gem lying there for the voters to pick up. That's about $250,000 per household in America, uh, just lying there for them, like a freebie. If they simply say, let's default.

And, you know, we saw that in Greece during the sovereign crisis in Europe in, what [01:29:00] was it, 20 10, 20 11, where at that time, so Greece defaulted on, its on its debts and it, it crushed the economy, partly because Greece, uh, was in that, that twilight where the government was just functional enough to stop, uh, growth.

And during that period, what's interesting is that Greece had been handing out a smaller amount as a percent of its economy in debt service to to, to foreigners than the US does all the time. In other words, Greece did not default because it had to. It defaulted because it was tempting. A political entrepreneur saw an opportunity and he got up and talked about, you know, the, uh, greedy Germans and, uh, enough Greek people liked that narrative.

And, you know, they, they Id all of that sweet, sweet default cash because I mean, it's, it's very attractive to default, uh, particularly if the US who's gonna make you pay, you know, if the US wakes up one morning, it defaults on all its bonds to China. [01:30:00] Uh, you and what Army pal. Uh, so, you know, that, that I think, um, is kind of an interesting question.

I think that we're gonna get there a lot earlier than people imagined because the conversation is focused on can America pay its debts? That's not the question. The question is, do American voters want to pay that debt? Do American vote? Uh, you know, if you break down the debt by the source, Right. A certain amount of it was the war in Afghanistan.

A certain amount of it was, you know, handouts for, you know, to buy votes or, or for, you know, environmental policy or whatever. You know, you can sort of dig in and, and break up each of those trillions and see exactly what it bought us. And I think for a lot of Americans they might regard that as not a legitimate purchase that that was, that was not something that they actually wanted to buy.

Um, I mean, I think you and I probably would feel that the entirety of the debt, those are not things I actually wanted. Uh, and so I think a debt, um, crisis, I don't think it's gonna come this time because I don't think people are angry enough, uh, going by the last midterms. [01:31:00] I think definitely Americans are angry enough.

There are a lot of angry Americans, but not enough. Um, but I do think that sometime over the next 10 years we could see, um, some kind of repudiation of the national death.

**Marty:** Yeah, it seems like we need to remind people that the US has defaulted on its debt many times in the past, no matter tons,

**Peter:** tons of times.

F d r Nixon, uh, in a sense, inflation is a soft default. So, you know, we just defaulted on what seven 8% of it, uh, last year we're fresh off of default. Uh, so, you know, and the only silver lining to that inflation was that it peeled two and a half trillion off the, in purchasing power off of the, uh, national debt.

Yeah,

**Marty:** no, that's, I mean, I'm, I'm sure you are too, a big fan. Let's just rip the bandaid, bandaid off. Yes. Always overt default. Yes. Cause like you mentioned, the money printing increased debt, it's just a soft default. It takes, it takes a lot longer and arguably has, uh, more dire [01:32:00] consequences in the long run.

**Peter:** I think absolutely it does. You know, if, if, if we zoom out, because the big question here isn't a trillion here or a trillion there, the big question here is the straight jacket that the economy has on it. And you know, it has that because of the mega state that is funded by all those trillions. So all those trillions, they're like the deer on the wall that the government can celebrate all the things that's taken from us.

But those deer heads are not the real danger. The real danger is that they are still taking it from us, right? So going back to, you know, would we be seven times richer if we didn't have this, this, uh, massive bureaucracy, this parasitic bureaucracy trying to command our economy? So that, I mean, to me, that's, that's the prize that Schmidt I'm interested in, like debt prize, getting them off our backs.

If we did, you know, I imagine we'd be looking at an increase of, uh, GDP p of something like one, one point a half percent a year that has a net present value on the order of 20 trillion a year. [01:33:00] Even at 5% rates. Uh, uh, so, you know, screw the debt, the debt is noise. I'm interested in how do we get back to the kind of economy where entrepreneurs are in charge, not bureaucrats.

If we can get back to that, we will be so rich. We will laugh at 31 trillion. Yeah. Just let us run. Yeah. Let us run. Exactly. Yep. Bingo. It's

**Marty:** he, I mean, go back to energy is like the, the one sector where I just really hone in on where it's like, it's all right there. Like we can build the new Yeah. So we can build the pipelines.

We can, uh, work on wind and solar if you want to. Um, would be very interested to see if it's actually profitable, if it wasn't being so subsidized, uh, to the point that it is today. But, um, yeah, just thinking about what could be done in the energy sector alone. If all the red tape was just released, we can

**Peter:** go build.

Oh, that's amazing. And you know, if things get bad [01:34:00] enough, then reality does start to, uh, intrude. I think in, I think it was Germany, that they decided that, uh, wood pellets are green. Which is like literally cutting trees down

**Marty:** here. This is like North Carolina. They're cutting the forest. They're deforesting North

**Peter:** Carolina right now.

This is like the least green fuel you could possibly imagine, right? Because, you know, fossil fuels, right? So, you know, if we take the life cycle of, uh, coal or oil, okay, so you have a toxic substance that's sitting in the earth, uh, poisoning people, by the way, of course if you touch petroleum, you'll get a rash.

If you touch it for a while, you'll get cancer. And so you have this, this industry that, that sucks up, cleans up all of this environmental waste, and it turns into tree food. Uh, I mean, what could be greener than fossil fuels? It's, it's, it's, it's really quite impressive. So, you know, I mean, to be, you know, I'm, I'm with you.

Like the whole thing is just an absolute joke. Um, you know, fossil fuel energy [01:35:00] is honestly the cleanest energy, um, for that reason. Um, you know, it's, it, it, it literally plants forests automatically for free. It's astounding. Co2, it's a heck of a thing. Um, if entrepreneurs actually think they can mon make money off, uh, wind and solar, I guess there are certain applications, like, you know, if you've got a compost toilet in the middle of Yellowstone, I suppose you need solar.

Cause you don't wanna, you know, run a line for seven miles. I mean, there are applications where I'm sure solar does its thing, but, you know, broadly speaking, let the market decide. Uh, get the government out of it. And, you know, if, if entrepreneurs can make money on it, like, uh, Tesla, then more power to them.

Uh, but I think that a lot of the government funded projects are probably actually not sustainable. They're just tax, uh, fleecing taxpayers. Yeah.

**Marty:** And you reminded me of something I did wanna mention that I think you do a great job of, um, that more people need to do is make fun of these people. I think that's the way Yes.

To get through to, uh, a silent [01:36:00] majority, if you will, or like, what the hell's going on? It's like, all right, we just need to point out how laughable the situation is and who got us, who got us here. We literally just have to ridicule these people publicly

**Peter:** and. I, I ridicule them every opportunity I get. They are unserious people.

They are screwing things. They're screwing up serious things. Without a doubt. That's why I bother, you know, if they were, if they were screwing up, uh, I don't know. My. Crochet hobbies over the weekend. That would be one thing. But you know, they, they are destroying very important things. Um, but absolutely, I think it's very important they get away with getting up there with suits and they've got the official this and, and you know, they've got the eagle and the whole thing.

Uh, I I think that's a, you know, they should be meeting in, um, Hawaiian shirts in a strip mall in New Jersey. I mean, they should be treated with all the respect they deserve, which is zero. These guys are absolute clowns. Uh, they work for us. They should be treated like that. Maybe they should, you know, at least wear blue [01:37:00] overalls.

I don't wanna insult blue collar workers and implying, um, but nonetheless they should, you know, they have no right to get up there with suits, act like they actually know anything. Uh, and they certainly have no right to have any authority over we, the sovereign, uh, people who we make the laws, we vote.

This is our country. Uh, so yeah, without a doubt, um, you know, every chance I get, I ridicule them. Yeah, it's astonishing

**Marty:** to think what you just said is somewhat of a revolutionary act. These days is reminding people like you are in control. They're supposed to work for you. Yeah,

**Peter:** yeah. Right. This is your country.

They are your employee. Yeah. And in fact, if you, you know, communicate, uh, you know, if you run for office, you know, if you, if you advocate to get a law passed that, you know, they have to go into congress in, uh, in, uh, Hawaiian insurance. They have to do it. I mean, they are your play thing. Play with them. That would

**Marty:** be the ultimate troll if we actually got that through and they were forced to.

**Peter:** Um, I mean, you know, they're, [01:38:00] they're free to quit by all means. Yes. Right. Yeah.

**Marty:** I wish they would a mess. That's why, that's why whenever the dead ceiling, uh, debate comes off, I'm like, I hope they hit it because when did they shut it down? Under Obama? They shut it down for like six weeks and it's like, no.

Doesn't seem

**Peter:** like we're missing anything here. Yeah, well, you know, they, they, they have this game they play, um, they actually have a name for it. They call it Washington Monument Strategy, or sometimes they're called firemen first, where they will cut. The most, um, popular spending possible, right? So they always close the Washington Monument.

Uh, they'll, they'll take money away from the fireman and the police and the school lunches and Social Security and Meals for Wheels, right? So like the tiny, you know, 2% of the budget that is totally popular, they'll be like, that's all we can cut, man. No, seriously, you know, uh, we can't cut the government pensions, uh, the federal worker benefits where, you know, they can retire at 42.

Uh, can't stop the war. It's totally impossible. [01:39:00] Not gonna happen. You know, so all, all of the other trillions of spending absolutely impossible to cut and instead, you know, they use the kids and grandma as human shields to protect the rest of the budget so they can keep feeding their activists and cronies.

It's absolutely disgusting. And, you know, I think. It's, it's partly why I'm a little sympathetic for the spineless Republicans because I do understand, you know, they do that, they use the human shields, the media's in the tank. So they always amplify that. I said, look at these heartless Republicans with the school lunches.

What's wrong with you people? Uh, so I do sympathize. Um, fortunately there are people like you and me and millions and millions of us on Twitter, uh, and across the rest of the internet, uh, who are actually able to call out these, you know, cynical tactics and, and call them for what they are. So, uh, I am hopeful that over time, um, you know, skeptics can, can grow a backbone.

Yeah.

**Marty:** And I think now's the most opportune time to do that. I mean, you mentioned Twitter, [01:40:00] that's a very interesting variable that's been thrown into the mix of. These conversations, whether it be monetary policy, fiscal policy, the trajectory of where we're going as society is that we do have these avenues to get better information out there.

The gatekeepers don't ha have, uh, as much control over the gates as they used to. They certainly do if you're watching, um, news media on tv. But outside of that mm-hmm. We have developed these avenues that, that get better information to people. And that's always in my mind, it's like how does this new variable change the speed at which these things unfold?

Um, and I think when it comes to the banking crisis with SVB particularly, I mean, you had that leaked email from Peter Thiel to founder fund companies, get out and, and say in a background mm-hmm. On SVB within 36 hours. Like, and now with these, uh, [01:41:00] Other bank runs, excuse me, other bank failures that have happened.

And, uh, it's still on top of people's minds, even though they don't wanna mention it. No mainstream media. There's people still on Twitter talking about item, saying, Hey, your bank could be next. That's throwing a very interesting, uh, variable

**Peter:** into the mix and uh, yeah, absolutely right. Um, and it's been fascinating.

We've really seen that on a lot of topics here, where the, you know, in the old days, if the mainstream media wanted to suppress it, it was dead, right? They could cover a story with a pillow till it stopped reading, and for a minute there on the internet, we could speak freely. Right. Um, up until, I guess about 2015 or 16, which is when I think they, they started panicking with the Trump and the Brexit thing, and so they started censoring everybody.

But, but up until then, we had a moment there. I remember when my kids were, uh, I wanna say six, six and eight, and they told me that, uh, we didn't talk politics with them cause we figured there's plenty of time to, for that TRE world. Uh, and they came to me and said, did you know global [01:42:00] warming is a hoax? I said, well, that's quite interesting.

Where did you hear that guys? And apparently it was YouTube because everybody knew that on YouTube in, you know, what is that, you know, whatever, uh, 2011 or whatever it is. Um, because. You had free speech and you know, I think the elite panicked. They, they, you know, hit the big red censorship button. Uh, God bless Elon for doing what he did and suffering these slings and arrows.

Um, he did what? Yeah, I mean, I'm, I'm embarrassed as an American that our, the, the rest of our political class couldn't manage. Some of them did try to be fair. I've, I've talked to congressmen who were incredibly frustrated, but, you know, if you're one Congress thing out of 400 and x, uh, you can't really get it done.

Um, but none, nonetheless, thank God, Elon, I think he has turned the tide here. Even YouTube is allowing stuff that it never would've like, uh, uh, Scott Adams, uh, uh, commentary the other week there, uh, I was amazed that they left that up. I felt like they, they really wouldn't have, um, [01:43:00] before Elon opened things up again.

So I'm very, very enthusi enthusiastic. Um, I feel like. Because of social media. Fundamentally, we were winning the debate, uh, really since the beginning of social media. As goofy as social media is, the point is that it routes around the gatekeeper, and we were absolutely winning. Uh, we were gaining converts, we were winning the debate, and that's why they went for the censorship.

At this point, thanks to Elon, uh, principally it looks like we've not broken through that and we can get back the winning. So that, that is one more reason that I'm extremely, uh, optimistic. I think that we are actually winning the conversation. We are winning converts. Um, on top of the fact that if we don't win, If they completely get everything that they want in life, then they'll screw it up so badly that they'll lose it in a matter of months.

And then we get what we always get, which is, uh, the state of nature, which means, uh, free market, humans [01:44:00] cooperating with one another. So, you know, whether we win or we lose, we're gonna win. It's just a question of, you know, there's this painful period in the middle as the bandaid comes off. So by all means, tear that sucker off.

Yeah. Yeah. How

**Marty:** long is it gonna take and how much pain do we have to suffer? Hopefully not too long. Not too much. Is is the most optimistic we could be? No. But like with Austrian economics too, like I feel like it's had a renaissance over the last decade because of social media. Absolutely. What you guys are doing in Heritage Mesis, just individuals talking about it more.

I feel like Austrian economics is in its heyday right

**Peter:** now. Austrian economics, Bitcoin itself, you know, without, um, really without social media, neither of those would've ever spread beyond a, a tiny, tiny little group. I think Rothbard said that you could get the entirety of the libertarian movement, which is broader than Austrian economics.

You could get the entirety of the libertarian movement, uh, in the 1970s in a single living room. And, you know, those were hundreds of years old ideas. I mean, it's not like [01:45:00] libertarianism were invented, right? Libertarianism is classical liberalism. That's, that's in 1648, depending on how you define it. Uh, a living room in New York, and only in New York, right?

If you try to gather a bunch of classical liberals in, you know, a, a normal city like Dallas or something, good luck fighting another one. So people, um, I think really don't understand how revolutionary it is, what the internet and very, very specifically, uh, social media because of the network affects, right?

Because it's so easy to find new ideas. Um, so I'm, I'm, you know, Beside myself, uh, happy that Elon chose to fight that battle. Uh, and I do think that, you know, at this point, I mean, a lot can happen between now and then. The other side does have a lot of budget, uh, to use against us. But, um, broadly speaking, I'm very optimistic.

Yeah. But

**Marty:** they're destroying their purchasing power as they increase that budget too, so it's a, it's

**Peter:** beautiful. Yeah. Diminishing, yeah. Whatever they

**Marty:** diminishing return of marginal utility for that, uh, for that budget. [01:46:00] For sure.

**Peter:** Yeah. Absolutely.

**Marty:** Yeah. Yep. Well, Peter, I know you gotta run here. Um, but again, wanna thank you.

I think, uh, your ability to express first principle ideas as it pertains to the economics and everything going on in the world today is extremely impressive and valuable. So, any of you freaks out there who have not, uh, found Peter's content highly recommending a follow him to subscribe to his podcast?

What, what else should I point people to that you're

**Peter:** working on? Uh, generally I hang out, uh, on Twitter. That's where I do most of my thinking, is it's actually where I get most of my ideas. Um, cuz there are so many fricking smart people, uh, on Twitter. So that's mostly where I hang out. I got a podcast, uh, got a sub.

And that's pretty much all I can do at the moment. Uh, so, and, and then of course my, my day job, uh, over at Heritage, we, uh, heritage Foundation has changed a lot since the last bailout. We are a heck of a lot [01:47:00] better. Uh, we have a really, really solid economics team. Uh, so I do hope that you'll come over and check out some of the stuff, uh, that we're fighting for.

Uh, and then of course Mesis. So Meas Institute, if you're interested in economics, if you're interested in freedom, uh, they have tons of books there, all of us free. They literally buy up the copyright and just give it away for free. Uh, so you know, you can get your rothbard, your mesis, uh, your copy over there.

**Marty:** Yeah, go check it out. Freaks Peter, thank you very much. It's been an, uh, absolute pleasure,

**Peter:** Marty. Thank you for having me. You're one of my heroes, so I love what you're doing. Keep on doing it, man. All

**Marty:** right, well, thank you. Peace of love freaks.