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**Marty:** [00:00:00] What is up freaks? Your boy Marty bent here. What a lovely Monday afternoon in Austin, Texas sitting down with Peruvian Bull. That Is that what it uh, we should go by the nim here.

**PB:** Yeah. Yeah. Um, yeah, that's what I go by Peruvian Bull. It's just my pseudonym that I've been using for writing. Um, but yeah, happy to be on the show.

Thanks for having me

**Marty:** on. Thanks for coming on. I mean, I think this, uh, this conversation was incited by me finding your dollar endgame series on YouTube and writing about it in my newsletter, and I wrote about it cuz I thought it was just a very good succinct, it was 20, 30 minutes all in dissection of the path, um, that, that led us to Bretton Woods and then eventually where we are today.

So I guess to jump into it, using that as a launching pad. What drove you to, to start that [00:01:00] series specifically and get this story out there, because again, I think it's important for people to understand the historical context of how we got here and what you did was a really good, succinct distillation of the, the events that led us here.

**PB:** Yeah, sure. So, um, I actually started writing this series about two years ago in the summer of 2021. Um, I was part of a, a Reddit community and, um, it was mostly focused on stocks and, and, um, specifically like corruption in the financial markets. And I started getting into arguments with people over monetary policy and economics.

And so I just decided to write a series. And one of the benefits of using Reddit as my medium for posting was it forced me to limit the character count of each post. And so I had to like distill all these, all these readings I've done and, and education I've had through, you know, for monetary economics or over the past six years, um, into like very, very succinct and concise, um, statements.

And so, um, you're [00:02:00] referring to part one and part 1.5, which is entitled In the New Roman. It's basically yeah, laying out how the US. You know, were, was instated as the world reserve currency after Brenton Woods. And how that worked well enough for a few decades as, as the re reserve system worked, um, worked its way through this, through the, uh, monetary and economic milieu.

And then we ran into what's called Trens dilemma, which is expanded on in several different chapters in my book. But, um, it's essentially this paradox that an, an economist Robert Triffin brought in front of Congress in 1960, and he pointed out that in a, in a gold reserve system, um, the World Reserve currency holder faces a dilemma because they have to export enough currency to meet, you know, the demands for global trade and the demands for the reserve currency.

And so, if you think about it, you know, the US being the reserve currency has to be a net exporter of, of our own, our own dollars. And that means we have to be a net importer of goods. Um, but it means in the long run that we have to create more [00:03:00] dollars, um, than would be otherwise justified by. Our amount of gold reserves.

And so he said, we're either gonna print too many dollars to, and to, you know, dilute our holdings of gold reserves, um, or we're not gonna do that. And global trade and global commerce is gonna grind to a halt because there won't be enough liquidity in the system to, to handle, um, you know, global settlement.

And so, um, that came to head in 1971, obviously under Nixon, he decided to go the route of, uh, just completely discon disconnecting us from the gold standard. Um, and so now we're on this petro dollar fiat system, and that's been the status quo for the last 50 years. But yeah, I, my, my series is trying to explain this strange dichotomy of, of our position as a world reserve currency and how it, you know, benefit benefits us for sure in the short term and has a, a bunch of, um, you know, military and economic, uh, benefits for the United States.

But in the long run, it is, I believe, a, a risk to the United States. Um, [00:04:00] and I expand upon that in a chapter called the sort of Damocles in my book. Yeah,

**Marty:** no, I think we're definitely seeing the, the ramifications of trip's dilemma today. I mean, another part of that, if you're going to have to export dollars and main vehicle of that export being importing goods from other countries, obviously that has led to the complete decimation of our manufacturing capacity and, um, all the factories here in the United States.

And that has led to, uh, a crisis of good jobs or mm-hmm more humble jobs, blue collar jobs, not being able to sustain your average Americans lifestyle. And so fast forward to today, where we have trillions of dollars on the Fed's balance sheet inflation is high, and people really don't have good jobs here in the United States or hope for the future because the reserve currency status forced us to move all those jobs

**PB:** overseas.

[00:05:00] Yeah, exactly. And I, and, and I point that out as well, you know, in my opinion the, one of the driving factors for Trump's election was the de de industrialization of the American heartland. And you can look at it, you know, basically in every single state that that was affected by, you know, manufacturing being exported.

You saw rampant increases in, in crime, in depression, in, you know, mental health disorders, uh, suicide, drug abuse. Um, you know, it's really taken a toll on these people, especially men who, who, you know, need to earn in, in order to provide a living for their families. And so it's, you know, our status has definitely helped us in some ways, but I think it's hurt us in, in more ways than people realizing that, and that these, these, uh, the drawbacks of the reserve status are starting to build up more and more and we're gearing up for a total switch, um, of a, of a monetary system.

**Marty:** Yeah, I mean, that gets us to the name of the series, the End Game. Are we in the End game? And if we are, what comes next?

**PB:** Yeah, I've, I've talked about [00:06:00] this a lot with, um, I'm not sure if you're, if you're, uh, aware of Brent Johnson Sania Capital on Twitter. Yes, yes. He's not

**Marty:** too fond of Bitcoin, but

**PB:** yeah, he's kind of agnostic.

He's a, he's a Dollar Bull. Um, and he and I have had some interesting back and forth along with Luke Roman, but I, I've read a lot of his work. I've, I've deep dived into it and talked to him a lot, and he believes as well that we're kind of in the end game in the next five to seven years here, um, for the US Dollars Reserve currency.

And, and the reason for that is, you know, there's, there's multiple signs pointing to this, but, um, this is where I start to go into the analogy of the sort of Damocles. And so, um, dam Mcle is a. It's a parable written by Cicero, um, in like, you know, 200 ad about this, um, king in Sicily who was threatened all the time by his enemies.

And he was so paranoid that he would have his daughter shave his beard because he wouldn't trust another person. And he had a court flatterer named, named Damocles, who would tell him that, you know, being a king must be amazing. And so he said, [00:07:00] well, why don't you, I'll let you be king for a day. And so he let, he lets him sit in the middle of the court on a, a sofa and gets fed grapes and wine, um, you know, by beautiful women.

And, and Les is sitting there and enjoying it. And then he looks up and he realizes there's a sword hanging by a single strand of horse hair above his head. Um, and so this parable is a, is an analogy for, you know, with great power comes great risk, right? That heavy lies the head that wears the crown.

Anyone who, who controls a reserve currency system at the same time has immense, um, you know, hegemony, but they also have immense risk because if they lose that hegemony, the drawbacks and the ramifications from that will come. In the form of, you know, a, an extreme devaluation of their currency. And the reason for that is because if you think about it, we've been exporting dollars for several decades, right?

And these dollars have built up, obviously, in the form of petrol dollars. These, these are, you know, surpluses for oil exporting nations. Also just for other, just general exporting nations, nations that exported US manufactured goods like Japan or Germany. [00:08:00] Um, and they recycle these dollar surpluses back into treasuries.

And so this results in trillions and trillions of dollars of treasuries building up overseas. And, you know, while the, while inflation's low and muted, and while treasury rates are high enough to justify them holding them, um, you know, this system makes sense. Um, but Les Luke Roman pointed out in 2015, foreign central banks stopped buying treasuries on net.

And so they were just holding their, you know, They're holding their holdings flat. They're basically not adding, um, to their, to their, uh, treasury holdings anymore. Um, and then starting in 20 22, 20 21, a lot of these countries started divesting from treasuries. And now we're running to an issue where a lot of these countries, like Japan, you know, or China, they might be facing devaluations of their currencies on the four X market.

And the only response for them, you know, all these countries need dollars in order to tr to transact globally and to settle, um, you know, international trade as well as they need it as a reserve currency. [00:09:00] And so if they're running outta dollars and their currency's falling on the Forex market, they're gonna have to sell treasuries to get their hands on dollars so that they can prop up their own currency in, you know, in the Forex market because they can't print dollars.

Right? The Bank of Japan ran into this issue last September and October, and so what's been happening is, you know, what I call the sort of dam Les the US has had this great immense, you know, hegemony and power built up over all these decades and has done so well for us, but it's also built up this sword that's, that stands above our head with, you know, hanging by, by a horse hair.

And if Japan or China or Russia or some other country starts dumping treasuries in mass, this would force the Fed to make a decision. Like, are we going to allow treasury rates to sort to 10% or are we going to print, you know, a couple more trillion in QE to swallow up all the debt that they're, that they're dumping on the market?

And, you know, that would further exacerbate the feedback loop of inflation domestically, um, and make more and more issues for. Um, you know, entities who are relying on [00:10:00] low interest rate borrowing. And so this is in my, in my opinion, it's, it's extremely, it, it's a danger that exists, like, and that's very prevalent.

It's becoming more and more real. And unfortunately it seems like people at, you know, the highest levels of state and treasury don't really, you know, seem that aware of this problem. They kind of believe that the US will remain, you know, a hegemonic superpower forever. And I think that's where, you know, Brent Johnson makes some really good points.

Like yes, the US has an extreme, the US dollar has an extremely strong network effect, but even he has pointed out, um, and I can point to some tweets that he is made about, you know, the US not being able to hold this position forever because no country has been able to hold a reserve currency forever because of Tristan's dilemma, right?

We have to continually export more dollars forever, you know, and as the global economy grows faster than our domestic economy, that means we have to print more dollars, um, into, into, uh, Like our exporting, uh, surpluses. So to send out, um, foreign to foreigners and eventually they'll [00:11:00] lose faith in the dollar and eventually they'll have to switch to a new currency.

Yeah.

**Marty:** Then this problem's exacerbated by a bunch of other stuff too. I mean, with the weaponization of Swift and the settlement networks that exists, the dollar has this network effect and, uh, I don't know if I said this on Twitter or in a newsletter or just said it in per in person to somebody, but we essentially just destroyed part of our network effect by cutting Russia off from Swift and doing all the sanctions.

You can think what you want about the situation between Russia and Ukraine right now, but weaponizing the dollar system to that degree, uh, certainly lowered the network effect directly with Russia, but then it sent a signal to the rest of the market, like, oh. At any, at a moment's notice. They can flip a switch and cut us out from the dollar system, we should start diversifying.

And obviously we've seen bricks, countries begin to huddle up and say, all right, let's create this alternative settlement network [00:12:00] outside the dollar system. And then on top of that, seems like the problems coming to our shores too with fed policy jacking rates up, uh, creating this duration mismatched throughout our banking system.

I mean, the, the amount of, uh, losses that are sitting on bank balance sheets because of what's going on with treasuries is, is amounting close to, I believe a trillion dollars now at this point. So they're just getting hit from all angles. Like you could have foreign countries dumping their treasuries cause they need to defend their peg like Japan.

But if a banking crisis continues here in the States, you can find our own. Uh, domestic banking banks have to actually sell treasuries to, to, um, to handle withdrawals if people begin pulling their money out of the system. It's an absolute shit show.

**PB:** Exactly. And so, you know, everyone, this is the thing that people don't understand is people are buying treasuries because obviously treasuries are collateral, but really what everyone needs is dollars.

And so [00:13:00] if there's a surplus of treasuries in the system that are sitting at, you know, massive unrealized losses, um, you know, the banks may not wanna realize those losses, but if they need their, to get their hands on dollars, cuz they're suffering a liquidity crisis, they're gonna have to to sell them. Um, and this is, this is a risk to the US treasury market, obviously, and it's a risk to the United States.

**Marty:** Yeah, that's a big question cuz there, there's many theories out there trying to basically get into Jerome Powell's mind and think about what he, how he's thinking about all this. Uh, like how long do you think they can keep rates high? Because I was actually shocked that they could actually take them above two and a half, 3% to where they are now and hold them there as long as they, they have.

So there's a school of thought that, that the banking system here in the states persist, uh, through this summer. They'll have to reverse course, but there's another school of thought that says no, they're gonna keep them high and keep them high for long, cuz uh, it's hurting the [00:14:00] European banking system, which, uh, the Fed doesn't really care about.

**PB:** Yeah, the Fed is kind of a, you know, a bull in the China shop. They, they raise rates. I, you know, I wrote this in, in that chapter. I was like, they raise rates and they say, you know, consequences be damned. We don't care what happens in in Japan. We don't care what happens in Germany. We don't care what happens in the.

We just want rates to be high domestically defined inflation. And you know, that works as long as, you know, these other countries aren't dumping their treasuries to get their hands on dollars. And as soon as they start doing that, the Fed is gonna have to reverse course and think, hey, is is our policy of being completely oblivious to what other countries are going through?

Is that a good one? Um, and I honestly don't think it is, uh, in regards to your question about, you know, rates, I really, I mean, look, they, they wanna raise rates obviously cuz they want to give the appearance of fighting inflation, just like every central bank wants to. But in the long run, I don't see how it's sustainable at all.

Um, and this, this runs into my, what I call the Peruvian Bold Debt Paradox, right? It's like you [00:15:00] raise the fed rise raises rates to fight inflation, but the most indebted entity in our system is the US Treasury. And so that just puts the treasury in in further risk of, of default because rates are higher and they can't pay them.

So they have to issue more treasury debt to pay off these higher rates. And who's gonna buy all these, all these bonds? Well, you know, the US banking system is already at, uh, capacity. Basically the money market funds are, have had a little bit more inflows. And so we've, we've, you know, that has helped the treasury market out a little bit.

Um, but as soon as the T G A is fully drawn down, which is coming soon here in a couple months, and we no longer have, um, you know, these low, low rate bonds that, that are funded, we will have to roll them over with higher rate bonds. You know, the treasuries deficits will start to expand and expand and expand.

And if they wanna keep rates high, that's fine, but the fed's gonna have to, to finance it, the fed's gonna be the buyer. And so that's where I come in. You know, that's where I, I term this as debt Paradox is the higher the fed raises rates, the farther out, [00:16:00] the farther behind they, they move on the curve. So basically, like they're supposed to move up the curve and, and stay ahead of inflation or at least slightly behind it, but they'll actually be behind the curve and be moving further behind because the higher they raise the rates, the more the treasury has to borrow, which means the more the Fed has to print, which means the, which means the more inflation will rise, which means the more the Fed will hike.

And so this process will just kind of repeat, repeat, repeat, and we'll be stuck in a, in a exponential feedback loop for inflation, um, for the time being. Which is why that's, that's kind of one of the main points of the dollar end game is that we're, we're now in a, you know, we're now, we're now past the event horizon.

Um, the Fed has trapped the treasury in a black hole, and there's, there's no escape. The, the basement is inevitable. Yeah,

**Marty:** I mean, just look over to Argentina right now. They had a hundred percent. Inflation over the last year, and their rates are at like 80% or something like that. Mm-hmm.

**PB:** Which is insane.

Exactly. And see this is against all traditional Keynesian thinking, right? All the keynesians will say, Hey, higher rates, [00:17:00] Phillips curve, higher rates, you know, will fight inflation. Inflation will be muted, and unemployment can, you know, uh, stay, stay, stay high. And that's okay. But you see, you see an economy like Argentina where unemployment's high, inflation's high, and the more they're hiking rates, the more inflation's going up just because of, you know, what we just talked about, the Peruvian bull debt paradox.

The, the higher you raise rates, the more the treasury has to to pay. And that means the more the Fed has to print. Yeah.

**Marty:** And you think it's like, it seems like it should be intuitive. Like if you raise rates, you raise the cost of capital, which makes it more expensive to do things, to get goods to market, services to market, which means the producers of those goods and services, you don't have to raise their prices onto the consumer.

And it, it's just, Feels very weird that we find ourselves in this situation. And going back to the event horizon, the black hole, so you're saying they cannot kick the can down the road again, cuz that's been the big question. You can go all the way [00:18:00] back to like 2001, but 2001. Mm-hmm. Oh eight European credit crisis 2020.

And now today it seems like everything's becoming more compressed and more exacerbated on shorter timelines. And there are some people out there like, no, the Fed still has some room to maneuver. Uh, they can probably kick the can and, uh, extend this, this basically throw the ball and pray strategy moving forward.

But I'm not convinced that, that they have many options on the table, that this may be the end game.

**PB:** Yeah, no, that's, that's basically my thesis, right? That's, that's why I called it the dollar end game. And, um, you know, Luke Groman pointed out in October of 2021, that true interest expense on the debt is now 111% of federal tax receipts and true interest expenses calculated as entitlement pays, plus, um, nominal interest on the debt per quarter.

And that was during a period 2021 was period of record, high tax receipts, um, [00:19:00] you know, record high stock market valuations. Crypto was pumping at, at all time highs. You know, the treasury was in, was in it. Best position it could be. And if you looked at it, the entitlement, you know, payments and, and as, as well as the, you know, interest on the debt, um, it was more than the tax receipts.

So the treasuries already passed the event horizon, and this problem will only get worse at the time because, you know, as we know if with them trying, trying to, uh, trying to hike rates into a inflationary crisis causing a recession, tax receipts are gonna fall. And so this problem is just gonna get worse.

And the more they hike rates, the more the, the more severe the recession will get and the lower tax receipts they're gonna have. Um, and so yeah, I believe that they are past the event horizon. Now, can they, can they delay, delay, delay, you know, the true crisis by these temp, you know, temporary pro quote unquote temporary programs like the B T F P, um, or not qe, um, expansion of the balance sheet?

Yeah. Not qe, expansion of the balance sheet. Yeah, they can, they can delay, but the inevitable is, is coming. The, the [00:20:00] biggest problem is the treasury and the treasury's, you know, underwater. And then there's no way to rescue it. Besides the basement, the numbers don't add up. And the reason why I think Luke Groman, and, you know, I as well like consider entitlements as basically interest expense, uh, on the debt is because, you know, entitlements are categorized as what's called, um, non-discretionary funding.

By the Congressional Budget Office. So if you go to their website, you can check out what kind of funding they have and what kind of payments they, that the US government has to make. And about 70% of all payments the US government makes, uh, what are called, uh, federal tax outlays or federal, uh, yeah, just federal outlays.

Um, 70% are, uh, non-discretionary, which means these funds audio basically earmarked and forced to be sent out to, you know, the, the programs that they're intended for. And so it means that congress can't easily just move the funds or, or change, um, the funding parameters just by, you know, a congressional committee.

You'd have to have a a, a bill [00:21:00] passed. And so these programs are on autopilot and they're, they're just spending and spending and spending and spending. And as inflation rises, you know, we've seen this already with social security, the social security budget will have to increase because now seniors are going to pound the table and wanna have a, a higher social security stipend.

And so what will happen is you'll have tech federal tax receipts increase. Or decrease, you'll have federal tax outlays increase, the deficit will get bigger and the treasury will have to borrow more and then add that onto the, to the interest rate problem we talked about earlier. Um, the treasury will just have to spend more and more and borrow more and more exponentially in order to keep the wheels on the bus.

**Marty:** Yeah. This is further exacerbated by demographics problem where you have all the boomers retiring at the same time.

**PB:** Mm-hmm. Exactly.

**Marty:** Uh, it's a beautiful shit show. So how does, uh, how does Bitcoin fit into all this in your mind? So

**PB:** this is where I've been talking about, um, you know, Bitcoin as the new reserve currency and is, is a very interesting, um, dynamic [00:22:00] because, you know, reserve currencies typically are centrally issued, right?

You've, you have the US dollar, and then before that you have the British pound. You had, um, you know, the Spanish peso, you had the Portuguese, I believe it was the peso as well. Um, and all these, these currencies fall into the, the problem of Tris dilemma because they're centrally issued, they have to be exporting more, you know, of these, of these currency units than they, um, otherwise would, and that creates these imbalances.

But with a non centrally issued currency, like Bitcoin Tris dilemma is obsolete. It doesn't apply because we don't have to worry about, you know, these issues of, of trade imbalances because there is no trade imbalance, because there's no central issuer. And so Bitcoin is potential, uh, like potentially completely solves trips dilemma.

And that means that it, in my opinion, is a much s more superior reserve currency than any o other one that we could imagine. And so if, if Bitcoin becomes, um, you know, like more widespread and, and, and more used [00:23:00] by, especially, you know, Shippers or, or importers in international trade, you could see a move by central banks to start holding, holding it as a reserve currency.

And this, this brings up a really interesting game theory, right? Like there's obviously the, the bitcoin or game theory of the earlier you get in, right? Everyone gets Bitcoin at the right price and the earlier you get in the, the better off you are. And that's true for sure. But think about it from the nation state level.

You know, if Zimbabwe adopts Bitcoin as a reserve currency and starts hoarding it, and then, you know, five other countries around them start doing the same and then another couple countries around them start doing the same. And then, you know, obviously El Salvador and then let's say Panama and Columbia and Peru and you know, Chile and then Korea and you have all these other countries starting to enter, uh, you know, the Bitcoin reserve currency network, you could see an explosion in, in value, um, not only in price, but also just in, you know, network.

Um, Network usage and, and this would push more and more countries in, you know, because of the flywheel [00:24:00] effect. It would shut, it would funnel more and more countries in because they'd be seeing the, the losses they have on their books from these treasury holdings. And they'd say, Hey, would I rather hold this?

Or would I rather hold a pristine reserve asset that's non centrally issued that solves trens dilemma that I could hold on my books forever and not worry about, you know, counterparties freezing it or, or, or taking it. Yeah.

**Marty:** I completely agree with, and that's, I think that's a big question right now, especially if you consider the bricks countries, primarily Russia and China beginning to position.

Mm-hmm. Like, Hey, we're gonna do this. Basket gold back, yuan back, ruble back, whatever it is, who knows exactly what they're thinking, but I think they believe that they're gonna usurp the US dollar as reserve currency with their conani scheme of whatever they come up with. And that's been the big question in my mind over the last six months, has that trend has gotten stronger and has become very apparent that they are dead set on releasing their own settlement currency.[00:25:00]

Whatever it ends up being, we'll find out. But that's the big question. Will that effort be in vain or will there be like a temporary transitionary period where it gains some traction before people realize like, actually no superior This?

**PB:** I think, I mean it's gonna be a learning process, obviously, but you know, just this week we saw Russia taking more action in the mining space and yeah, working to, to increase their share of Bitcoin mining, which is, again, this is all adding up to my, my basically my theory of, of, you know, This reserve currency war between these nation states and them deciding which one's gonna get in first and start stacking huge amounts of stats on their, on their balance sheets in order to get ready for the new monetary system.

Um, and I, I, I do think, look, I, I talked about this in another podcast, but you know, of course these countries wanna move with them. The dollar. The dollar is, you know, a, you know, hegemonic currency controlled by the US Treasury and the Fed. And so they can censor transactions, um, directly, [00:26:00] literally, and any transaction in the world.

Because, you know, if you're a, if you're a bank in Kazakhstan and you're sending a payment to a bank in Russia and it's US dollar payment, those payments have to be cleared through the US um, banking system because by definition they have to be fungible with US dollars. And so that means that. The US Treasury can essentially, and, and other entities, um, obviously can directly censor transactions.

And so this, this creates a massive economic, uh, lever for the f uh, for the Treasury and for the US State Department. And it's allowed them to basically censor people they don't like, you know, um, at will. And, and, you know, of course their first inclination is of course, terrorism and, you know, like violent hate groups and, and anti-US groups in, in the Middle East and, you know, PE that may make sense at the time, but they can always expand this, um, indefinitely to whoever doesn't support you as policy.

And so, um, I think these nu these countries want to move away from the dollar, obviously. They want to create their own, you know, settlement and currency network. And [00:27:00] China's been working on creating the dig digital yon and, and creating a, a, a settlement layer that they can, they can trade with. But they all, all these countries will run into the same issue of trip and dilemma of how are we gonna export more currency outside of our country?

Than we normally should. That means we have to be net importers. And Russia and China both are net exporters of goods. And so they're gonna have to completely strip their industrial base if they want to do this. And I'm not sure they want to do that. And so, you know, we're running into this issue, and this is what Brent Johnson points out.

Like if the US dollar is shaky, which it is, how much more shaky is the Chinese digital that you want? Right, exactly. And they might say it, they might say it's backed by commodities, but who, who's there to audit it? Who's there? You know, you have to trust. It's a Trust me bro. Again.

**Marty:** Yeah, that's, that's always been my biggest hang up with like, people are like, oh, we're gonna go to this temporary yuan slash goldman slash rubal back system.

It's like there's no transparency at the bank. Mm-hmm. The People's Bank of China or the [00:28:00] Russian, Russian Central Bank. Like there's no way, even if the bricks countries all are a bit perturbed with what's going on here in the us, I find it hard to believe that they would be so naive to be like, all right, let's just trust China.

And the People's Bank of China with the, the global reserve currency.

**PB:** Yeah. And not to mention, you know, like I said, China, they literally can't do it. Cuz right now they have what, you know, they have what's called a closed capital account, which means it's not easy for funds to flow out of the country.

Right. So this is why all these chi rich Chinese investors, um, use this casino and, and Macau and they use, you know, other casinos in Shanghai to launder their money and to send it out and just pour it up on Canadian American real estate. Um, cuz they're trying to get outta their own country and they can't cuz there are capital controls.

Yeah. I actually, uh,

**Marty:** experienced that my own life. There's a Chinese national owns the house that I've rent. It's uh, it's uh, it's definitely happening. I mean, I've seen it firsthand. Mm-hmm. And that's the other thing too is as a US citizen, as somebody who's been [00:29:00] observing these markets and this trend develop over the last decade, I really want to get to the people in charge, or maybe not even the people in charge, just incite this idea and the minds of the masses here in the United States.

It's like we have an incredible opportunity if we embrace Bitcoin. There's a lot of people out there who don't like what we've been doing. They don't like the dollar as reserve currency. We should probably just cut our losses because as we've described earlier in this conversation, there's the fed's backed into a corner and there's really no way out except for inevitable hyperinflation.

At some point, probably in the next decade or two, uh, maybe we should be first movers in Bitcoin, which arguably we already are. Americans own the largest stake, uh, of Bitcoin in the world, and I would really like us to cut our losses, embrace bitcoin. Make it so we don't have like an empire [00:30:00] collapse. Like many civilizations throughout, throughout history have, when they use, when they lose the reserves currency

**PB:** status.

Yeah, exactly. That would be my hope. Um, and I talked about this with Daniel Prince on his podcast the other week, but, you know, if I could convince any single person, um, to, you know, to orange peel them and turn them into a Bitcoin, or it probably would be, you know, Jerome Powell. Because e even though I, I do not like him and I don't like his policies, I don't like what the fed's done.

I think they've made huge policy errors. Um, if we could get the Fed to start to switch gears and completely start moving off the dollar standard and into a Bitcoin standard, this would rapidly force every other country on earth to jump on the, on the bandwagon. Um, because the Fed is, you know, the lynchpin, uh, that upholds the entire global monetary system.

Um, when I was studying this whole thing and, and, you know, reading all these research papers from the 1950s and reading all these books and talking to Brent Johnson I that, that I kept running into this issue of the US being. Basically they're the soul, almost like a [00:31:00] hyper power, uh, you know, internationally in terms of the monetary system where we, we basically run the entire global economy.

And so if, if, if the Fed starts switching, that's when things will really change and the US will be at a, at a, in a stronger position, you know, globally. Like this is a smart move for us.

**Marty:** Yeah. And when you think about it, I mean, luckily because of the spirit of American entrepreneurship, the, the citizens have already set us up to succeed wildly if, if they were to embrace it.

I mean, we have, uh, material amount of hash rate. Uh, a lot of the companies that are building the technology and the applications that are giving people access to the Bitcoin network and making Bitcoin better are, are built here. Obviously there are many more throughout the world, but it seems like there is a lot of innovation happening around Bitcoin here in the United States particularly.

Like we are set up to succeed. Again, it's just whether or not there is a political will to [00:32:00] allow us to succeed. Cuz that would be, that would be the worst possible scenario is where we have all this progress and all the, these good innovations and things happening around Bitcoin here in the United States and we just shoot ourselves in the foot.

I guess that's a good topic to jump into. Like what does the world look like if we do shoot ourselves in the foot and don't allow ourselves to succeed and embrace Bitcoin? Well,

**PB:** this is the, this is the difficult part, right? Because if we move to a completely, you know, Bitcoin based reserve currency system and every other country is stacked SaaS, you know, long before we did it, much cheaper prices and let's say Bitcoin, you know, if you know what global debt and currency markets are, 400 trillion.

And so let's say Bitcoin rises to half that market cap 200 trillion, you know, who knows what the price would be per coin, right? That, that's an insane amount. That means each SAT is worth. Tens of thousands of dollars. And the US now with zero on our balance sheet, the rest of the co the world has moved [00:33:00] there and we start, we start stacking.

Um, it puts us in a very precarious position because we're still dealing with the after effects, you know, with the hangover from five decades of a fiat monetary system and exporting on manufacturing. So we'd be walking to a world where everyone else has a reserve currency and we don't. And in order to earn it, we have to actually provide value and create goods and not just print money and export it.

Um, You know, to get these, to get our hands on some stats. And so it would basically impoverish the US in my opinion, um, for at least a decade or so as we have to rebuild our, our domestic manufacturing and start earning back, you know, um, some stats to, to trade globally. So it would put us back pretty far, in my opinion.

And, you know, there would be, um, obviously there's, there's gonna be institutional, uh, resistance to this because the current institutional actors benefit greatly from the current system. So they don't want to move to a Bitcoin monetary system where they won't have censorship rights and they won't have exclusive transfer rights, um, [00:34:00] and ability to move freely within the system.

And so, you know, it's, you know, US institutions like the Fed and the treasury won't be, you know, they won't be too thrilled about this approach. But I think if, if they look at this seriously enough and realize that, you know, per Jason Lowry's software like this is a, a form of almost geopolitical, um, You know, like strategy warfare.

They might be forced to, to start changing their minds and, and start stacking SATs and getting ready for a new system. Do you think this is on

**Marty:** their minds at all? You think they think about this or do you think they're so caught up in the problems that they're having to deal with that they're too distracted to even consider it?

**PB:** I think there are probably a few people, you know, at the, at higher levels of treasury, um, who are considering this, especially after Jason Lowry posted his, um, his thesis. Um, I, I, again, I'm not super connected at that level. I do have a friend who's former, um, special ops soldier, and he has a lot of people he knows in, in high levels of government.

[00:35:00] Um, you know, not insanely high level, but medium, medium, high level. Um, and he said that, uh, actually a few of them mentioned his, uh, Jason Avi's book. And so that, that itself is making a way, its way, especially around the Defense Department, and people are ta starting to talk about that. So that's a very, you know, I think, uh, comforting sign that people are starting to take this seriously, but I, I don't think it's being taken seriously enough, especially by the people at the highest levels like yelling and Powell.

Yeah.

**Marty:** Yeah. Software's very controversial. Mm-hmm. I mean, I can see what Jason's trying to do with it, but I just worry, like, again, if the Defense Department, and if you do label Bitcoin, Military grade weaponry, particularly mining, it becomes nationalized. So that's the other part of this too, is like, how much do we want governments getting in it?

That's why I think, again, we have a great opportunity here in the United States if we stay true to the ideals of this country was founded on freedom. Freedom of speech, freedom property, good property rights. Mm-hmm. Sound money. And I would think, [00:36:00] I think the best case scenario for us is the government saying like, all right, just go do your thing.

Entrepreneurs, take care of the network, build out your mining operations. We're not gonna tell you to do anything cuz that at the end of the day is what is gonna allow Bitcoin to maintain its values if it's sufficiently distributed. Uh, hash rate ownership is distributed amongst many individuals and the whole mining industry doesn't become nationalized globally, where you just have nation states controlling the mining and censoring blocks back and forth.

It's completely defeats the purpose for bitcoin. Uh, and why it exists in the first

**PB:** place. Yeah, I agree. I sh I, I should mention, I don't, you know, wholeheartedly and unequivocally agree with everything that Jason wrote. Um, I still, I've only read like a little bit of his book. I need to read the rest of it, but I don't, I don't necessarily like want to see Bitcoin National, you know, bitcoin mining nationalize, or, or see, you know, industrial production regulated that highly.

But what [00:37:00] I really want to, um, you know, I really want the, the treasury and the State Department to take seriously is this idea of, you know, Bitcoin is a new reserve asset and being traded freely in, in terms of international trade. And so if that's the case, then the US should absolutely buy some. Um, and, you know, maybe the Defense department should create their own, um, a few mining rigs.

But I, I agree with you. I don't think that it should be to the level that, um, you know, he might be be wanting or mentioning. I think it should, it should stay obviously a, a production of the free market.

**Marty:** Yeah. Yeah. It's gonna be fascinating. What a time to be alive. Stuff's fun to think about. It gets daunting at times.

Heavy at times. But this is the cart we've been dealt. And, uh, it's important to have discussions like these and get these out there. Like how do you, how do you think this plays out? Like convincing individuals? Cause that's the other hard part. We have to convince individuals globally that Bitcoin is good.

It's good, buddy. Mm-hmm. It's not a Ponzi scheme, it's not destroying the environment. Uh, you're gonna want to [00:38:00] adopt this. And I, I think that's another big hurdle. Not only do we have to convince governments like, Hey, you should cut your losses. This fiat monetary system is in its end game. It's gonna implode and explode right in front of your, in your face.

Um, not only we have to convince them, but then we have to convince individuals that, hey, that yeah, this digital money that you've been hearing about is actually legitimate. It's not a Ponzi scheme. It's not a get rich quick get rich quick scheme. It is the best money we've ever come into contact with.

Mm-hmm.

**PB:** Yeah, the, the, you know, the convincing process is difficult, especially in first world countries, but from my experience, you know, I have family in Venezuela, I have family in Peru, obviously in Chile and Argentina, and they are much more open and accepting of, of Bitcoin or or other, even other cryptocurrencies, because usually they don't have the technical knowledge or just the understanding of the difference between the two.

Um, then they are of traditional fiat currency. And so I think as, as we, you know, progress further [00:39:00] down this road of, of monetary debasement and inflation and, and as these feedback loops start to get worse and worse, and explanations starts to move exponential, like we've said, I think people will start to, you know, it, it'll be like, if you don't accept Bitcoin, you're an idiot, right?

It'll be, it'll get to that point where everyone's using it and the only people who aren't are the stubborn, um, you know, Hermit types who, who are now the new conspiracy theorists of the people who don't, you know, want to, to be included in modern society. So it, it'll be just mu, you know, much like the internet where the, there's a lot of resistance at first, and there's a lot of people saying, why do I even need this?

You know, like, why do I need to search things up on, on, uh, you know, a o l, like I can just look in my phone book. Um mm-hmm. As the network effect grows and as the utility grows, and then also as our current mon monetary system dies, I think people will be convinced more and more of its utility and, and usefulness, and it'll, it'll become, Bitcoin adoption will become like, basically inevitable.

Right. Once it gets to a certain point, it'll be, every new participant is basically forced into the market by [00:40:00] other participants, and, and at that point, you can't stop it.

**Marty:** Yeah. So what do your friends and family members say who are down in Peru and Chile and Columbia, Venezuela? What are, what are they, why, why do you think they get it intuitively?

**PB:** I think, uh, obviously there's, you know, the, the inflation cultural, um, aspect of they are really struggling with the current monetary system. They're mad and upset at their government. Um, Peru had a, had a new, um, president and he is, you know, a school teacher and he hasn't really had a plan. He's replaced his cabinet like 12 times.

And my mom keeps talking to me about this and, and she's very upset about how they're currently running things. And inflation is, you know, at 20 year highs in Peru, it's at obviously record highs in Argentina. Um, all these, all these people are very upset and very, you know, dis I'd say, you know, maybe disenfranchised with their local, um, currency and, and, and the running of their mo monetary policy because it's hurting their checkbook directly and they're much poorer than we are here.

So they have a lot less, [00:41:00] um, buffer zone and so, You know, that's really pushing them to realize that they need to, you know, move into a new currency. Um, and I've cousins of Venezuela who actually, I, I taught my mom how to send them Bitcoin and so they're, my mom sends 'em about a hundred dollars of Bitcoin, um, about once, I think it's once a month, and that's enough for them to buy corn and flour and, uh, oil.

So they're able to live on that. Yeah. It's pretty

**Marty:** crazy. Mm-hmm. It works. It does work. It is, uh, I actually had to do that. My wife, uh, had a friend, a Venezuelan friend when we were living in New York, and her, one of her parents had to get cancer treatment, and I had a teacher. The only way for her to get money in the country is I had to teach her how to spin up a Bitcoin wallet, load it up mm-hmm.

And, and send it to her parents. But it was cool to see, it is a shame that the media does the masses a, a, a disservice by. Just trying to paint Bitcoin as [00:42:00] this currency for criminals or this Ponzi scheme or this mm-hmm. Destroyer of the environment when it is an incredibly empowering tool for people the world over.

**PB:** Yeah, exactly. It's the last, you know, the last vestiges of the dying system are, are fighting, you know, the inevitable. And, and, and they're, they're gonna do everything they can obviously to, to fight against it, but I think, you know, the, the basement's inevitable. The inflation's inevitable. Um, You know, and so there's, they can argue with it.

They can try to try to point out some supposed flaws, but I think as, uh, you know, as, as inflation rate is higher and higher, we're gonna see more and more people just move to it. I mean, just outta necessity, like who cares what your political views are, who cares what your, you know, views are on, on, you know, um, on, on, on like the, the, the rights of people to own Bitcoin or what is security or commodity like, honestly, like most people don't care about that.

They're gonna care about surviving. And the reality is gonna be, [00:43:00] you know, people are gonna either accept Bitcoin and, and be able to, to, you know, provide for the families or not. And, and so they're gonna be, be forced to do this one way or another, in my opinion. Um, so I, I don't like seeing all this gaslighting.

I mean, it's disgusting. It's reminiscent of a lot of stuff we've seen with Wall Street in 2008 and, um, you know, with the GameStop phenomenon, um, a lot of people, you know, basically blamed it all on retail traders and, and, and, you know, Patted the hedge funds on the back for over shorting a company, um, and for a broken settlement and, and naked shorting system.

But, um, you know, this no system lasts forever and in my opinion, the system is, is reaching the, you know, the end of the road. We're, we're starting to move into the end game for sure. Yeah.

**Marty:** And you mentioned you got your start writing this book and getting this thesis out there on Reddit was a Wall Street bets?

**PB:** No, it was this Reddit called Super Stalk. Um, it was specifically about the GameStop, uh, phenomenon and, and you know, them being the, you know, the buy button being turned [00:44:00] off essentially. And, and, and a lot of these bi you know, these gme uh, apes as they like to call themselves, are actually, you know, a lot of 'em are turning into Bitcoiners, uh, because a lot of them were disenfranchised and angry at the system in 2021 was seeing the sock trading get shut down arbitrarily just to protect a few.

Um, hedge funds and protect the interests of the prime brokers. And so them seeing directly like in your face, face, broad day light, the buy button being turned off and you not allow being allowed to buy a stock that's being, you know, experiencing a short squeeze was a, was a wake up moment. And a lot of them have said that they've read my work and started to buy Bitcoin because of it.

Um, hell yeah. Yeah. No, it's funny

**Marty:** cuz I, I remember when Wall Street bets was going on, GameStop, AMC had Beth and Beyond whatever, all this stocks, and I would dive into that Wall Street bat, bes read it, and just like Reba people were saying, and they were like, Hey, this is the way to get back at the system.

And it's like, hey, I, I get what you're doing and I understand, I think it's somewhat [00:45:00] admirable and virtuous that you're trying to fight back against the incumbent financial system that is completely controlled by a select few and very much manipulated. But that's not gonna be, You're, you're best bet at actually making a material impact on that system.

Bitcoin is that. And so, again, you can take this all the way back to 2008, um, the aftermath, which Bitcoin was birthed out of, like with Occupy Wall Street, it was the same thing. It was like, you can protest, you can go to Zuchetti Park or whatever the hell was called, um, and, and try to voice your discontent with the state of the world.

But you, you need a tool that's actually gonna be able to defang these people and Bitcoin is that tool. So I think the fact that the, uh, GameStop apes are beginning to turn to Bitcoin is an extremely encouraging sign because that was a, when that was all going on, I was watching from afar. I was like, ah, this is funny.

Um, I, I like that you guys are doing this, but this is the wrong strategy. Like [00:46:00] you need to defund these people at the root of the problem, which is

**PB:** money. Yeah. Monetary power, you know, is economic and military power and political power, right? So if you, if you have a new system where these people ha no longer have any monetary power and cannot accrue it by, you know, causing up to the fed and sending next to the money printer, to, to profit off cotillion effects, you can essentially, you know, reorder the global system, um, overnight and, and make sure that corruption and, and, uh, you know, societal decay becomes a lot harder for these people to, to, um, instantiate in our economy, um, becomes a lot harder to do these things because there's no money printer to profit off of.

No,

**Marty:** no. That's what we have right out here in the studio. Fix the money, fix the world. Mm-hmm. Like you, you get beyond just like the financial aspects, like all this money printing leads to a misallocation of capital. Perverse incentives. That's why our country's fat, arguably why we're stupid, arguably why all of our real estate is shit.[00:47:00]

Why our roads are crumbling, it's because we, we don't have a correct pricing mechanism to actually accurately weigh opportunity costs, to make capital allocation decisions that actually end up in better goods, better services, the more productive economy overall.

**PB:** Exactly. And you know, this is where I start to think about, you know, the homelessness crisis and the drug epidemic and, you know, seeing suffering on the streets every day in, in the cities of the us.

Like there's so much, so many people who are hurting and it's. It's honestly depressing. And, and, and it, it makes me mad. I mean, this is part of the reason why I wrote the whole series is cuz when I first discovered how the, how the Fed works and how the treasury works, I was just pissed off for, for a week.

Like, I couldn't believe that this was accepted. And, and, and it was taught about in, you know, academic schools and, uh, at the university I attended by, you know, PhDs who defended this system not only on, you know, its its practical grounds, but on its mor moral grounds. They, they said that this is the right way [00:48:00] for a government to work.

And I couldn't believe that, you know, stealing from the citizens in mass was something that they thought was acceptable. Um, you know, it's, it's one thing to tax people and then they can vote out the people who them too high or they can change the tax laws. It's another thing to just have a arbitrary, you know, board of governors that are unelected who decide the price of money and decide how much we're gonna print today.

Um, and they can just impoverish everyone else, uh, at the expense of, of, uh, you know, or at the profit of their friends.

**Marty:** Yeah. Hey man. Debt is just money we owe ourselves. We're just gonna keep printing. Don't worry about it. That's one of the most insidious, uh, lines of thinking that has ever entered the thought of e uh, of economics.

And we're still paying the price today. Uh, so end endgame. We've passed the event horizon. I think we both believe bitcoin's gonna be the next re reserve [00:49:00] currency of the world. What are you thinking in terms of potential purchasing power value of Bitcoin once this happens, especially if you have that flywheel begin going off, which I mean, we got a signal.

That it's happening last week too, unfortunately, for the, the Baton Sovereign Wealth Fund, they got caught up in block fine Celsius. So, uh, that made the world aware that they were stacking Bitcoin within their sovereign wealth fund. So that's country number two, publicly, maybe three. I think everybody would concede that Russia's definitely stacking bitcoins where El Salvador, Russia, Bhutan, publicly stacking Bitcoin.

Once that flywheel gets off in earnest, how crazy do you think this gets in terms of the value that accrued the Bitcoin network?

**PB:** I think it, I mean this is where I think it goes exponential. Um, and again, people think I'm p I when I say about this, talk about this in terms of inflation, people also think I'm in, I'm insane and I'm a conspiracy theorist.

But really when you look at the network [00:50:00] effect and you look at the flywheel effect like we talked about, that keeps dragging and more and more participants, it's not hard to do, to imagine this to actually taking place. Um, you know, there's, uh, You know, in international monetary economics there's phenomenon called currency wars in beggar than neighbor policies where currencies will, you know, countries will devalue their own currency and then another country will often devalue their currency to, to try to get more trade, um, uh, exports from their countries.

So, so they'll basically be in a race to the bottom, devaluing each devaluing and fighting against each other to try to get the best rate, um, right against the dollar. And there's no reason to think that that wouldn't, that that wouldn't play out. Um, in terms of stacking stats, right, the first nations to move are gonna be the, the, um, the four, the fastest and strongest movers in the system.

And then once they start moving and ev start moving rapidly, and the price goes to 50 and then to 80, then a hundred, then 200, then 300 other nation states are gonna start worrying and being like, Hey, would you rather hold onto our own currency or onto these dollars that are [00:51:00] depreciating daily? And that can be censored or seized, or would we rather start stacking SATs?

And, uh, like I said, the last nation to move on is gonna be the, the loser in the system. They're gonna. Essentially have nothing, they're gonna have to rebuild all their wealth from the ground up because they're gonna have to export goods to, to gain any SATs. And so, um, you're gonna see, in my opinion, you're gonna see this accelerate and you're gonna start to see the price go.

You know, especially at a certain point in the end game, you know, the price will basically go exponential. And, and it'll be every day, almost every day will be up, you know, 10%, 10%, 10%, 10 per percent for months on end because everyone will be rushing cuz there's no supply limit on a fiat currency. They can put as much as they want to try to get their hands on it.

Um, and so I think that it goes exponential and like I said, I, I didn't do, I've done the math, so I don't know what it'd be per sat, but just do the numbers of 400 trillion of global debt, um, and four x markets divided by 21 million Bitcoin. And that should give you a rough [00:52:00] estimate of where it should be at at the end of this.

Yeah.

**Marty:** So we gotta stay humble and stack stats freaks. It's uh, it's gonna get crazy. What do you think? The social ramifications of this type of rapid monetization of Bitcoin will have you have hopes for a somewhat peaceful transition? Or is it gonna be so chaotic that there's gonna be a bit of a societal upheaval for some time before the dust settles and we get back to being able to be civil economic partners?

**PB:** Well, I think you look, I think that we're gonna have, obviously some societal, uh, upheaval. I think people are not gonna be happy with inflation ripping, because, you know, kind of the point of my thesis is Bitcoin going exponential happens, especially towards the later stages of this. The, the, what's gonna happen first is just inflation's just gonna get worse and Bitcoin may rise to 100, 200, 300,000, but it won't really go exponential until inflation gets so untenable that people can't even live.

And, um, there's a study done, forgot by who, [00:53:00] uh, that. That showed that in about 20 countries that experienced food riots, it was because inflation had reached, um, the, the average price of food was more than 40% of the average per the medium person's salary. So once we hit that threshold, that's when riots break out in our basically like, you know, widespread throughout a country.

We saw this in the Arab Spring, you see this in Venezuela right now. Um, and so once we hit that threshold of, of median food prices per month being more than 40% of someone's income, uh, that's when things start to get not so great. But I, I, I don't believe that we're gonna go into, you know, the zombie apocalypse that some people are preparing for, that everyone's gonna be hurting each other and we're gonna be like fighting at the Walmart over the last, you know, Snickers bar.

Right. I think that people, the adoption of Bitcoin will be, Be more and more will speed up. And all these tech companies, if you think about it, like from a monetary perspective, they'll think like, wow, think how much money and funding will be going moving into Bitcoin very rapidly [00:54:00] as we switch completely from the, from, uh, from the system, from the old system into the new one.

And so you'll see this huge influx of capital and resources and intellectual capital, um, into Bitcoin. And you'll see all these companies start popping up new payments, new payments companies, you know, new ones setting up, um, you know, probably financial statements and balance sheets for, for small businesses that they can operate on a Bitcoin standard.

Um, and that all can happen very quickly, right? We're talking a matter of months mean six to 12 months for most of these things to be spun up. Um, and so I think, you know, giving you exact timelines and giving you exact things that will happen is obviously impossible. But I think, um, You know, they'll be more and more in rest and people will be, uh, very upset.

And probably, uh, when we finish moving to the new system, everyone will act as if all this was obvious. In hindsight, they'll say, Hey, you know, oh, of course the Bitcoiners knew about this. I knew about it too. And I, I didn't stack stats earlier because I just, you know, I didn't have the money, or I, they'll make up some excuse.

Um, but, um, I think they'll [00:55:00] probably be, honestly some jealousy also against the Bitcoin, the original Bitcoiners, because of their newfound wealth. Um, I believe people being like, it's not fair and, you know, life isn't fair, but you, you have the chance to stack now, so might as well. You

**Marty:** were on Tinder when I was learning the blockchain.

Exactly. I was doing, I was doing my hard work and due diligence. I made an educated decision. It was not luck. Mm-hmm. No, I agree that's gonna happen, but I'm also opt Yeah, like, like I think I'm optimistic as well cause I do think we have been afforded somewhat of a luxury. Now that Bitcoin's 14 years old, white paper will be 15 later this year.

We've had a lot of time to build out the network, the layers above the network, the mining industry, uh, the UX around interacting with the network. And I do think, like you said, once that light bulb goes off for many people, particularly in the tech sector, they are savvy entrepreneurs and more [00:56:00] importantly, competent technologists who know how to implement this stuff into their stacks that the network and the ecosystem around it has gotten to a point where it'll be relatively trivial to begin implementing the ability to receive and send Bitcoin or interact with Bitcoin or use Bitcoin as some financial collateral within a tech stack or a banking stack.

**PB:** Yeah, and I mean, to not only add to that, but like think of the game theory, they'll play out as we have a dual monetary system. Um, you know, and Lynn Alden's talked about this, but, um, there's something called Gresham's Law, right? Where, um, there's basically a war between two different currencies. One that's overvalued and one that's undervalued.

Um, and the undervalued one will be used at first more because it's, it's losing value and people wanna get rid of it. But once that happens, you know, there'll be almost a game theory like push into the new monetary system that will hurt the old one. So an example is, let's say, you know, Bitcoin's at 500 K and [00:57:00] appreciating quickly, and there's, you know, let's say a third of the businesses in the US now, except Bitcoin.

Well, if you see this happening and you see, hey, Bitcoin is rising, um, everyone's moving to Bitcoin standard, I might as well go to the bank, max out all my credit cards, max out all my loans, and just buy Bitcoin and then just go and pay for my groceries and everything in Bitcoin. And who cares about my credit score?

Who cares about all these old fiat, you know, Mechanisms of control because they won't matter anymore because what are they gonna do? Seize a bank account with $0 in it? They can't do that. Um, and if you don't have any collateral posted for any of these loans, then how are they gonna collect it? So, you know, there, there could be people that start, you know, inadvertently maybe hurting the old system in order to get into the new one.

And that would speed its demise, obviously. Yeah.

**Marty:** That's when Russian's law flips to The's law instead of bad money driving out. Good. You get the good money driving out the

**PB:** bad. Exactly. And that's the switch that, um, will, I think that's one of the, the catalysts to turning Bitcoin exponential. That's when, [00:58:00] again, like we won't just see 200 K to 400 k, we'll see 1 million to 5 million and then 5 million to 20 million.

Yeah.

**Marty:** Mm-hmm. It's gonna be fun. It's gonna be exhilarating. I don't know if fun's the word to describe it, but it's gonna be,

**PB:** it's gonna be crazy. That's, that's for sure. It's gonna be a ride. I keep telling people it's a ride. I, I'm not gonna tell you if it's gonna be all good or all bad. It's probably gonna be both, but it's gonna be a ride for

**Marty:** sure.

Yeah. So what do you think, uh, short term here? Obviously we had the blowup of Silicon Valley Bank, signature Bank. Uh, we've had this bank in crisis very eerily similar too. Oh wait. Where you had a, a few bank failures in the beginning of the year and then the fireworks went off in the fall of 2008.

Obviously. Um, feds got rates staying high. They're still raising by 25 bibs at least. Um, What do you think happens in the short term next three months? What are you looking at? I saw you were posting about um, [00:59:00] uh, the reverse repo. Is there any signal in that market right now?

**PB:** Yeah, so reverse repo is essentially right, like money market funds and, and you know, primary dealers parking their cash at the Fed in order to get their hands on treasuries cuz they need that collateral and it's better for them to do it there than it is for them to outright by treasuries.

Cuz if they buy them they're gonna have unrealized losses on their balance sheet. Um, but I think, you know, obviously the banking system is right now and the, in B T F P and other programs that have been created are trying to to, you know, hold the system together with duct tape and bailing wire. Um, and a lot of people have asked me if I think that 2008 is coming again, coming again, but.

Personally, I actually don't. Um, and the reason is multi, you know, multifaceted, uh, Alden's done some great articles on this, um, but mainly because the Fed now knows how to fight a banking crisis and they're gonna create as many liquidity programs and loan funding programs and zero interest rate loans as they need to in order to keep the wheels on the bus.

And so [01:00:00] I, I believe that even if there is a banking crisis, the Fed will step in and print as much money as needed to keep everything solvent. Um, but in terms of Bitcoin, what's been really encouraging is seeing the price rise into a crisis. That's us seeing this decoupling of market narrative start to emerge, where instead of viewing Bitcoin as a risk asset and as something that trades basically on par with Nasdaq and, and you know, the higher beta s and p stocks, we're now seeing it trade as its own bonafide.

Um, you know, basically like safe haven asset, kinda like gold. Um, and actually it's obviously been outperforming gold by multiple factors because gold's up eight or 10% and bitcoin's up, what, 80% since the start of the year. Um, and so I think that the market's starting to sniff out the coming to basement and incoming QE and the pivot, and they're starting to get ready for, for a move.

So I think into this year we're gonna see Bitcoin trade probably sideways and up. So I'm, I'm not expecting this year to be a huge bowl year, but I'm expecting this year to be, [01:01:00] um, overall, uh, a good year for Bitcoin and, and we'll see a rally maybe up to 40,000. Uh, I don't know, but, um, the true debasement really starts kicking in, um, end of this year, early next year when the Fed is forced to pivot because they are, you know, obviously the, the TGA is, which is something else that we should mention, like their own checking counts running outta funds.

Um, they have about 190 billion as of, uh, April 15th. And then they're gonna get an i influx, obviously because of the tax taxes and that could buy 'em a few. You know, a few more months, but probably by the end of this year we're gonna be seeing, um, them having to raise the debt ceiling and kick the can again, um, and start, and the Fed will start, probably start to have q you know, start QE just to hold the interest rates down because they'll run into the same problem of, we've talked about if they keep rates high, the banks aren't solvent companies are going under left and right.

And the treasury itself will be pulling itself deeper and deeper into the black hole. Yeah.

**Marty:** And so for the freaks out there, when you say T [01:02:00] tga, you mean treasury General account, correct? Yeah,

**PB:** exactly. It's basically the US government checking account. And you can see it on, uh, Fred, um, if you look it up.

And I believe some, some people have also published it on Trading View. Yeah.

**Marty:** Yeah. It's gonna be fun. I wouldn't mind like a, just a flat to humble pump here. More time to stack more sets because when it happens, when it rips freaks, it's gonna rip and there's gonna be a lot of people like, damn, I should have bought when it was 25 k, when it was 27 k, when it was 40 k.

Is that, like you said, like I don't think people realize, people just literally chemically our brains cannot comprehend exponential functions in real time. And that's what we're gonna experience as an exponential move.

**PB:** Exactly. And that's, I mean, that's what we saw with the GameStop stock. That's what we've seen with, um, you know, different, different securities that have underlying factors of feedback loops where like a gamma squeeze or a short squeeze where the [01:03:00] more and more they buy, the more they have to buy because the more underwater they are.

Um, and you'll see the Fed run into the same dilemma, right? Like the treasuries underwater. They print more money to to buy the bonds. The treasury spends them into the real economy, and then inflation rises and the treasury has to spend more next year or in the next quarter, and the Fed will have to print more.

And this, this cycle doesn't end like this is what I've been trying to tell people is I know that, you know, the US dollar has been stable, relatively stable for the last 50 years, but no, fiat currency lasts forever. And, and no country's immune from feedback loops. And so, you know, the US has no exception.

We can fall victim to this just as easily as anyone else.

**Marty:** Yeah, that's another thing too, is they're able to give themselves a little bit of breathing room due to how they manipulate the cpi. So they're able to come out and say, yeah, inflation's only 6.1%. But I mean, down here, I just know that not to be true, just by looking at my grocery bill and then gas prices too, like I went home for a.

To Philadelphia for a few weeks, then came back to [01:04:00] Austin, and gas prices were up 10 to 15%, like within a three week period. They're back above mm-hmm. $3 and 40 cents where I am. They were below $3 a month

**PB:** ago. Mm-hmm. Yeah. OPEC is, is, uh, cutting production and, and you know, we're seeing more and more countries trying to move off the petro dollar system.

Right. I think, uh, was it France for the first time ever paid for a li, you know, liquid natural gas shipment in, in March, um, not using US dollars. Yeah. And so if, you know, the, the network effect of the dollar is strong and it's actually incredibly strong, which is what Brent Johnson points out. But you know, of course he, he admits it's not, it's not a, a, you know, a golden ha it's a golden handcuff.

It's, it doesn't work. It doesn't work forever. It's not a diamond set thing. No.

**Marty:** You can see death by a thousand cuts. You know, Macron. Welch on hit on hit's drive to support the dollar you have. Obviously cutting off Russia, like that's [01:05:00] uhoh.

**PB:** You hear me? And he's back. Okay.

**Marty:** It's all good. I wouldn't worry about

**PB:** it. Okay. I'm on my phone now because my computer died. Okay.

**Marty:** I'll, um, yeah, I guess we can just wrap up. We were talking about, what were we, uh, what were we just ending on? Logan?

**PB:** Um, we were talking about, um, let's see, we were talking about, um, Bitcoin as reserve currency, people switching to it.

Um, and then we're talking about social de like the very ends of, um, like how, basically if there's gonna be social unrest in the system after, um, During this monitor, during this switch, and we kind of said there was, but um, yeah, I apologize for that. It's, oh yeah, my computer's been having battery issues and, um, no need.

It's, it's plugged in and charging, but it's, or it's plugged in, it's not charging and it's gone down to zero and it just died

**Marty:** so Well, sorry about that. You don't need to apologize. And I remember what we were touching on, which [01:06:00] is the network effect of the dollar and the fact that Macron is doing l and g settlement trades in a currency other than a dollar.

Like you said, Brett Johnson says, yes, we do have this massive network effect is very powerful. But I mean, a signal like Macron and France doing an energy trade outside the dollar is a very strong one.

**PB:** Yeah, I mean that's, that's a sign of the system starting to, to fall apart, right? Um, and you know, this, this current paradigm isn't, isn't, uh, you know, it never lost forever, which is something else I point out in my book. A really interesting tidbit is the average expectant life expectancy of a reserve currency is 80 years.

And guess what, you know, we entered reserve currency status in 1944, and so that means our, our lifeline is up by 2024. And so this is coming very soon. It's coming down the pike. And so definitely concerning and, and, you know, other countries too have [01:07:00] expressed desires to move off. Um, we see India and, uh, you know, China and, and some other countries are trying to make a a, a regional settlement currencies.

They can trade with each other and, you know, the other options are really poor, right. Um, And also by what, let me know, is vertical okay. Or should I go vertical vertical's Good. Vertical's good. Okay. Um, but the other, the other options, right? Like aren't actually good, good solutions for, for the, for the global system.

Because if we create a, if we created a regional currency block that's traded between, um, several different countries like, you know, India, Russia, and China, um, that's another closed system that people won't really have access to. And they can't make it a, an open system because they'll need to export more currency units than they have.

And so that'll cause their own currency to debate. And so what all the, all these countries doing these measures, in my opinion, there's stop gap measures. And I've been talking with, um, Brent Johnson and, and Luke Roman about this. And both of them [01:08:00] kind of agree that it's, it's extremely hard to move off the dollar system.

You know, Brent, Brent points out that the US will enforce our hegemony with violence, and that's absolutely true. We, we have the entire US military complex standing behind. Um, Standing behind us ready to fight anyone who wants to move off the, move off the petro dollar system. And this is where Bitcoin comes in as the perfect solution, right?

Because Bitcoin is unkillable, you know, it doesn't matter how big your military is, it doesn't matter how powerful your treasury is. It doesn't matter how many bombs or or weapons you have, you can't destroy it. And so as a reserve currency, it's not only probably the best solution, it's probably the only solution because it's the only one that can fill all the requirements that reserve currency must have, which is pristine reserve as asset, um, minimal counterparty risk used for widespread use and global trade and not a, not a centralized issuer, which, which is what gold used to be in the old system before.

Um, we moved to a pure fiat system.

**Marty:** Yeah. When, when you put [01:09:00] it that way, it's almost like Bitcoin can lead to a more peaceful world where you, you don't have to defend your world reserve, reserve currency with, uh, a mass military cuz you don't have the ability, because you don't have control over it. And you, you can't force people to use it or not use it.

They're going to use it cause it's the best one. But you have no control over it. This is the future I wanna see. PB I'm gonna call you pb. It's just easier.

**PB:** Yeah, that's

**Marty:** fine. Um, well this has been great. Thank you for doing this. Um, this's a good bull fuel, Peruvian, maybe you should call it Peruvian bull fuel.

Throw it on, throw it on the Bitcoin space. Right now we're throwing bull fuel

**PB:** on it. Yeah, absolutely. I'm, I'm glad that I'm, my, you know, my message is getting out there and my way of thinking it's getting out there. I'm, I'm relatively new to the Bitcoin world. Um, so, you know, there's been several large other Bitcoin accounts that I've been starting to read some of my writings [01:10:00] and, and put me on, on these spaces, so I'm definitely grateful for that.

Um, and I'll be at the Bitcoin conference in Miami if anyone else is going. Um, so definitely would love to meet up and, and talk. If you're gonna go there, I will

**Marty:** be there. I'll be on a couple panels. We'll be doing a live podcast there too, um, at the Opens worst stage. So let's come check that out. I'm looking forward to meeting you in person.

Where can anybody find out more about what you're writing or YouTube? Twitter?

**PB:** Yeah, sure. So on Twitter, I'm proving underscore bull, just how it sounds all lowercase. Uh, same thing on, um, medium. Um, and I have a website called the dollar endgame.com where I've published all my writings, um, and put up, um, You know, a lot of resources as well as reading lists for basically understanding what I have come to understand about the monetary system.

Um, and I have a YouTube channel called Peruvian Bowl, which is the handle at Peruvian [01:11:00] underscore bowl again. Um, and I've published parts one through three of my dollar end game series. There's five parts, so it's about 60% of the way done. So if you wanna see a video version of my series for free, you can go on there and check it out.

Um, and I also have a book on, on Amazon that's uh, called the Dollar End Game, and that's also by Peruvian Bowl. And so you can check that out too if you want to. Um, but yeah, that's where you can find me. Um, and I'm looking forward to, to meeting in Miami for sure. Hell

**Marty:** yeah. Go check it all out freaks.

Thank you for your time on this glorious Monday. Peace of love. Awesome.

**PB:** Thank you so much.